

2024-2025 Conservation Target

Sustainability, City Light, Arts & Culture Committee

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Seattle City Light

WE POWER SEATTLE

Background

Initiative 937 – the Washington Energy Independence Act – was approved by Washington voters in 2006

- Requires utilities to “identify and pursue all available conservation that is cost effective, reliable, and feasible.”
- Accomplished by setting a two-year target and developing a ten-year plan via a Conservation Potential Assessment.
- 197-37 WAC outlines the required methods to develop conservation targets and the reporting requirements.
- Targets must be set every two years.

Presentation overview

1. Introduction to conservation
2. Conservation targets for 2024-2025 and 2024-2033
3. What these targets mean for City Light

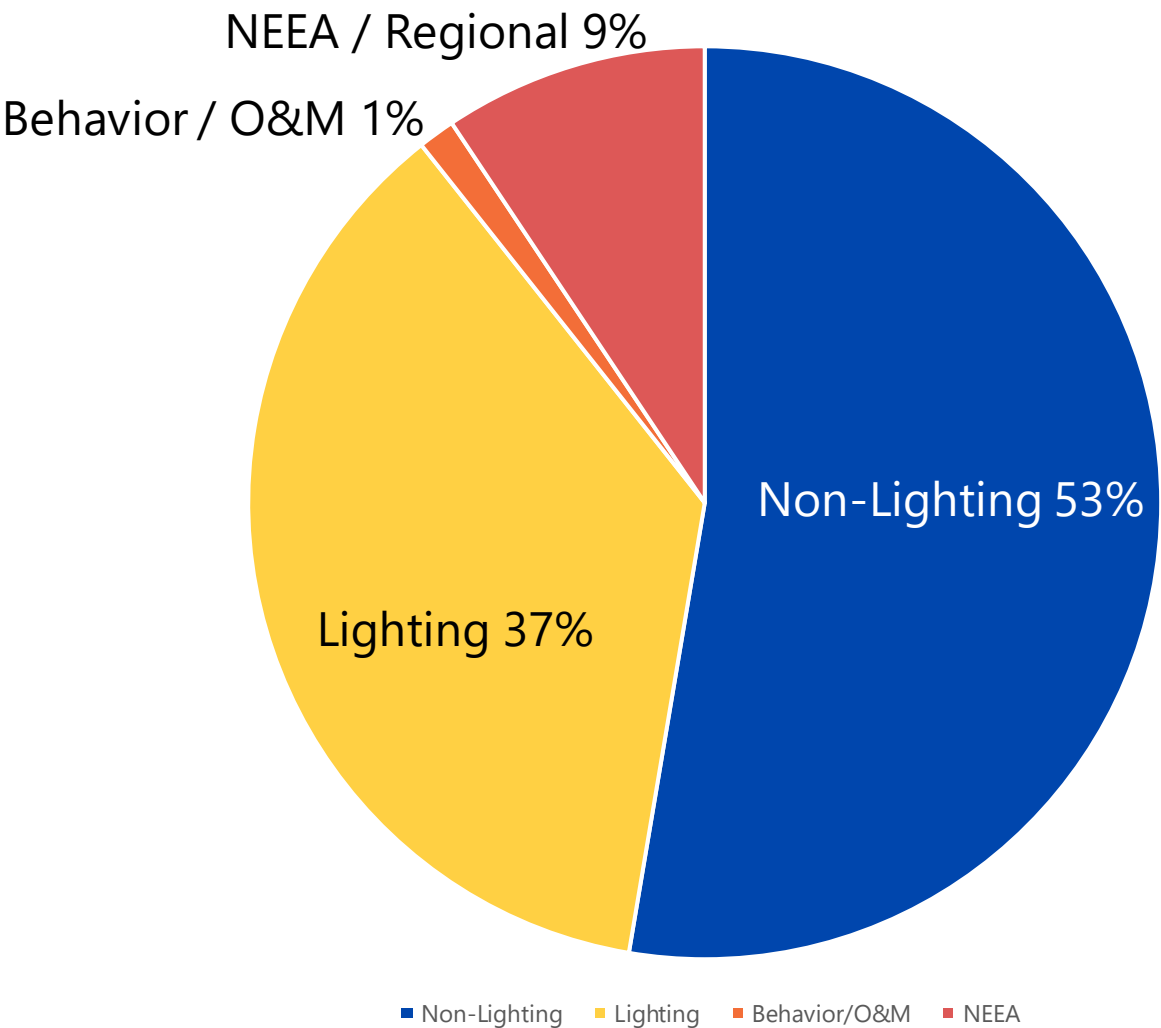


Conservation at City Light

- A **top resource choice**
 - Low cost
 - Low risk
 - Low environmental impact
- One of the longest continually operated energy conservation programs in country
- 2023 conservation budget: \$30M

