

Deadline: June 1, 2017

Submission: Email this workbook and all supporting documentation to EIA@commerce.wa.gov

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RCW 19.285.070

Reporting and public disclosure.

(1) On or before June 1, 2012, and annually thereafter, each qualifying utility shall report to the department on its progress in the preceding year in meeting the targets established in RCW [19.285.040](#), including expected electricity savings from the biennial conservation target, expenditures on conservation, actual electricity savings results, the utility's annual load for the prior two years, the amount of megawatt-hours needed to meet the annual renewable energy target, the amount of megawatt-hours of each type of eligible renewable resource acquired, the type and amount of renewable energy credits acquired, and the percent of its total annual retail revenue requirement invested in the incremental cost of eligible renewable resources and the cost of renewable energy credits. For each year that a qualifying utility elects to demonstrate alternative compliance under RCW [19.285.040](#)(2) (d) or (i) or [19.285.050](#)(1), it must include in its annual report relevant data to demonstrate that it met the criteria in that section. A qualifying utility may submit its report to the department in conjunction with its annual obligations in chapter [19.29A](#) RCW.

(2) A qualifying utility that is an investor-owned utility shall also report all information required in subsection (1) of this section to the commission, and all other qualifying utilities shall also make all information required in subsection (1) of this section available to the auditor.

(3) A qualifying utility shall also make reports required in this section available to its customers.

WAC 194-37-060

Conservation reporting requirements.

Each utility shall submit an annual conservation report to the department by June 1st using a form provided by the department. The conservation report must show the utility's progress in the preceding year in meeting the conservation targets established in RCW [19.285.040](#) and must include the following:

(1) The total electricity savings and expenditures for conservation by the following sectors: Residential, commercial, industrial, agricultural, distribution system, and production system. A utility may report results achieved through nonutility programs, as identified in WAC [194-37-080](#)(5), by program, if the results are not included in the reported results by customer sector. Reports submitted in odd-numbered years must include an estimate of savings and expenditures in the prior year. Reports submitted in even-numbered years must include the amount of savings and expenditures in the prior two years. All savings must be documented pursuant to WAC [194-37-080](#).

(2) A brief description of the methodology used to establish the utility's ten-year potential and biennial target to capture cost-effective conservation.

(3) In even-numbered years the report must include the utility's ten-year conservation potential and biennial targets established pursuant to WAC [194-37-070](#).

WAC 194-37-110

Renewable resource energy reporting.

Each utility must submit a renewable resource energy report to the department by June 1st of each year using a form provided by the department. The report must reflect the actions that the utility took by the previous January 1st to meet the renewable requirements of chapter [19.285](#) RCW for that year. For example, a utility must report by June 1, 2015, the actions it took by January 1, 2015, to meet requirements applicable to the 2015 target year.

(1) **Reporting requirements applicable to all utilities.** Each utility must report the following information:

(a) The compliance method:

- (i) Renewable energy target using renewable resources and RECs – RCW [19.285.040](#) (2)(a);
- (ii) Incremental cost – RCW [19.285.050](#); or
- (iii) No-growth cost – RCW [19.285.040](#) (2)(d).

(b) The utility's load for the two years preceding the target year and the average load for those two years.

(c) The utility's renewable energy target for the target year.

(d) The amount of eligible renewable resources, RECs, and multiplier credits to be applied toward the utility's renewable energy target for the target year. The report must identify, by generating facility or hydroelectric project, including the WREGIS generating unit identification where applicable, and, in the case of RECs, by vintage year:

- (i) The eligible renewable resources in megawatt-hours to be applied toward the renewable energy target for the target year;
- (ii) The RECs to be applied toward the renewable energy target for the target year;
- (iii) Any additional credit for eligible renewable resources or RECs from generating facilities eligible for the apprentice labor provision in RCW [19.285.040](#) (2)(h), applied toward the renewable energy target for the target year;

(iv) Any additional credit for RECs from generating facilities eligible for the distributed generation in RCW [19.285.040](#) (2)(b), applied toward the renewable energy target for the target year.

(e) The percent of its total annual retail revenue requirement invested in the incremental cost of eligible renewable resources and the cost of renewable energy credits. Each utility must include in its report documentation of the calculations and inputs to this amount.

