



February 28, 2020

Docket UE-191023

Mark Johnson, Executive Director/Secretary
Washington Utilities and Transportation Commission
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RE: Northwest Energy Efficiency Council Responses to questions related to Clean Energy Implementation Plan

Dear Mr. Johnson:

The Northwest Energy Efficiency Council (NEEC) appreciates this opportunity to submit responses to questions on the utility Clean Energy Implementation Plans. NEEC is a non-profit trade association that represents over one hundred energy efficiency businesses in Washington and Oregon. We advocate for energy efficiency and smart building as critical tools in enabling a clean energy economy in the state. NEEC is providing responses to questions 1, 2, 5 and 8.

Clean Energy Implementation Plans (CEIP)

- 1. CETA stresses the need to maintain system reliability and resource adequacy. RCW 19.405.060(1)(a)(iii) requires that the specific actions taken in a CEIP be consistent with the utility's resource adequacy requirements. What information should utilities include about their system reliability and resource adequacy in the CEIP? For example, should the utilities include detailed information about the resource mix it plans to use to meet system reliability and resource adequacy and how each resource type contributes?**

NEEC believes utilities should provide detailed information regarding system reliability and resource adequacy including the rationale and related analysis for supporting the resources upon which the utility plans to rely, and how each resource type contributes. In addition to incorporating supply side resources, we believe utilities should include demand side resources such as energy efficiency, demand response, customer-sited generation, and other distributed energy resources located on the distribution system and behind the customer meter, including aggregation of customer-sited resources. Given the need to rely on both centralized supply-side resources and decentralized demand-side resources, we believe it would be helpful to include details regarding the distribution system including a

localized analysis of hotspots and potential areas of concern that might present opportunities for investment in non-wire alternatives to ensure adequate capacity.

CEIP Targets

- 2. RCW 19.405.060(1) requires that by January 1, 2022, and every four years thereafter, each electric investor-owned utility must develop and submit to the Commission a four- year CEIP for the standards established under RCW 19.405.040(1) and 19.405.050(1). The plan must propose specific targets for energy efficiency, demand response, and renewable energy. The plan must also propose interim targets for meeting the standard in RCW 19.405.040(1) prior to 2030 and between 2030 and 2045.**

- a. Should the rules provide that specific targets must be defined cumulatively for each four-year period, or identified annually, within the four-year compliance period?**

The targets required for energy efficiency and demand response should be annual targets.

- 5. What level of additional detail, if any, should the specific CEIP targets include beyond the statutory language?**

- a. For energy efficiency, the target required by the Energy Independence Act, RCW 19.285.040(1)(a), follows methods consistent with those of the Pacific Northwest Power and Conservation Council and only considers first year savings. Should the energy efficiency target in the CEIP be based on cumulative savings, savings projected over the lifetimes of measures implemented in a given program year, or capacity savings?**

NEEC suggests holding a separate discussion on how energy efficiency, demand response and other resources that are located behind the customer meter are incorporated into the CEIP (see recommendation in question 8). As the electric grid incorporates more intermittent resources there will be a need for a more flexible and nimble demand-side resource. Given this, NEEC believes demand-side savings need to be based on a cumulative annual savings at the customer meter, while also considering both system and localized peak impacts of those savings (i.e. capacity savings).

- 8. Given the need for utilities to integrate their integrated resource plan (IRP), clean energy action plan (CEAP), and CEIP, what procedural outline should utilities' public involvement follow and what components (e.g., advisory groups, workshops, comment periods, etc.) should be included? How should a CEIP public engagement and public involvement process emulate or differ from the proposed rules in the IRP rulemaking (See Integrated Resource Plan Rulemaking, Docket UE-190698, Staff**

Discussion Draft Rules at 17 (Nov. 20, 2019)) or the conservation planning process in WAC 480-109-110 and WAC 480-109-120? Please describe in detail.

NEEC recommends forming a statewide CEIP advisory group that includes representation from critical stakeholders such as current utility conservation resource advisory group members. The UTC would establish rules for membership and provide guidance for matters upon which the CEIP Advisory Group should be involved, however, NEEC suggests the following topics for consideration: incorporating demand-side resources into resource adequacy plans, EE/DR target setting, assigning value to EE/DR (i.e. cost-testing).