

JOINT UTILITY PROPOSAL:

CLAIMING NORTHWEST ENERGY EFFICIENCY ALLIANCE CONSERVATION SAVINGS UNDER RCW 19.285 AND WAC 480-109

Puget Sound Energy, Inc. (PSE), PacifiCorp (d.b.a. Pacific Power & Light Company), and Avista Corporation (Avista) (collectively, Joint Utilities) propose the following approach to claiming Northwest Energy Efficiency Alliance (NEEA) conservation savings under Washington's Energy Independence Act (EIA) Initiative I-937 codified in RCW 19.285 and WAC 480-109. The Joint Utilities will incorporate the approach set forth below into their respective 2014-2015 Biennial Conservation Plans. This proposal was developed by the Joint Utilities to satisfy conditions set forth in Washington Utilities and Transportation Commission (Commission) Order 03 in Docket UE-100170, Order 03 in Docket UE-100176, and Order 07 in Docket UE-100177.

PROPOSAL

The Joint Utilities propose the following two-step approach for claiming NEEA savings:

1. Prior to filing its Biennial Conservation Plan, each utility will work with NEEA to obtain an estimate of its funder share percent¹ of Total Regional Savings (TRS). To ensure regional consistency in the development and reporting of TRS, NEEA will develop the TRS estimate using baseline and technical assumptions consistent with those found in the current Northwest Power and Conservation Council's Power Plan. As per NEEA's standard procedure to avoid double counting of savings, NEEA will remove savings associated with local utility programs. This adjustment will be made to each utility's allocation of NEEA's estimated TRS to account for savings from measures, markets or activities where such an overlap and possible double counting of savings may occur. Each utility will then subtract its adjusted estimate of TRS from the first two years of its ten-year electric conservation potential to determine its Biennial Conservation Target (BCT). In order to ensure consistency and help NEEA in the alignment of the TRS estimate, the Joint Utilities propose to file their BCPs at the same time – November 1 of every odd year.
2. In order to maintain adequate focus on NEEA's performance, each utility will continue to report actual NEEA savings (using the methodology and baseline assumptions described in step one above) in required reports i.e. annual and biennial reports, however NEEA savings will not be credited to utilities for the purpose of meeting a utility's BCT.

¹ The percent of funding an individual utility contributes towards NEEA's total funding each funding cycle and captured in their *Regional Energy Efficiency Initiative Agreement* (NEEA funding agreement).

The following example demonstrates this two-step process for the purpose of setting BCT, calculating performance penalties, and reporting of actual savings:

Example of utility-specific biennial target setting

Two-year portion of ten-year conservation potential	10.0
Less NEEA estimate of TRS net of associated utility local program savings	2.0
Biennial Conservation Target	8.0

Example of Utility-specific Biennial Penalty reported

Utility Program Claimed Savings (not including NEEA)	8.3
Compared to Biennial Conservation Target	8.0
Penalty associated with BCT	\$0

Example of Utility-specific Biennial Savings reported

Utility Program Claimed Savings (not including NEEA) ²	8.3
NEEA Claimed Savings (net of associated utility local program savings)	2.5
Total Biennial Savings Reported	10.8

² Value used for assessing a utility’s performance against their BCT and possible penalty calculation.