

**SEINERGY** Comments on draft rule WAC 480-109, Docket UE-131723

Submitted by Bob Gunn to the Washington Utilities and Transportation Commission, May 9, 2014.

Comment 1	Current Text	Proposed Text	Rationale for Proposed Change
1. Regarding 480-109-007 (20)	“Pursue all” means an ongoing process of researching and evaluating the range of possible conservation <u>technologies and programs</u> , and ...	“Pursue all” means an ongoing process of researching and evaluating the range of possible <u>conservation technologies, measures and programs</u> , and ...	<p>The proposed language adds precision and clarity, and is consistent with the draft language in section 010 (4)(i) that reads “possible technologies and conservation programs and measures....”</p> <p>“Measures” are the basis for conservation potential calculations according to the Council. The terms “technology” and “programs” on their own do not comprehensively represent conservation potential resources or achievements.</p> <p>Technologies are inputs to (most) measures, and programs are the primary method of promoting and tracking achieved measures, but the measure itself is the best descriptor of efficiency potentials and achievements.</p> <p>Technology requires market context to become measure, and a single technology may result in many measures. For example, a CFL bulb is a technology, but depending on the application and delivery of the bulb (direct install vs. retail buy-down, dimming vs. non-dimming, residential vs. commercial, kitchen vs. front porch, etc.) there are many measure permutations for a single technology.</p>
2. Regarding 480-109-010(4)(B)	A utility’s conservation portfolio must contain programs that are not included in the biennial conservation target and are available, cost-effective, reliable, and feasible.	A utility’s conservation portfolio must contain <u>programs and measures</u> that are not included in the biennial conservation target and are available, cost-effective, reliable, and feasible.	Measures are not always completed within utility programs.

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3. Regarding 480-109-010 (4) (D)	New section	<u>A utility's portfolio may include any conservation measure regardless of the utility's participation in or influence upon the completion of the measure.</u>	The proposed language provides clarity about the WAC's alignment with the Council's Power Plans and methodologies. Council methodology identifies measure level potential without regard to utility programs, utility incentives, utility participation rates, or causality. Therefore this language should align with the intent of RCW 19.285 that strives to promote and measure the full market effects of conservation, which is not to resources attributable to any particular market actor.
4. Regarding 480-109-010 (9)	A utility may propose positive incentives to exceed its biennial conservation target as identified in RCW 19.285.060(4). Any proposed incentive must be included in the utility's biennial conservation plan.	A utility may propose positive incentives to exceed its biennial conservation target as identified in RCW 19.285.060(4). Any proposed incentive must be included in the utility's biennial conservation plan. <u>Incentives are not required in order for a utility to claim conservation savings from a measure.</u>	<p>Despite utility best efforts, customers complete conservation measures without utility participation. The measures (not the programs) are the basis for the utility's targets, and should therefore qualify as conservation resources.</p> <p>For example, a utility assesses the conservation potential for residential attic insulation based on an objective assessment of electrically heated homes in its service territory with inadequate attic insulation. If, in a given year, the utility documents that 500 of these measures are completed using utility incentives and another 500 measures are completed without utility incentives, the utility should be allowed to claim the savings from the 1,000 completed attic insulation measures. Current market practice and legislative language does not specifically address if the latter 500 projects in this example are considered eligible resources. The proposed language would eliminate this uncertainty and allow the region to record greater impacts.</p> <p>Finally, according to Council Methodology's "frozen efficiency" principle, baseline efficiency conditions are fixed at a point in time, and <u>all</u> conservation savings that occur past this point in time are considered conservation.</p>