

July 19, 2016

Glenn Blackmon
State Energy Office
1011 Plum Street SE
Olympia, WA, 98504

Mr. Blackmon,

RE: Department of Commerce's request for comments on whether Commerce should amend WAC 194-37-070(5) to refer to the new [7th Power Plan](#).

The NW Energy Coalition supports the language in RCW 19.285.040(1)(a), which states:

(a) By January 1, 2010, using methodologies consistent with those used by the Pacific Northwest electric power and conservation planning council in the most recently published regional power plan as it existed on June 12, 2014, *or a subsequent date as may be provided by the department or the commission by rule*, each qualifying utility shall identify its achievable cost-effective conservation potential through 2019. Nothing in the rule adopted under this subsection precludes a qualifying utility from using its utility specific conservation measures, values, and assumptions in identifying its achievable cost-effective conservation potential. At least every two years thereafter, the qualifying utility shall review and update this assessment for the subsequent ten-year period. (Emphasis added).

The Coalition therefore sees aligning the rules with the most recent NWPCC plan, the 7th Power Plan, as entirely appropriate.

There are considerable differences between what is contained in the current rules, WAC 194-37-070(5), and the methodology described in Appendix G in the 7th Plan. Retrofit and lost opportunity measures are not in the current rules; Section (5) should reflect that part of the Council methodology. There may also be a disconnect between what is in current rules and what the Council's methodology uses as a discount rate; Commerce should revisit what is in the current rules and modify accordingly.

Most importantly, many elements in the 7th Plan cost/benefit formula (found on page G-22 of *Appendix G: Conservation Resources and Direct Application Renewables* of the 7th Plan) are missing from the current rules, specifically capacity value, cost of carbon, risk mitigation value and deferred generation capacity credits. The Council's cost/benefit formula needs to be incorporated and the rules revised accordingly.

We appreciate the opportunity to respond to Commerce's request.

Joni Bosh
Senior Policy Associate

Wendy Gerlitz
Policy Director

NW Energy Coalition

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