

## DRAFT

Washington Utilities and Transportation Commission  
I-937 Washington Conservation Working Group Steering Committee  
February 2, 2011 Meeting  
Notes

Agenda: See Attachment A.

Participants:

*In person:* Stan Price (NEEC), Bob Stolarski (PSE), Bruce Folsom (Avista), Linda Gervais (Avista), Charlie Grist (NWPCC), Eric Englert (PSE), Carol Hunter (PacifiCorp), Mary Kimball (Public Counsel), David Nightingale (WUTC Staff), Deborah Reynolds (WUTC Staff), Ryan Dyer (WUTC Staff), Mike Parvinen (WUTC Staff), Rick Applegate (WUTC Staff), Kristi Wallis (Facilitator)

*By telephone:* Cathie Allen (PacifiCorp), Jon Christensen (PacifiCorp), Danielle Dixon (NW Energy Coalition), Jeff Harris (NEEA), Dan Anderson (PSE), Chuck Eberdt (Opp. Council), Michael Early (ICNU)

1. Welcome/Introductions/Review and Finalize Agenda
2. Background/Context for Working Group (WUTC Staff)
  - a. All three utilities have experience independently managing effective conservation programs. I-937 sets additional expectations for the utilities.
  - b. Within context of I-937 there is an increased need for all parties to understand in greater detail how to define, measure, evaluate, and compare conservation efforts, e.g., methods, policies, implementation strategies, targets, filings, reports and plans, between all three electric IOUs.
3. How We Work Together as a Group. Individual participants described their personalities and decision-making styles, which ranged from “detail oriented/need to understand analytics and assumptions” to “make decision and work back from there”. Many parties expressed a need for clear expectations for this process, and to complete the work of the group within the allotted time.
4. Interest and Issues regarding I-937 Requirements
  - a. **Avista** prefers that the workgroup places emphasis on clarifying utility responsibilities under I-937. It has concerns about making approaches consistent across the utilities and does not view the utilities as inconsistent at this time. It also believes that to the extent the utilities are different, that could be driven by the individual characteristics of the utilities. Avista has 6 or 8 categories of items it would like to see achieved in this process (see attached handout [updated since meeting]).

- b. **PSE** views achievement of clarity as a more important goal than consistency. Clarity will help to manage the moving parts over the next several months. Additional items to consider include:
  - i. PSE wishes to discuss the meaning of “all cost effective conservation.” If all the parties in the room agree as to meaning, that would be powerful.
  - ii. How do we measure success?
  - iii. How do we end up feeling comfortable that we are meeting our I-937 requirements?
  - iv. This process should function like an advisory group providing guidance for a future filing.
- c. **PacifiCorp** has concerns with prudence. It would like to explore how the evaluation results will be incorporated in the reviews and the planning efforts. PacifiCorp sees a risk of creating too much structure. The next decade should cause refinement of techniques and approach. This group should preserve the ability to evolve.
- d. The **NWPCC** doesn't have a stake in the outcome. It understands the difficulties with avoided cost calculations. It believes the region is moving toward better evaluation through efforts in the regional technical forum (RTF).
- e. **NEEC** would prefer to increase the size of the market for energy efficiency. It believes that clear rules will benefit the market. Obscure rules will have the opposite effect. The NEEC does not want to see consistency for consistency sake, especially if it results in lower standards. It would like to see clarification of the term “achievability.”
- f. As a market transformation organization, **NEEA** would love have this process increase overall efficiency. It would like to avoid having to do a collaborative process for each utility relating to EM&V.
- g. EM&V has been a core interest for **Public Counsel**. Public Counsel wants programs to deliver savings. It also hopes to avoid individual utility collaborative processes for EM&V.
- h. **ICNU** perceives differences between utilities and a burden on staff resulting from the differences in the utilities.
- i. **NW Energy Coalition** believes that compliance with the law represents the ultimate interest. It maintains an interest in behavior, codes, EM&V. It also views clarity, consistency, and certainty as goals. The group should not rehash the conditions that led to the initial conditions list.

- j. **Staff** believes that consistency doesn't mean a carbon copy. Staff must treat each of the utilities consistently. It recognizes different viewpoints but hoping to present an agreed work product at the conclusion.

Kristi Wallis noted that all parties support the need for clarity and, to a lesser degree and depending upon how it is defined, consistency. Areas needing clarification include "all cost effective conservation", prudence, EM&V. Kristi Wallis will distribute Avista's list, and will talk with each party individually before the next meeting in order to create a candidate list of issues for the group to address.

