



Washington State: Developing the state energy strategy

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Department of Commerce
Innovation is in our nature.

Commerce Mission

- Grow and Improve Jobs in Washington



Innovation driving the new economy

- I-5 in WA to be 1st for electric vehicles
- SGL & BMW to invest \$100M in Grant Co. for carbon fiber supply for Evs
- Pacific NW National Labs on \$178M regional smart grid demo project serving 60,000
- EnerG2 for next generation energy storage- \$21.3M
- AltAir and Boeing: Next generation aviation fuels
- Thurston County EDC & Thurston Climate Action Team: \$1M for 2,000+ energy upgrades

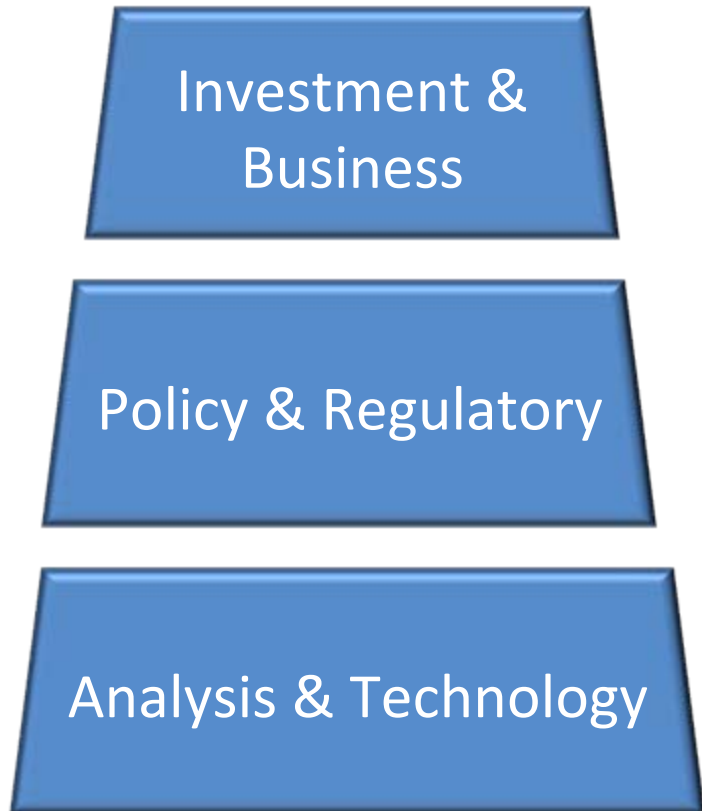


Globally competitive companies

- Microsoft – Hohm
- Boeing – aviation bio-fuels and smartgrid
- Itron
- Scheweitzer
- McKinstry
- Mithun
- Callison
- Paladino



