I-937: The Clean Energy Initiative

Washington’s Initiative 937, passed by voters in November 2006, requires the state’s major electric utilities to gradually increase the amount of new renewable resources in their electricity supply to 15% by 2020. A cost cap protects utilities against unexpected rises in renewables costs.

Starting in 2010, the law also has required these utilities to capture all cost-effective energy conservation resources in their service territories. “Cost effective” means as cheap or cheaper than getting an equal amount of new power generation.

The purposes of I-937

- To create jobs and boost local economies by encouraging investments in new renewable resources and locally delivered energy efficiency.
- To save consumers money on their electric bills by getting all the cost-effective conservation available.
- To protect against future price shocks from rising fuel, infrastructure or carbon costs by developing both energy efficiency and fossil fuel-free power resources.
- To diversify our renewable energy resource mix, build on the state’s clean energy heritage and make sure our future power is as clean as today’s. Renewable hydropower now provides more than 2/3 of our electricity.
- To avoid the air pollution and greenhouse-gas emissions from fossil-fueled power plants.
- To contribute substantially to meeting our state’s climate goals established by Executive Order 07-02 and RCW 80.80.020.

I-937 is working

Most of the 17 qualifying utilities are meeting - or exceeding -- their targets for both renewable resources and cost-effective energy efficiency. Communities and businesses across the state and region are reaping the benefits of the new clean energy sector investments and jobs engendered by I-937.

Energy efficiency

- A year into I-937’s initial compliance period for energy efficiency, the state’s conservation achievements are at an all-time high.
- Utilities plan to acquire a total of 171 average megawatts of energy efficiency -- enough to power more than 136,000 Washington homes -- during the 2010-2011 biennium.
- Tacoma Power, Snohomish PUD, Puget Sound Energy, Avista Utilities and Seattle City Light report they exceeded their first-year targets by 4% to 36%.

Renewable energy

- I-937 has spurred nearly $7.5 billion of new investment in renewable energy resources creating nearly 1,000 permanent jobs in Washington and the region.
- New renewable energy generators have already contributed more than $40 million in new revenues to local governments and the state.
- I-937’s first benchmark (for 2012) has resulted in 650 average megawatts of new renewables, enough to power more than half a million homes. All utilities will comply with the first benchmark.
Going forward

- Washington is one of 29 states across the country that have adopted and implemented some form of clean energy acquisition standard. California, Colorado and Texas are among states to have increased their renewable energy targets.
- Significant investments in developing and implementing rules and regulations to administer the law have already been made by the Washington Utilities and Transportation Commission, the Department of Commerce and the State Auditor’s Office.
- In an effort to make the law work as effectively as possible for all stakeholders, the NW Energy Coalition and the Renewable Northwest Project have worked collaboratively over the past three years with other stakeholders and legislators to consider appropriate changes.
- Improvements to the law cannot be made in a piecemeal fashion. The law intricately weaves together different policy elements; a change to one section can affect other sections and inadvertently undermine achievement of I-937’s goals.

Our goal is to make the law work well for all. We remain committed to working with legislators and all interested parties to make that happen.

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1 The law applies to 17 of the state’s 63 electric utilities, comprising approximately 91% of Washington retail electricity consumers and 88% of electricity consumed. Qualifying utilities include three investor-owned utilities, 10 public utility districts, two municipalities and two electric cooperatives, each with more than 25,000 customers.