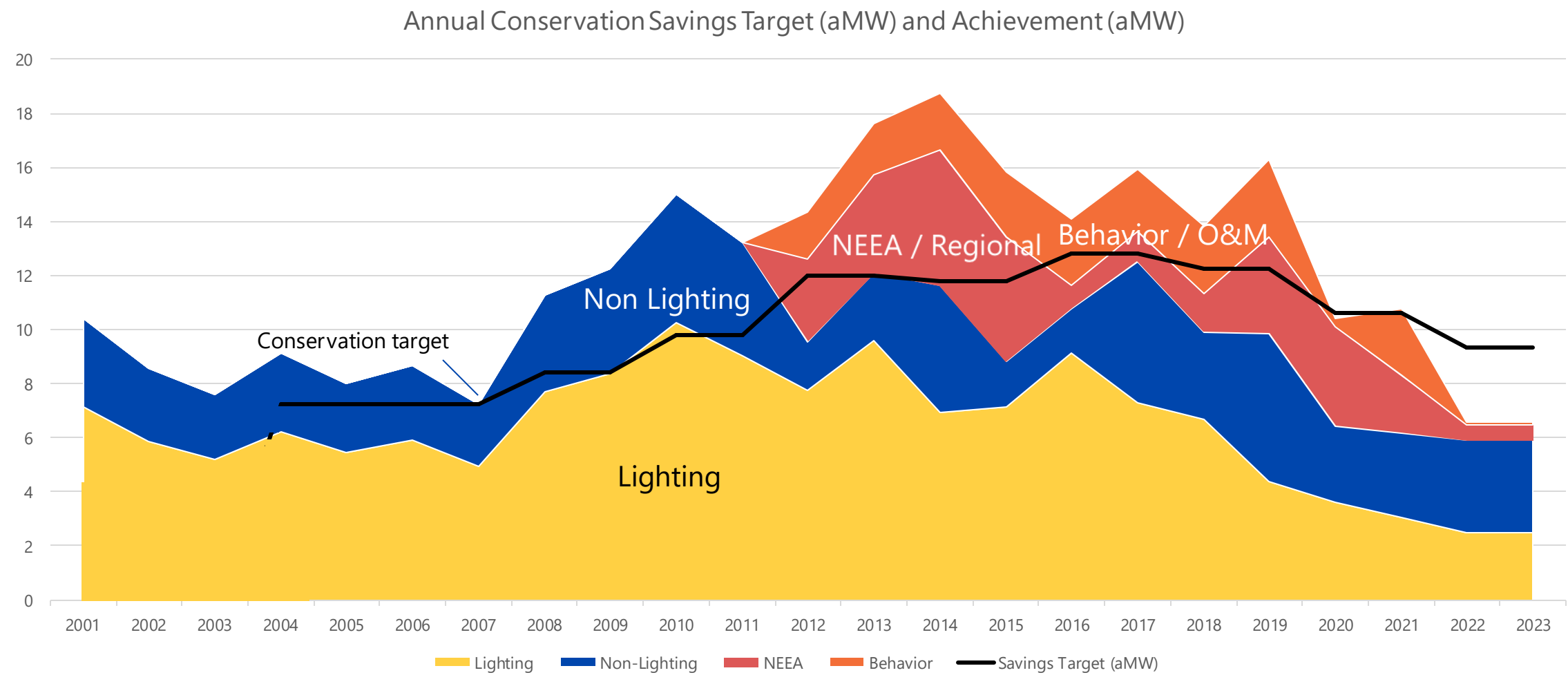


Sources of conservation savings (2022-23)