5. Discuss and Define Structure

- a. Process Structure. After discussing the WUTC Staff proposal, the other participants offered alternative suggestions regarding the structure of the process. Most of the participants indicated that their "Steering Committee" representatives would also be "Working Group" representatives, and the group discussed the possibility of collapsing the two groups into one. Some parties felt that at times it may be valuable to have a smaller group discuss certain matters (e.g., resource commitment, targeted assignments). After talking with the parties individually, Kristi Wallis will prepare a process strawman for final review, modification, and approval by the group.
- b. Decision-Making Model. Kristi Wallis proposed the following decision-making model. The parties will strive for consensus. When it is achieved, the consensus will be memorialized in writing. When it is not achieved, the individual parties will decide what action to take informed by the discussion of the parties. Some parties expressed support for this approach; no one objected. It was noted that it will be important for the parties to know prior to a meeting what matters are proposed for resolution at that meeting. Kristi Wallis will include a description of the decision-making model in the process strawman to be reviewed, modified as appropriate, and approved by the parties.
- c. February 17, 2011 Working Group Meeting. Recognizing that the structure of the process and the issues list is still in play, Kristi Wallis proposed that everyone plan to attend the February 17, 2011 Working Group Meeting. At that meeting, the group will be asked to confirm the final issue list and process structure, as well as try to resolve some substantive issues.

**Attachment A - PROPOSED AGENDA**  
**Steering Committee**  
**of the I-937 Washington Conservation Working Group**

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Wed. February 2, 2011, 1:30 – 3:30 PM

WUTC Room 108 and via conference call (call information forthcoming)

*Meeting Purpose: Discuss the Objectives of the I-937 Washington Conservation Working Group; Discuss and Agree Upon the Structure of the Process including Anticipated Work Products and Timelines; Secure Necessary Resource Commitments*

- 1:30 – 1:40      Welcome  
                    Introductions  
                    Review Agenda (adjust as needed)
- 1:40 – 1:50      Background/Context for Working Group  
                    Decades of Great Work on Energy Conservation by NW IOUs  
                    New requirements imposed by I-937 (Targets, Filings, Reports and Plans)  
                    Need for Improved Consistency for 2012-2013 Biennium
- 1:50 – 2:05      How We Work Together as a Group - Personalities, Strengths and Decision-Making  
                    Styles
- 2:05 – 2:30      Interests and Issues regarding I-937 Requirements  
                    Individual Entities  
                    Collective
- 2:30 – 3:20      Discuss and Define Process  
                    Initial Identification of Topics to Be Addressed (including Prioritization) for Working  
                    Group Consideration  
                    Anticipated Work Products  
                    Respective Roles and Responsibilities  
                        Steering Committee (see UTC Staff proposal)  
                        Working Group  
                        Facilitator  
                    Commitment of Resources  
                    Decision-Making Model  
                    Work Plan  
                        Tentative Schedule for Steering Committee  
                        Schedule for Working Group  
                            First Agenda/Ground Rules (Informational)
- 3:20 – 3:30      Other?

## Attachment B - Avista Notes for WA Conservation Working Group: Scope of Issues

Avista's perspective relative to statewide policy and technical focus in the Washington Conservation Working Group can be summarized as follows:

- 1) Avista understands each utility has different circumstances that may suggest unique approaches (for example, Pacific is in six jurisdictions of which Washington is among the smallest areas)
- 2) Avista is approaching this for increased clarity and "implementability"
- 3) Avista seeks to be responsive to implement a new state law and associated Commission policy

### I-937 clarifications:

- What does 'efficiency', for purposes of I-937, mean?
- How should revisions in estimated energy saving within a two-year compliance period be treated?
- How would earlier than expected adoption of energy codes or federal manufacturing standards be treated?
- How would utility-sponsored efforts to improve code-compliance be treated?
- How would behavioral saving obtained through RCM-type or O-Power-type programs be treated?
- Non-programmatic adoption of cost-effective efficiency measures.
- Are there any minimum measure life restrictions for I-937 claims?
- Can efficiencies be 're-adopted' within an I-937 compliance period or within a five- or ten-year period, or not at all?
- What base case would be applied to improvements in thermal generation efficiency?
- What forms of distribution efficiency are eligible for incorporation within the I-937 target?
- Is there a preferred methodology for calculating distribution savings?
- Is billing analysis properly called out in our respective "10 conditions" and should this be rephrased?
- Should references to a percentage of spending for EM&V be rephrased?
- Would a forward-looking evaluation in support of DSM business planning be an endorsed use of EM&V resources?
- Are the dates properly stated or, actually, milestones properly defined (or is this utility-specific)? E.g., we can't provide verified results for the previous year by March 31<sup>st</sup>. Staff, to our understanding, agrees and we will likely propose a routine modification...
- Another thing to consider regarding the counting of savings for I-937 is whether they're at the site or the busbar
- Consistency of definitions and protocols with I-937 energy efficiency reporting by public utilities under the oversight of the Department of Commerce

This leads to what, how, and how much can be resolved in the time period available...as well as identification of those issues that are utility-specific.