
**Technology & Economic Development
Committee**

HB 1963

Brief Description: Concerning electric utility meter-based performance programs.

Sponsors: Representatives Doglio, Fey, Farrell, Fitzgibbon and Ryu.

Brief Summary of Bill

- Requires the Utilities and Transportation Commission to adopt rules that require investor-owned utilities to offer a meter-based performance program option for the calculation and determination of energy conservation achieved under the Energy Independence Act.

Hearing Date: 2/9/17

Staff: Nikkole Hughes (786-7156).

Background:

The Energy Independence Act.

The Energy Independence Act (EIA) was approved by voters in 2006. The EIA requires an electric utility with more than 25,000 customers to meet targets for energy conservation and to meet a certain percent of its annual load with eligible renewable resources. Utilities that must comply with the EIA are called "qualifying utilities."

Energy Conservations Targets.

A qualifying utility must pursue all available conservation that is cost-effective, reliable, and feasible. "Conservation" means any reduction in electric power consumption resulting from increases in the efficiency of energy use, production, or distribution.

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Every two years, the qualifying utility must review and update an assessment of its achievable cost-effective conservation potential for the subsequent 10-year period. The qualifying utility must establish and make publicly available a biennial acquisition target for cost-effective conservation consistent with its 10-year assessment. At a minimum, each biennial target must be no lower than the qualifying utility's pro rata share for that two-year period of its cost-effective conservation potential for the subsequent 10-year period.

Accountability and Enforcement.

The Utilities and Transportation Commission (UTC) determines compliance with the requirements of the EIA for investor-owned utilities. The UTC is authorized to determine if a conservation program implemented by an investor-owned utility is cost-effective based on the UTC's policies and practice.

Normalized Metered Energy Consumption.

In 2015 California enacted legislation which requires the California Public Utility Commission to authorize electrical and gas corporations to provide financial incentives, rebates, technical assistance, and support to their customers to increase the energy efficiency of existing buildings based on all estimated energy savings and energy usage reductions, taking into consideration the overall reduction in "normalized metered energy consumption" as a measure of energy savings. "Normalized metered energy consumption" refers to an overall reduction of energy consumption, as measured through direct metering, that is normalized to account for factors such as weather and occupancy.

Summary of Bill:

The UTC must adopt rules that require investor-owned utilities to offer a meter-based performance program option for the calculation and determination of energy conservation achieved under the Energy Independence Act. "Meter-based performance" means a program incentive approach in which energy efficiency savings are calculated by measuring the overall reduction in normalized metered electricity consumption.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.