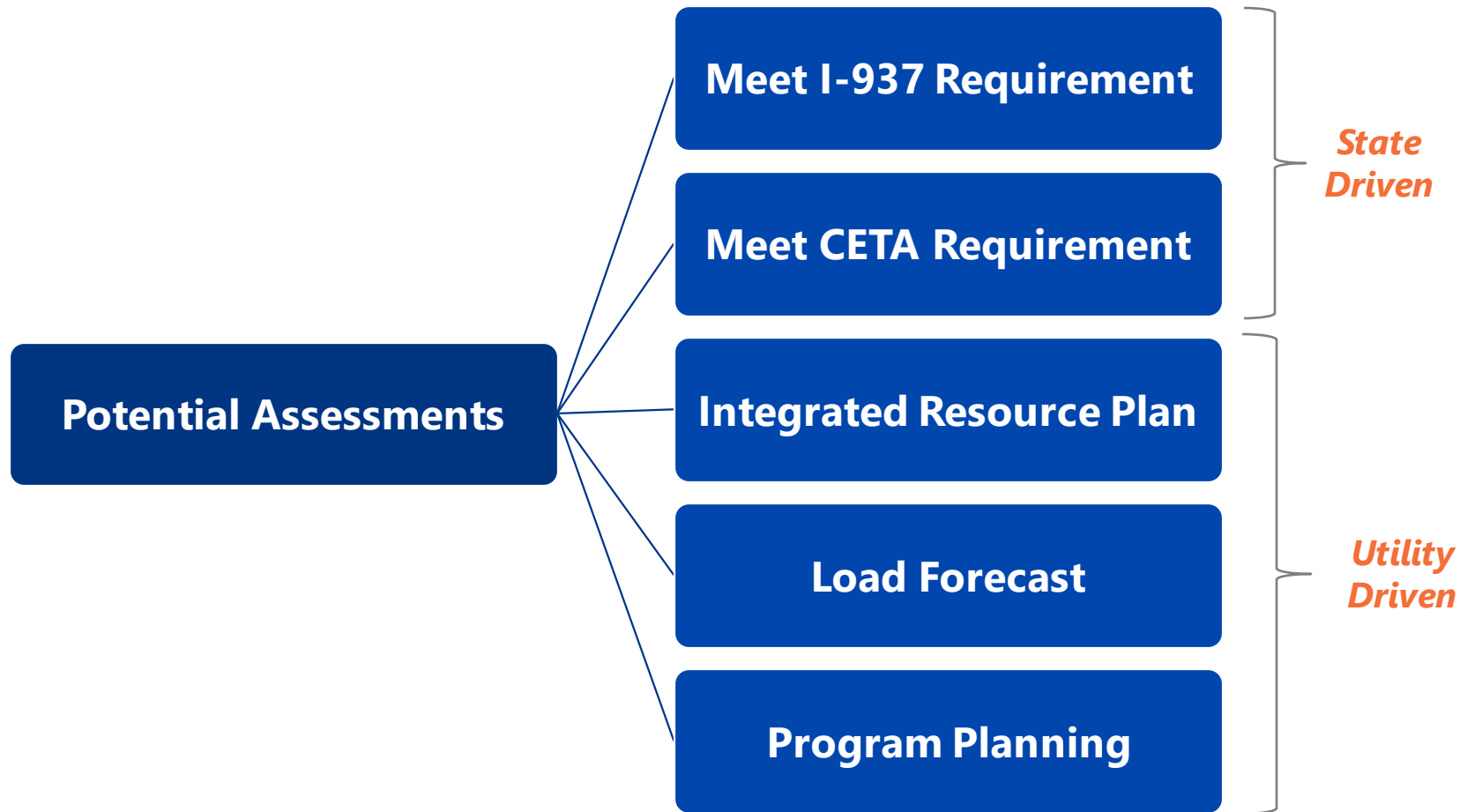


**** Preliminary**

Conservation acquisition over time



How and why we calculate conservation targets



Conservation targets (by sector)

	2-Yr 2024-2025 aMW	10-Yr 2024-2033 aMW
Residential	4	22
Commercial	12	49
Industrial	2	8
Total	18	79

~22,000 homes ~95,000 homes

Most of the conservation potential is in the commercial sector.