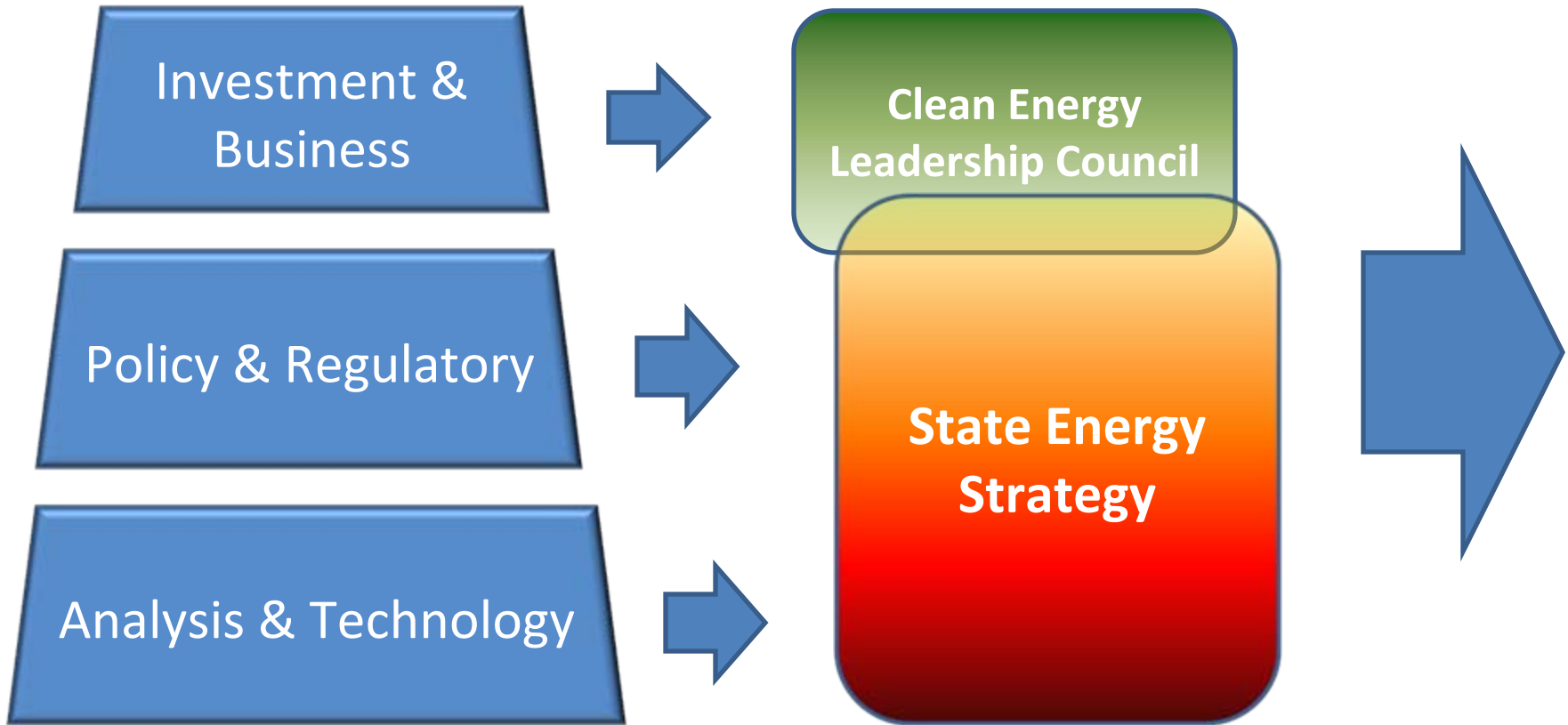
Analytical Framework



- Create business and investment plan
- Incorporate political and regulatory factors
- Build on foundation of technical feasibility



Parallel Planning Processes



Why update the State Energy Strategy?

- Climate change and greenhouse gas emissions
- Economic predictability and opportunity
- Rapidly changing local, regional, national policy
- Technological changes (demand and supply)
- Changing demand pattern
- Competition from other states



State Energy Strategy Goals

Legislation directs us to balance the goals of:

- Maintaining competitive energy prices
- Fostering a clean energy economy and jobs
- Meeting state obligations to reduce greenhouse gas emissions