(2) **Incremental cost compliance method report.** Each utility reporting pursuant to subsection (1)(a) of this section its use of the incremental cost compliance method for the target year must include the following information in its report:

- (a) Annual revenue requirement for the target year;
- (b) The annual levelized delivered cost of its eligible renewable resource(s) reported separately for each resource;
- (c) The annual levelized delivered cost of its substitute resources and the eligible renewable resource with which it is being compared;
- (d) The total cost of renewable energy credits to be applied in the reporting year;
- (e) The percentage of its annual revenue requirement invested in the incremental cost of eligible renewable resources and the cost of RECs; and
- (f) The most current information required by WAC [194-37-160](#) used for this financial demonstration.

(3) **No-growth cost compliance method report.** Each utility reporting pursuant to subsection (1)(a) of this section its use of the no-growth cost compliance method for the target year must include the following information in its report:

- (a) Annual revenue requirement for the target year;
- (b) Actual and weather-adjusted load for each year used in determining that the utility's load did not increase;
- (c) Delivered cost of its eligible renewable resource(s), RECs or a combination of both for the target year to be applied to the one percent of annual revenue requirement, reported separately for each resource;
- (d) Generating facility identification, vintage, quantity and cost of any RECs to be retired as an offset for nonrenewable resource purchases pursuant to RCW [19.285.040](#) (2)(d).

(4) **Final compliance report.** A utility must submit a final renewable compliance report by the later of (a) two years after the filing of the report required in subsections (1) through (3) of this section; or (b) ninety days after the issuance of the auditor's report for the target year. The final renewable compliance report must provide an update of any revisions to the information previously reported pursuant to this section or, if no revisions were made, notify the department that the initial report should be considered the final report. For any target year that a utility demonstrates to the auditor that it did not meet the annual renewable resource requirements in chapter [19.285](#) RCW due to events beyond the reasonable control of the utility per RCW [19.285.040](#) (2)(i), the utility must summarize these events in the final compliance report.

RENEWABLE ENERGY WORKSHEET – REVISIONS TO 2015 REPORT

In addition to submitting the 2017 report, each qualifying utility should review the renewable energy report it submitted in 2015. In many cases, the specific resources and quantities actually used to comply with the 2015 target differ from what the utility reported in June 2015. Utilities should submit a revised 2015 report if the actual values differ from the values reported in 2015.

WAC 194-37-110(4): Final compliance report. A utility must submit a final renewable compliance report by the later of (a) two years after the filing of the report required in subsections (1) through (3) of this section; or (b) ninety days after the issuance of the auditor's report for the target year. The final renewable compliance report must provide an update of any revisions to the information previously reported pursuant to this section or, if no revisions were made, notify the department that the initial report should be considered the final report.

Please use the 2015 template and mark it as "revised." Contact Commerce to obtain a copy of the 2015 reporting template if necessary.

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Energy Independence Act (I-937) Conservation Report 2017

Utility	PUD #1 of Clallam County	Planning	
Report Date	June 1, 2017	2016 - 2017 Planning	
Contact Name/Dept	Sean Worthington / Customer Services Manager	2016-2025 Ten	
Phone	(360) 565-3240	Year Potential	2016 - 2017
Email	SWorthington@ClallamPUD.net	(MWh)	Target (MWh)
		35,478	7,008

Achievement

Conservation by Sector	2016 Achievement		2017 Achievement	
	MWh	Utility Expenditures (\$)	MWh	Utility Expenditures (\$)
Residential	3,236	\$795,859		
Commercial	1,287	\$313,483		
Industrial	-	\$6,646		
Agriculture	7	\$1,900		
Distribution Efficiency	74	\$199,952		
Production Efficiency				
NEEA	596			
Conservation expenditures NOT included in sector expenditures				
Total	5,200	\$1,317,840	-	\$0

Note: Expenditure amounts do not include any customer or other non-utility costs.

