Initiative 937 requires the state’s large electric utilities, beginning with the 2010-11 biennium, to capture all the cost-effective energy efficiency achievable in their service territories, thus saving money for their customers.

Puget Sound Energy, Washington’s largest electric utility, serves 1.1 million electric customers and more than 750,000 natural gas customers in 11 Washington counties. In 2010-11, PSE took its already stellar clean energy efforts to new heights. Not only did the utility surpass its I-937 target, it beat its average efficiency achievements from the three previous bienniums by more than 40%.

*PSE’s 72.6 average megawatts of energy efficiency are enough to power nearly 51,000 homes.*

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**Biennial energy efficiency savings**

**Past savings 2004-2009**

- **Actual**: 50.0 aMW
- **Average of biennial savings achieved in 2004-05, 2006-07 and 2008-09.**

**Meeting I-937 2010-2011**

- **Target**: 71.0 aMW
- **Actual**: 72.6 aMW
- **I-937’s energy efficiency standard took effect in the 2010-11 biennium.**

**Moving forward 2012-2013**

- **Target**: 76.0 aMW
- **The utility’s estimated efficiency savings for the 2012-13 biennium.**

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**PSE’s plans for meeting I-937’s 3% renewable energy standard for 2012**

Initiative 937 requires Washington state’s large electric utilities to increase the amount of eligible renewable resources in their energy mix. The increases come in steps: 3% by 2012, 9% by 2016 and 15% by 2020 and thereafter.

Puget Sound Energy reports it has more than enough eligible wind power to meet its I-937 renewables standard of 72.6 average megawatts for 2012.
What is I-937 about?

Washington is one of 29 states that have adopted standards aimed at increasing the amount of clean energy in our electricity supply. I-937 requires Washington state electric utilities serving more than 25,000 households – now totaling 17 -- to do two things:

- Gradually increase the percentage of **eligible renewable resources** in their electricity supply to 15% by 2020.
- Pursue all the cost-effective **energy efficiency** achievable in their service areas, thus saving money for their customers.

Utilities may choose from a long list of eligible resources to meet the renewables standard, including wind, efficiency upgrades at existing hydropower dams and some biomass. Utilities may generate the power themselves, purchase it from other generators or purchase renewable energy credits from other providers.

The 2012 legislature expanded I-937’s definition of eligible biomass resources and established a process that lets public utilities know in advance if a proposed renewable or energy efficiency project is an eligible resource.

Does I-937 count hydropower?

I-937 recognizes hydropower as a valuable renewable energy resource and counts efficiency upgrades at existing hydropower dams toward the new renewable energy targets. In 2012, utilities covered by I-937 met 22% of their renewables requirement with hydro upgrades.

Hydropower currently provides 60% of the state’s electricity. Voters supported diversifying the power system and developing a variety of eligible renewable resources.

How does I-937 protect consumers?

I-937 is about lowering bills through increased energy efficiency. It also is about developing new clean energy resources – though certainly not at any cost. I-937 includes three alternative compliance standards, or “off-ramps,” to protect utilities and their customers:

1. The law’s cost cap says no utility must spend more than 4% of its annual revenue to meet the renewable energy requirement in any one year.
2. A **force majeure** clause provides flexibility when events beyond a utility’s control (such as weather damage) prevent it from meeting its full renewables target.
3. Utilities experiencing no load growth may choose to meet a lower standard written into the law.