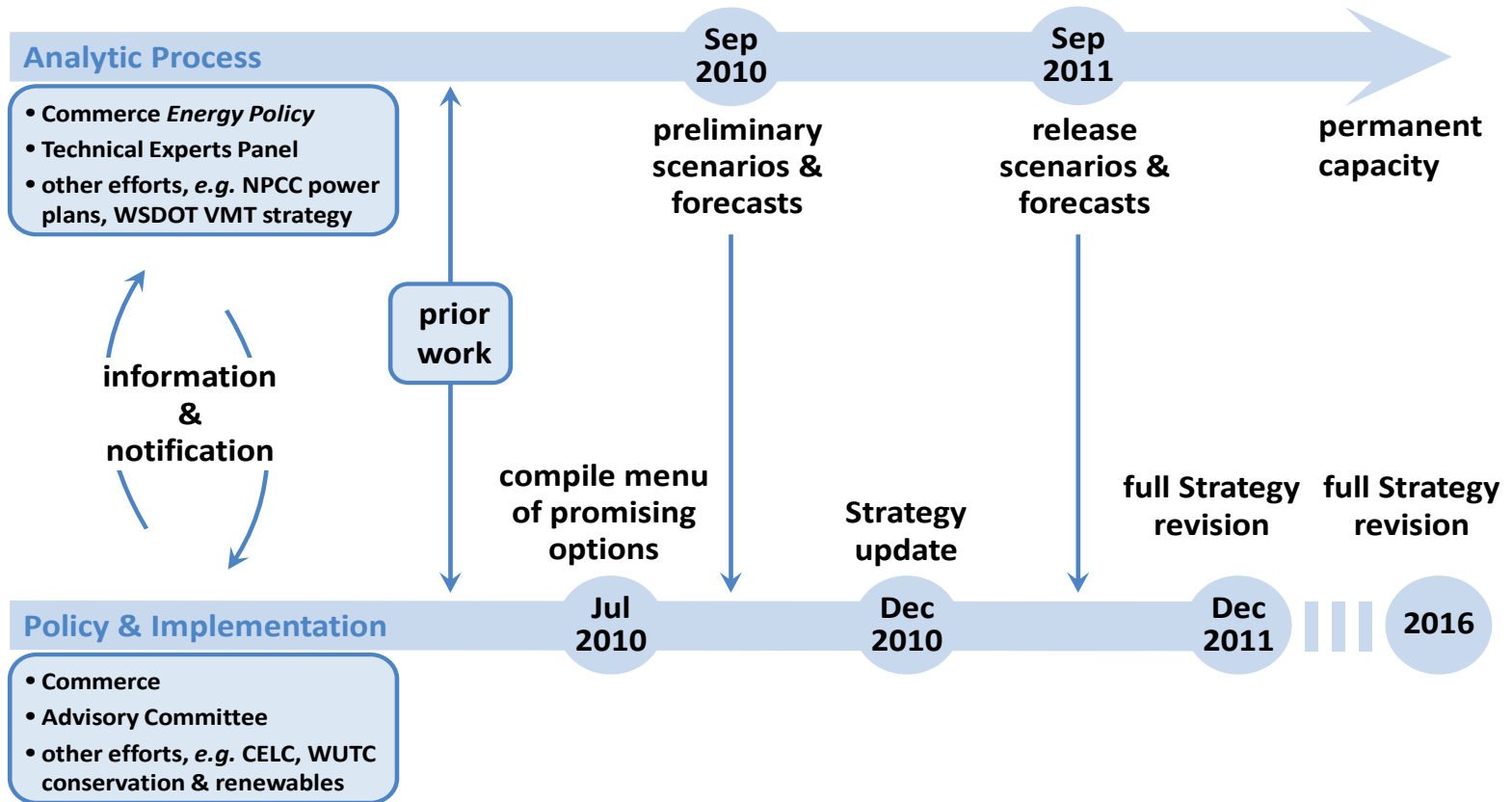


9 Principles to Consider

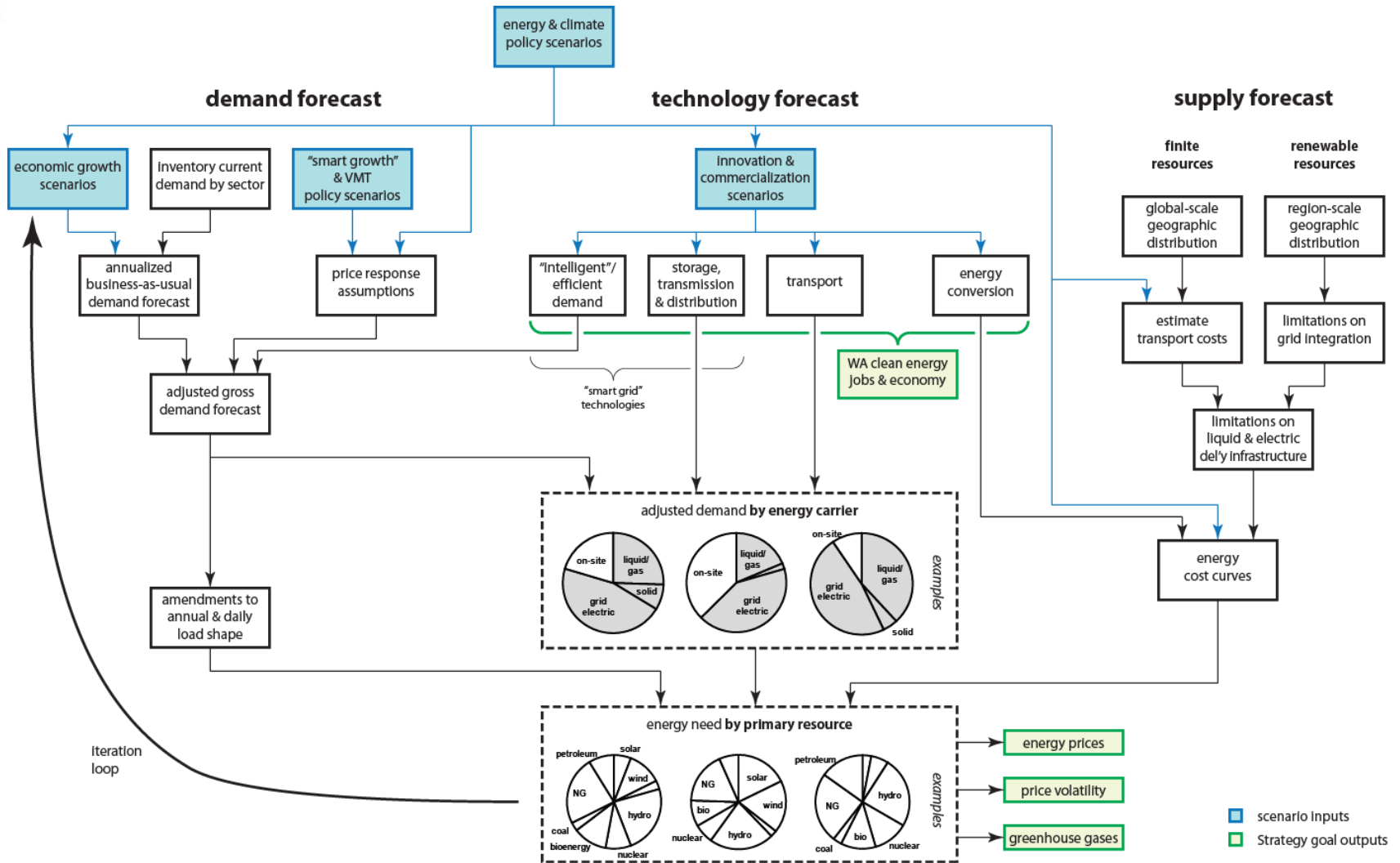
- Pursue conservation as the preferred energy resource
- Ensure our energy system meets the needs of citizens, especially vulnerable populations
- Maintain and enhance economic competitiveness
- Reduce dependence on fossil fuels
- Improve efficiency of transportation energy use
- Meet green house gas limits and environmental requirements
- Build on our clean electrical grid
- Make state government a model
- Maintain & enhance existing infrastructure