Utility	PUD #1 of Clallam County
Compliance Year	2017

Notes, including a brief description of the methodology used to establish the utility's ten-year potential and biennial target to capture cost-effective conservation:

The following steps were taken to establish the 10-year potential:

- a) All of the Council's current energy efficiency measures (Sixth and Seventh Plan measures) were evaluated to determine which had greater benefits than costs.
- b) The life-cycle cost analysis was performed using the Council's ProCost model. Incremental costs, savings, and lifetimes for each measure were the basis for this analysis. The Council and RTF assumptions were utilized.
- c) A regional market price forecast for the planning period was created and provided by EES. In order to evaluate market price risk in Clallam PUD's CPA, three conservation scenarios are evaluated: *Base*, *High*, and *Low*. These scenarios model market price risk deterministically by evaluating energy efficiency under different market price levels with the inclusion of risk adders.
- d) The Council's Sixth Plan default measure load shapes were used to calculate time of day usage and measure values were weighted based upon peak and off-peak pricing. This was handled using the Council's ProCost program so it was handled in the same way as the Sixth Power Plan models.
- e) Cost analysis was conducted according to the Council's methodology. Capital cost, administrative cost, annual O&M cost and periodic replacement costs were all considered on the cost side. Energy, non-energy, O&M and all other quantifiable benefits were included on the benefits side. The Total Resource Cost (TRC) benefit cost ratio was used to screen measures for cost-effectiveness (i.e., those greater than 1 are cost-effective).
- f) Benefits and costs were evaluated using multiple inputs; benefit was then divided by cost. Measures achieving a BC ratio of ≥ 1 were tallied. These measures are considered achievable and cost-effective (or "economically achievable").
- g) Operations and maintenance costs for each measure were accounted for in the total resource cost according to the Council's assumptions.
- h) Deferred capacity expansion benefits were given a benefit of \$31/kW-yr for local and \$26/kW-yr for bulk transmission in the cost-effectiveness analysis. This is the same assumption used by the Council in the development of the Seventh Power Plan.
- i) Quantifiable non-energy benefits were included where appropriate. Assumptions for non-energy benefits are the same as in the Councils Sixth/Seventh Power Plan. Non-energy benefits include, for example, water savings from clothes washers.
- j) Total costs were tabulated and an estimated 20% of total was assigned as the administrative cost. This value is consistent with regional average and BPA programs. The 20% value was used in the Fifth, Sixth, and Seventh Power plans.
- k) Discount rates were applied to each measure based upon the Council's methodology. Real discount rate = 4.25%, based on the utility's real internal discount rate.
- l) The assessment conducted for Clallam PUD was for the 20-year planning period, thus 85% for retrofit measures and 65% for lost opportunity measures were used to determine potential

measures were used to determine potential.

m) A 10% bonus was added to all measures in the model parameters per the Conservation Act.

n) Accelerated, low, and high scenarios were run and plotted next to the base-case scenario. Ramp rates were also utilized to adjust for Clallam PUD's programs.

- *Base Case Conservation Scenario:* Conservation resources will help Clallam PUD meet its future load requirements and also help avoid REC purchases. Therefore, a risk mitigation credit is included in Clallam PUD's base case conservation scenario. The risk mitigation credit, \$25/MWh, is based on a forecast of future REC prices over the study period.

