

SCL I-937 Conservation Target Resolution

Date of this Brief	January 12, 2012		
Supersedes			
Key Contacts	Name(s)	Phone	Short Title
	Glenn Atwood	4-3740	Conservation Director
	Steve Kern	4-3243	Power Supply Officer
Council Action Required?	Yes	If YES, within the next 3 months?	Yes
Public Hearing Required?	Yes		
Presenters (if applicable)	Glenn Atwood, Director, Conservation Resources Division		

Summary Statement

Seattle City Light is seeking approval of a Resolution that acknowledges and approves City Light's adoption of a biennial energy conservation target of 24.01 aMW for 2012-2013 and a ten-year conservation potential of 120.02 aMW, for the purposes of compliance with state Initiative 937. The adoption of this Resolution meets the requirement in WAC 194-37-070 for Seattle City Light to adopt the ten-year potential and the two-year conservation targets by action of the utility's governing board in a public meeting.

Background

Ballot Initiative 937 (Energy Independence Act, aka I-937) was passed by Washington state voters on November 7, 2006 and requires qualifying electric utilities to undertake cost-effective conservation. This Initiative requires electric utilities to adopt a biennial energy conservation target and a ten-year conservation potential in January 2010. In establishing the conservation potential, utilities must use methodologies consistent with those used by the Northwest Electric Power and Conservation Planning Council's (NWPPCC) in its most recently published regional power plan.

To document that the utility has established its ten-year potential and biennial target using methodologies consistent with those in the sixth power plan (the most recently published power plan), a utility may use a Utility Analysis Option also known as an energy conservation potential assessment (CPA). City Light hired Global Energy Partners to complete a CPA for I-937 purposes. Global Energy Partners had completed CPA's for other electric utilities: Avista; Inland Power and Light; and Cowlitz County PUD in Washington State. Global is also working to complete a CPA for the Tennessee Valley Authority and has assisted the NWPPCC with estimating the potential within this region. Global is very familiar with the NWPPCC methodology and with the requirements for I-937. Global has followed the documentation procedures outlined in WAC 194-37-070 to complete the CPA for City Light.

The CPA results in establishing a biennial energy conservation target of 24.01aMW and a ten-year potential of 120.02 aMW.

City Light Issue Paper

It is anticipated that Seattle City Light will meet or exceed the biennial conservation target established for I-937, based on the existing pipeline of previously contracted projects, an annual target of 14.0 aMW for newly contracted savings in 2012, and financial assumptions in the Strategic Plan financial baseline supporting an annual target of 14.0 aMW in 2013 and beyond.

City Light will update the 2011 CPA in the second half of 2013 to establish the 2014-2015 I-937 biennial energy savings target.

Key Issues

The establishment of the biennial target and ten-year potential with this Resolution are specifically aimed at meeting the requirements established by I-937. These targets should be viewed as a baseline for conservation achievement as there is a financial penalty associated with failing to meet these targets. RCW 19.285.060 outlines that failure to meet the energy conservation targets are subject to an administrative penalty in the amount of fifty dollars for each megawatt-hour of shortfall. This penalty is adjusted annually according to an inflation factor.

Next Steps

The Resolution is scheduled for a Council briefing and vote on January 24, 2012. This is to be scheduled as a noticed public hearing.