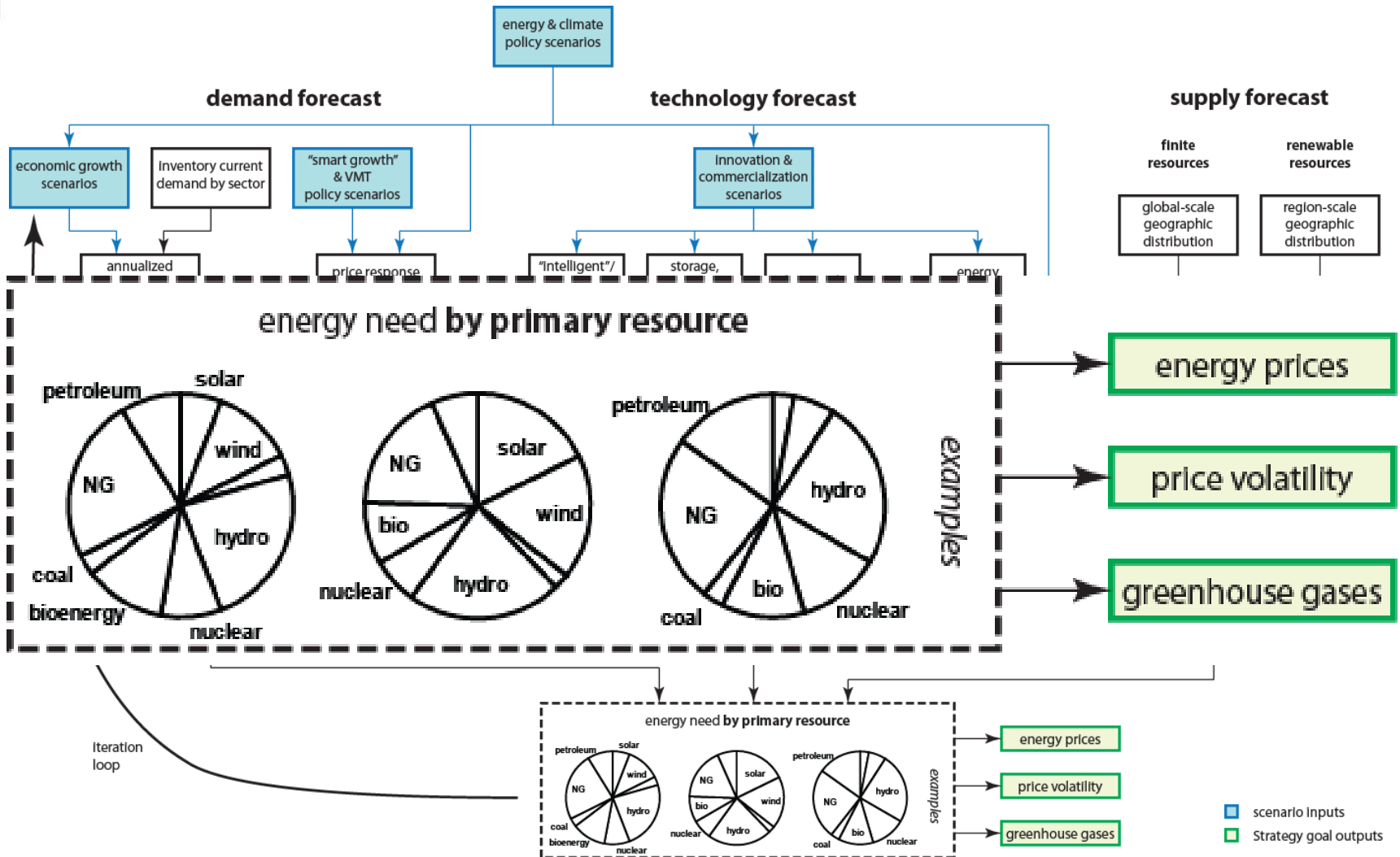
2010-2011 State Energy Strategy Process



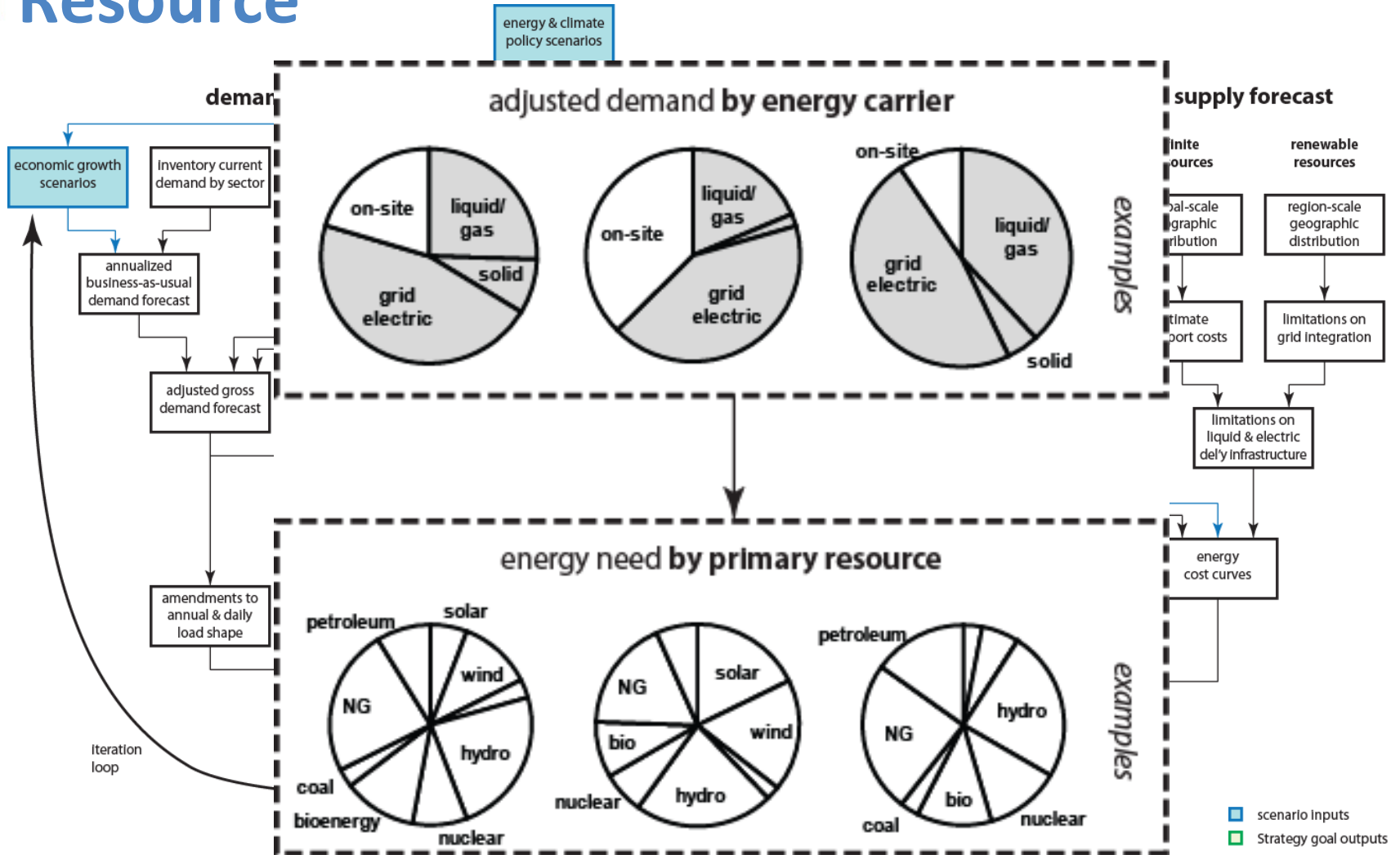
