

**Washington Clean Energy Leadership Council  
Clean Energy Industry Event  
TRIDEC Headquarters – October 6, 2010**

Notes from the Audience Participation Session:

I. Questions, Answers and Comments:

1. Seems to be a question of exporting finished products (in-state manufacturing) versus exporting technology.
2. What needs to be done slide very focused on policy being crucial, but how does this help change that issue?
  - The goal is to bring market players together to truly identify the real policy roadblocks. If groups are around the table and focused on results, they will ID very clearly where the real policy issues are and how to change them to encourage the growth of business.
  - Need clear policy that effects and helps regulation succeed.
3. You say pilot projects aren't interesting due to scale and demonstration projects are needed; however, \$5 million doesn't get you anything regarding a demonstration size project?
  - True, but the \$5 million example is not the cost of the project. The money represents matching funds and cost share by the state to catalyze private and federal dollars. Any project should leverage state money significantly, at least by a multiple of three and probably much more.
4. Agree, matching funds are critical. We are losing money without them. The public is saying, "why spend money on these new projects because we already have cheap energy and these new technologies are expensive." We need to look at regulation on energy in state and understand how we can make new technology cost effective.
5. How does this affect I-937 and the draft 6<sup>th</sup> power plan?
  - Basically, these MDIs are designed to help meet those goals set out in I-937. The CELC is not interested in changing anything currently in these rules/plans.
6. Presenter: Need to consider state spending on these clean energy issues regardless of the economic climate. If we do not spend money in this space we will quickly lose any advantage we have developed in the clean energy technology space and will be shut out of the market. Other states are in worse economic situations than WA and are still spending much more money on this sector? We need to consider creative ways to

develop funds to catalyze the growth of clean energy technology companies here in WA.

Responses from the audience:

- Tax incentives – we need to resolve the issues created by the B&O tax. It hinders the development and success of new business.
- Is there a demand side solution that pushes or drives new clean energy businesses?
- Need to press policy first. Nothing will happen without policy alignment first. Innovate -> Integrate -> Export Solutions.
- Need to demonstrate how new policy will create jobs and bring new revenue to the state.
- Look at the market, rate increases are occurring that gives more headroom for energy efficiency projects.
  - Presenter response: An increase in rates in WA still makes electricity cheap compared to other states. Still need to figure out a way to allow more cost recovery for utilities in order to encourage cutting edge EE solutions here. We tend to implement proven solutions instead of innovating new solutions that can be developed here and exported to expensive electricity markets. If we can make EE work in WA it will work anywhere.

7. What are we trying to do, create jobs? How do we make WA attractive to businesses? Raising rates on energy to help invent things that get exported isn't a good way to go. We need to focus on things that create jobs such as: clarity on environmental and EE requirements in the state; giving local utilities credit towards RPS for EE projects; 2 for 1 RECs for biomass projects, which makes it cost effective versus wind and there are projects ready to go in the state. These would produce quick jobs.
8. Regarding utilities investment in EE – it is poised to go up exponentially in the coming years. We need to focus on EE implementation to add lots of jobs.
9. But companies only invest in things like EE because policy makes it attractive. We need to focus on policy first.
10. Why did Boeing really go south? Because all of its associated industries are now located in the southeast. We need to focus diversified, stable, long-term business development. We are too dependent on too few companies. We need a thriving ecosystem of diversified companies.
11. E-RIC from the DOE is a good example of this. How do we use regional resources to build a strong EE hub? The NW has the basis for a strong regional leadership role, but we aren't taking it.

- Demonstration projects would help catalyze the EE industry. We could show real savings with demonstration projects and use successful demonstrations to inform policy and make it effective. This will help develop businesses and jobs in WA.
- We need to factor our goals and desired outcomes into the design and development of the demonstration projects.

12. Policy alignment regarding EE will create jobs now. Utilities have to bring on expensive new power and would jump at deep EE if policy encouraged it.

- The value of demonstration projects is that you get the real players around the table solving problems and defining the true policy issues.
- Takes policy development and decisions out of the realm of advocacy and places it in the hands of actual implementers.

13. Utility budgets for EE are going to triple in the coming decade. Utilities are already getting together (public and private) to think about and discuss how to be creative with EE projects. They need to figure out how to develop creative solutions and then buy and implement them in bulk.