

**Six Year Strategic Plan
Environmental Initiatives by Plan**

3/28/12

Baseline	Preferred Path	PP \$*	Path5	Path5 \$*
<p>Energy Conservation</p> <ul style="list-style-type: none"> • Deliver 14.0 aMW per year in newly contracted energy savings, which is 2.0 aMW per year over 2012-2013 I-937 targets <p>Annual budget of \$43.6M, adjusted for inflation (includes \$24.7M in customer incentives, \$6.8M labor)</p>	<p>Energy Conservation</p> <ul style="list-style-type: none"> • Improve effectiveness of employing conservation dollars; expanded program offerings and customer partnership opportunities (with status quo budget and staffing) 	<p>No additional utility funds</p>	<p>Energy Conservation</p> <ul style="list-style-type: none"> • Expand energy savings targets by 4.0 aMW per year to 18.0 • More aggressive retrofits and increased incentive levels • \$15.8/year increase phased in over two years 	<p>\$86.9 M¹</p>
<p>Solar Power</p> <ul style="list-style-type: none"> • Leverage external funding and voluntary customer contributions to support customer-installed and community solar 	<p>Solar Power</p> <ul style="list-style-type: none"> • No change 	<p>No additional utility funds</p>	<p>Solar Power</p> <ul style="list-style-type: none"> • Provide incentives for new customer solar PV installations (500 residential scale systems per year) • Construct utility-scale solar project in eastern WA (0.85 aMW output) 	<p>\$6.84M¹</p> <p>\$6M^{2**}</p>

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Environmental Programs <ul style="list-style-type: none"> • Greenhouse Gas Neutrality • Skagit License Compliance including protection and restoration of salmon, habitat acquisition, and funding ELC • Environmental mitigation as part of new Boundary License • Protection of ESA-listed species • Superfund and other cleanups • Spill response • Environmental compliance 	Climate Research and Adaption Program – research impact of climate change on our operations and develop a plan to reduce, or mitigate those impacts	\$1,320,000	GHG program – Buy GHG offsets locally to support local programs, including electrification (e.g. cruise ships in port)	\$21M ²
	Improved vegetation management incorporating ecological approaches and preserving more tree canopy	\$.055M***	No additional funds	
	Reducing environmental liability <ul style="list-style-type: none"> • by testing and removing transformers with >1ppm PCB • Reducing the risk of oil spills at generating plants Developing an environmental auditing program	\$1,425,000 (O&M) \$7.8 million (CIP)	Accelerate removal of low level PCBs with additional labor	\$6 M ²
		No additional utility funding	Encourage the use of electricity for appropriate non-vehicle uses including ships in Port, electric forklifts, dredges and other equipment	\$6M ²
			Assist in the development of infrastructure for electric vehicles	\$3M ²
TOTAL:				
Deferred O&M				\$93.74M
O&M				\$42.00M

*incremental costs over baseline for entire 6 year period

** based on six years of a long-term contract with a PV resource at \$1million per year (\$140/MWh)

*** \$140K with savings of \$84,000

¹ Deferred O&M

² O&M