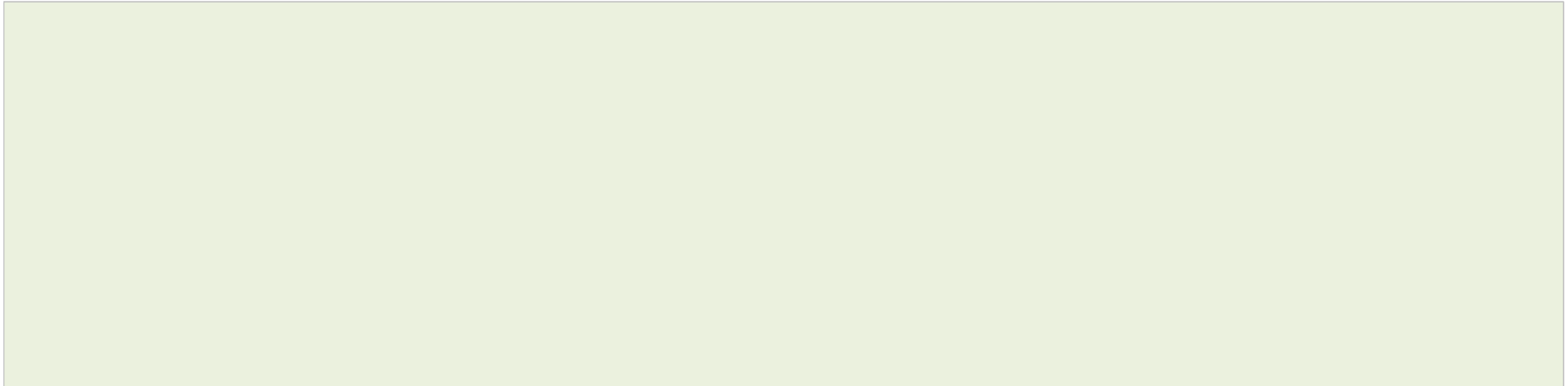
- *High Conservation Scenario:* In the 2013 CPA, the high conservation scenario included risk adders of \$35 and \$50/MWh for non-lost opportunity and lost opportunity measures, respectively. These adders are consistent with those used in the Council's 6th Power Plan. Since the 2013 CPA, the market price forecast has decreased by 17 percent on average. While market prices have fallen, the risk of market price increases is unchanged. Therefore, the 2013 CPA risk adders are increased by 17 percent to \$40.95 and \$58.50/MWh respectively for the 2015 CPA (\$2015). The underlying assumption to this methodology is that the upside risk of market prices is the same as it was in 2013; however, the base case market price forecast has decreased. These risk adders represent uncertainty in market prices inclusive of factors such as fuel price.

- *Low Conservation Scenario:* The Low conservation scenario evaluates energy efficiency cost effectiveness assuming no risk mitigation credits. This scenario reflects a low growth scenario coupled with a low avoided cost inclusive of market purchases (or Tier 2) and RECs.

o) The avoided cost data include estimates of future high, medium, and low CO2 costs.

Utility	<u>PUD #1 of Clallam County</u>
Compliance Year	<u>2017</u>

Other notes and explanations:



Energy Independence Act (EIA) Incremental Cost and REC Cost Report 2017

Incremental Cost of Renewable Resources

Utility	PUD #1 of Clallam County
Compliance Year	2017

Facility Name	WREGIS ID	MWh	Renewable Resource Annual Cost in 2017	Renewable Resource Cost per MWh	Description of Substitute Resource	Substitute Resource Annual Cost in 2017	Substitute Resource Cost per MWh	Incremental Cost of Renewable Resource in 2017
	0	-						\$0
	0	-						\$0
	0	-						\$0
	0	-						\$0
	0	-						\$0
	0	-						\$0
	0	-						\$0
	0	-						\$0
	0	-						\$0
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	0	-						\$0
	0	-						\$0
	0	-						\$0
	0	-						\$0
	0	-						\$0
	0	-						\$0
	0	-						\$0
	0	-						\$0
	0	-						\$0
	0	-						\$0
Totals		-	\$0			\$0		\$0

Cost of Renewable Energy Credits

Utility	PUD #1 of Clallam County
Compliance Year	2017

Facility Name	WREGIS ID	REC Vintage (Year)	Number of RECs	Annual Cost of Renewable Energy Credits	Cost per REC	Documentation of the calculation and inputs for percentage of revenue requirement invested in renewables:
Condon	W833	2016	931	\$0	0	
Klondike I	W238	2016	474	\$0	0	
Klondike III	W237	2016	1,219	\$0	0	
Stateline	W248	2016	1,923	\$0	0	
Roseburg LFG	W2616	2016	1,012	\$15,180	15	

Roseburg LFG	W2616	2017	8,798	\$131,970	15
Big Sky Dairy Digester	W1814	2016	5,150	\$72,100	14
Rock Creek Dairy	W3743	2016	3,313	\$46,382	14
Dry Creek Dairy BioFactory	W388	2016	6,223	\$87,122	14
	0	0	-		
	0	0	-		
	0	0	-		
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Total				\$352,754	