How the two-year target compares (by sector)

	2-Yr 2022-2023		2-Yr 2024-2025		Percent Change
	aMW	Percent of Total	aMW	Percent of Total	
Residential	3	15%	4	22%	7%
Commercial	14	74%	12	66%	-8%
Industrial	2	11%	2	11%	0%
Total	19		18		-4%

How the ten-year target compares (by sector)

	10-Yr 2022-2031		10-Yr 2024-2033		Percent Change
	aMW	Percent of Total	aMW	Percent of Total	
Residential	11	14%	22	28%	14%
Commercial	57	74%	49	62%	-8%
Industrial	9	12%	8	10%	-1%
Total	77		79		2%

What changed to impact targets?



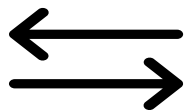
Supply chain, high vacancy, decreased investment in commercial real estate (= **commercial conservation reduction**)



Higher load forecast in winter and summer due to electrification (= **residential conservation increase**)



Residential weatherization and heating saves energy exactly when City Light hits its peak load (= **residential conservation increase**)



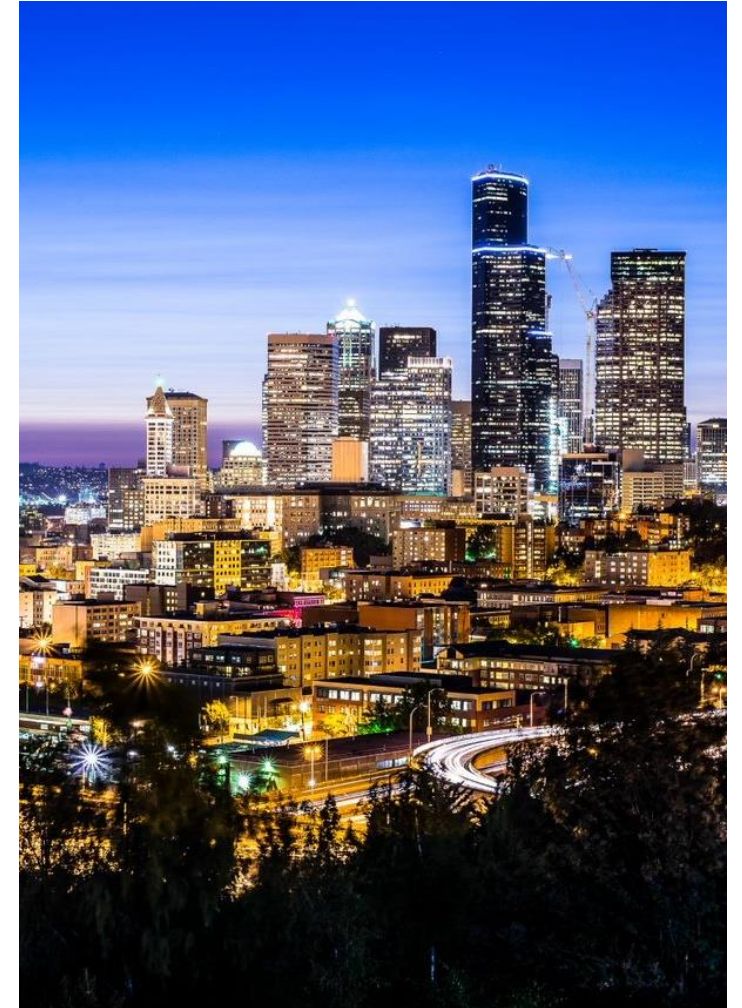
Public policy (**methodology, building codes, increased electrification,...**)

Conclusion

Our commitment to conservation remains strong

We will continue to deliver innovative programs

- **Scale up residential** offerings to deliver increased conservation targets.
- Leverage federal **Inflation Reduction Act** funds to deliver increased conservation targets.
- **Equity-centered design**, based on Racial Equity Analyses and customer and community voices.



THANK YOU



Seattle City Light

Why the two-year target is lower

- The two-year target reflects the amount of available cost-effective conservation in our territory; this methodology is set by state law
- Lower investments in commercial real estate at this time
- Stricter energy codes and standards
- Neighboring utilities have similar results

Energy Efficiency

2023 Highlights

- Kicked off **6 outreach efforts**
- Launched **supplemental incentives**
- **Midstream programs** outperforming
- Pushing the envelope on **Seattle Energy Code**

What are we planning to do in 2024?

- **Expand** our portfolio
- Consolidate & streamline
- Focus on **outreach & engagement**
- *Integrate recommendations from **building electrification strategy***