Analytic Framework Overview



Energy Need by Primary Resource

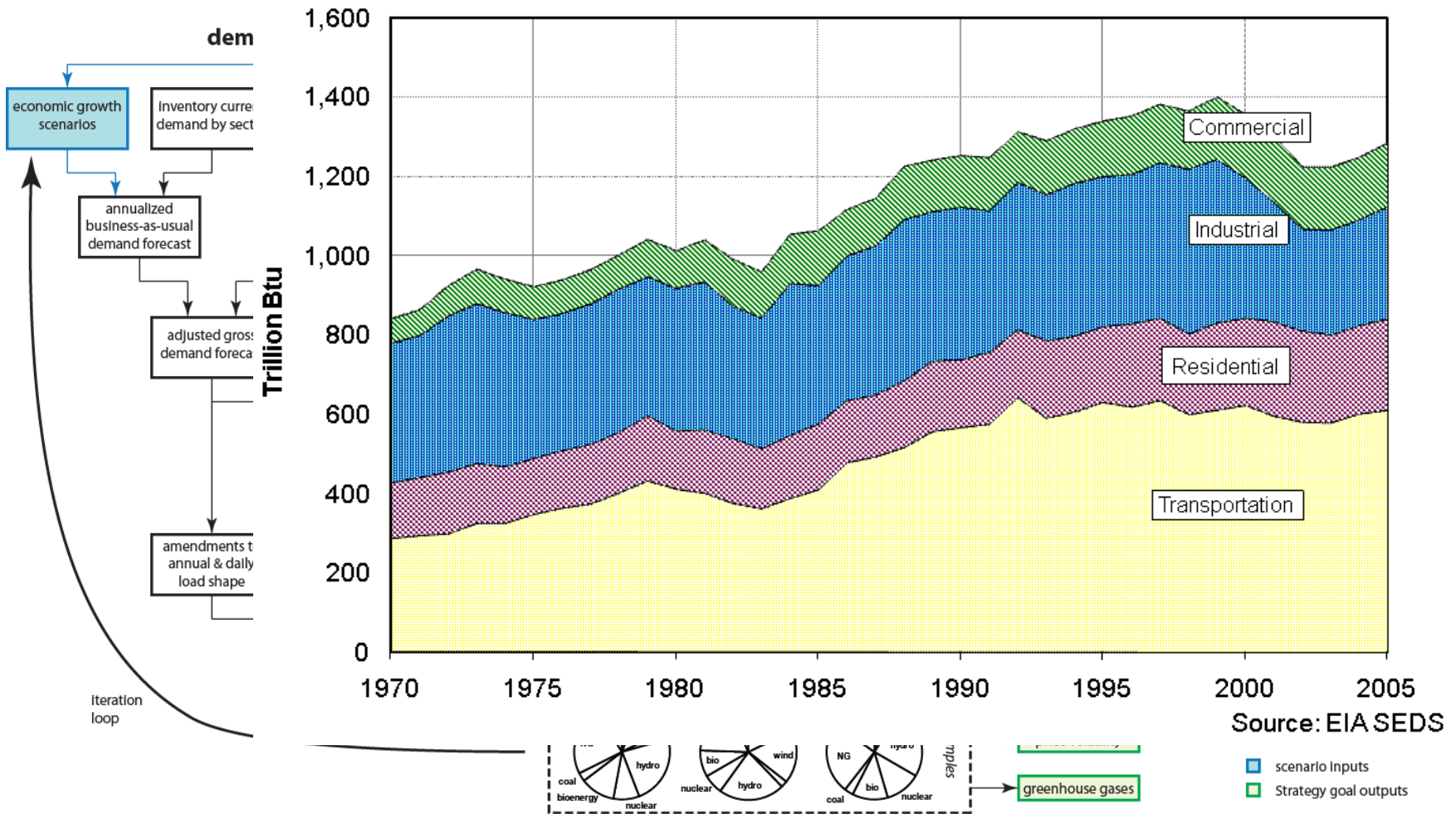


