



Integrated Resource Planning
March 2009

The Standard

- (16) Integrated Resource Planning – Each electric utility shall -
- (A) Integrate energy efficiency resources into utility, state, and regional plans; and
 - (B) Adopt policies establishing cost-effective energy efficiency as a priority resource.

Background to the Standard

The term “Integrated Resource Planning” or IRP refers to the comprehensive planning process intended to systematically consider supply side and demand side resources to meet current and projected load requirements. IRPs or “least cost planning” started to become the norm for larger utilities in the 1980s to ensure all resources types, either supply or demand side, were fairly considered in the planning process.

In the Northwest, the Pacific Northwest Electric Power Planning and Conservation Act (the Regional Act, passed in December 1980), includes a priority treatment of conservation by providing conservation a 10% cushion when considered against a supply side resource.

The Standard with Regard to the District

With regard to the District, part (A) of this standard is redundant since Washington state has two laws that apply to the District which cause this integration to happen. The first of those laws is HB 1010 requiring utilities with more than 25,000 customers to prepare IRPs which, by definition, include the integration and consideration of demand side/conservation resources. The other law is The Energy Independence Act (i.e., I-937) which requires the District to prepare and implement a 10 year conservation plan which incorporates the Power Council’s methodology.

Therefore, by virtue of the above two state laws, the District is already subject to, and has prepared, an IRP which fairly considers conservation measures. Further, the District is in the process of preparing its 1st 10-year conservation

plan per the provisions of I-937 which will cover the period January 2010 through December 2019 with special emphasis on conservation achievements in 2010 and 2011.

Regarding part (B), by virtue of the preparation of the 10 year plan and efforts to achieve the 2 year target, the District will be placing a higher priority on conservation.

Recommendation on Whether or Not to Adopt the Standard

The District should not adopt this standard.

Even though there are state laws that require the District to implement the provisions of this standard, unlike previous PURPA standards, this standard can not be grandfathered due to previous state actions. However, since the state laws are more encompassing than this standard, the District should not adopt this standard as adoption would put the District in the position of having an IRP standard that is inconsistent with state law.