Distinguishing Between Carrier and Resource

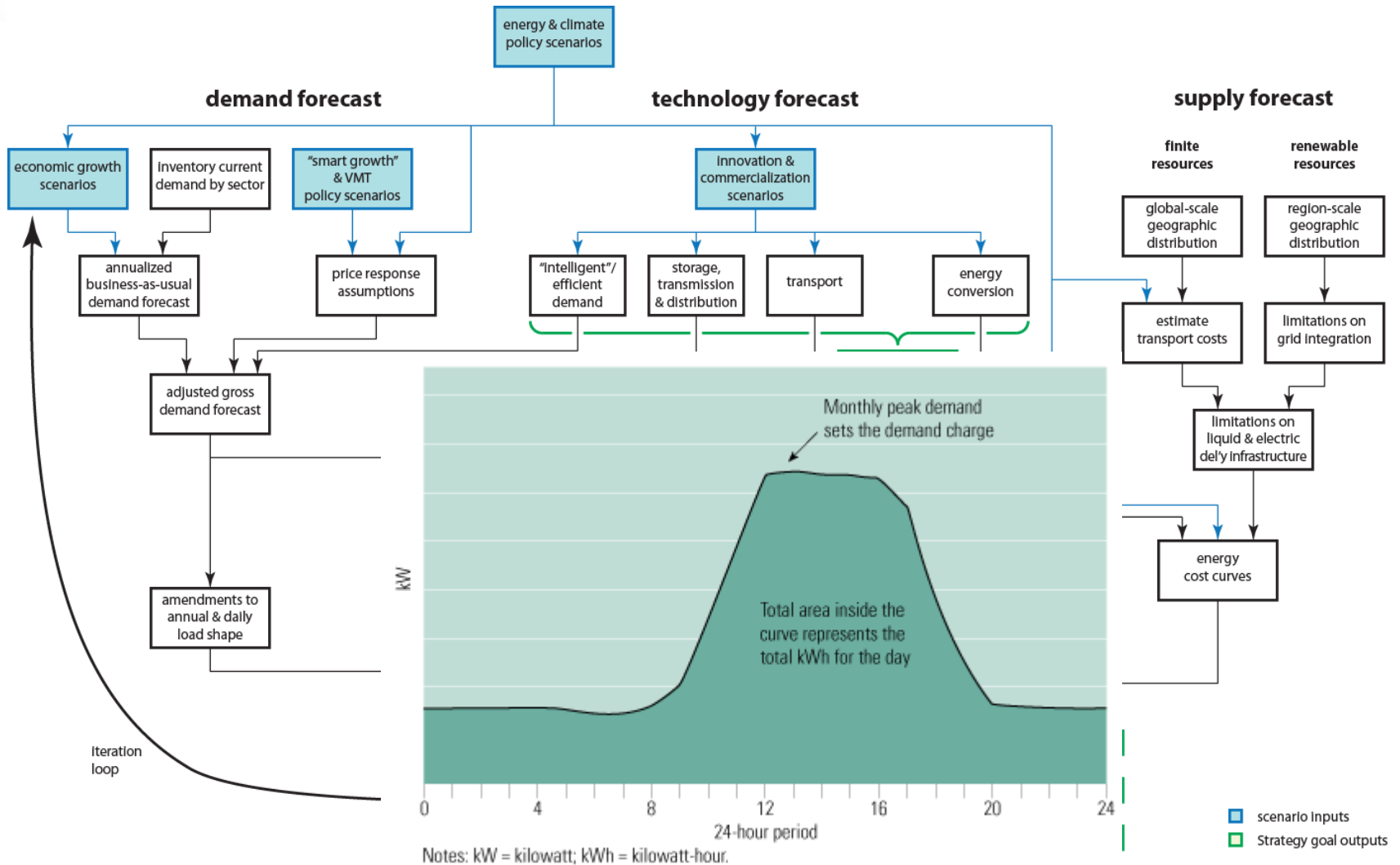


Demand Forecast

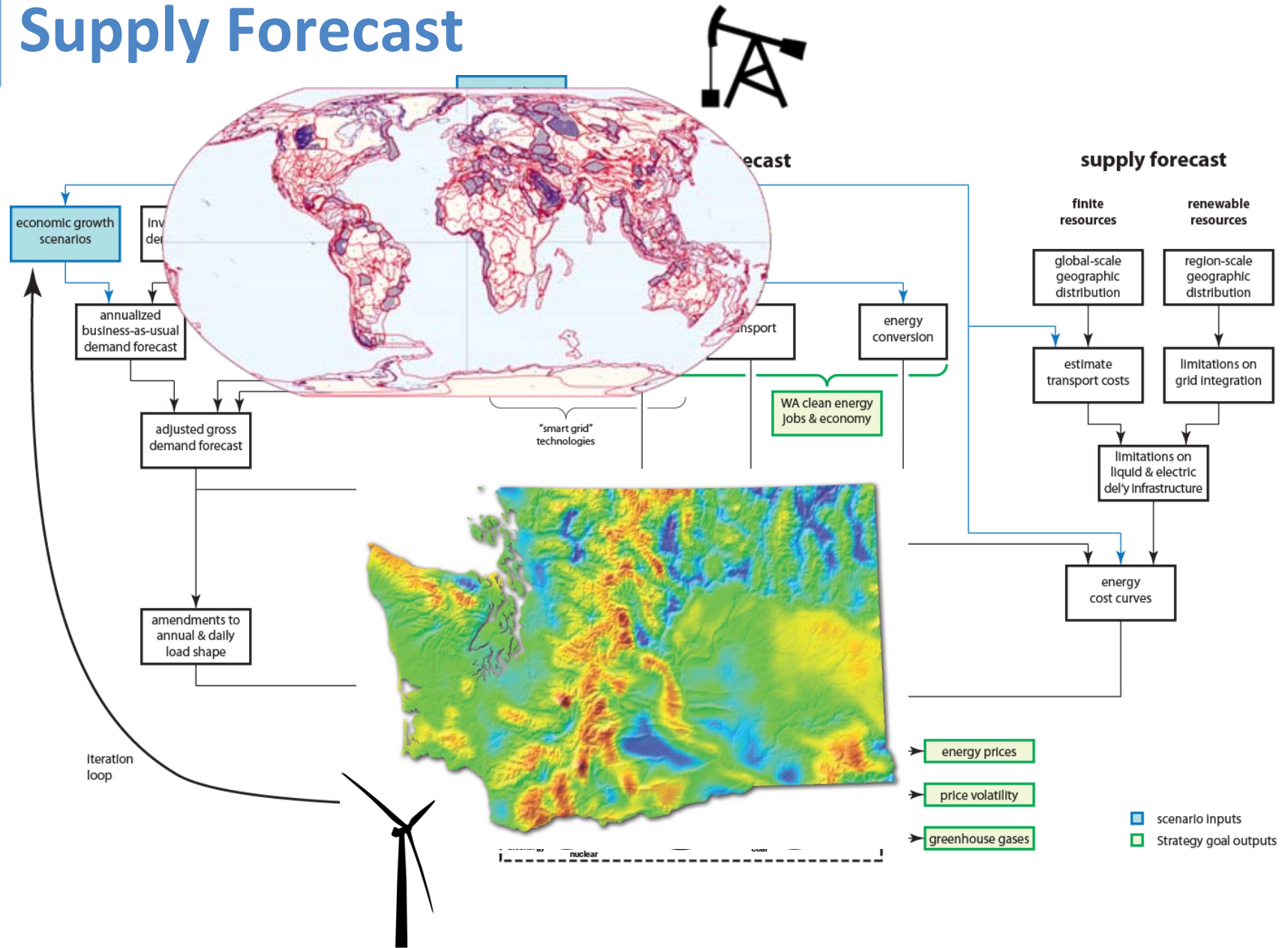
End-Use Energy Consumption by Sector (1970-2005)



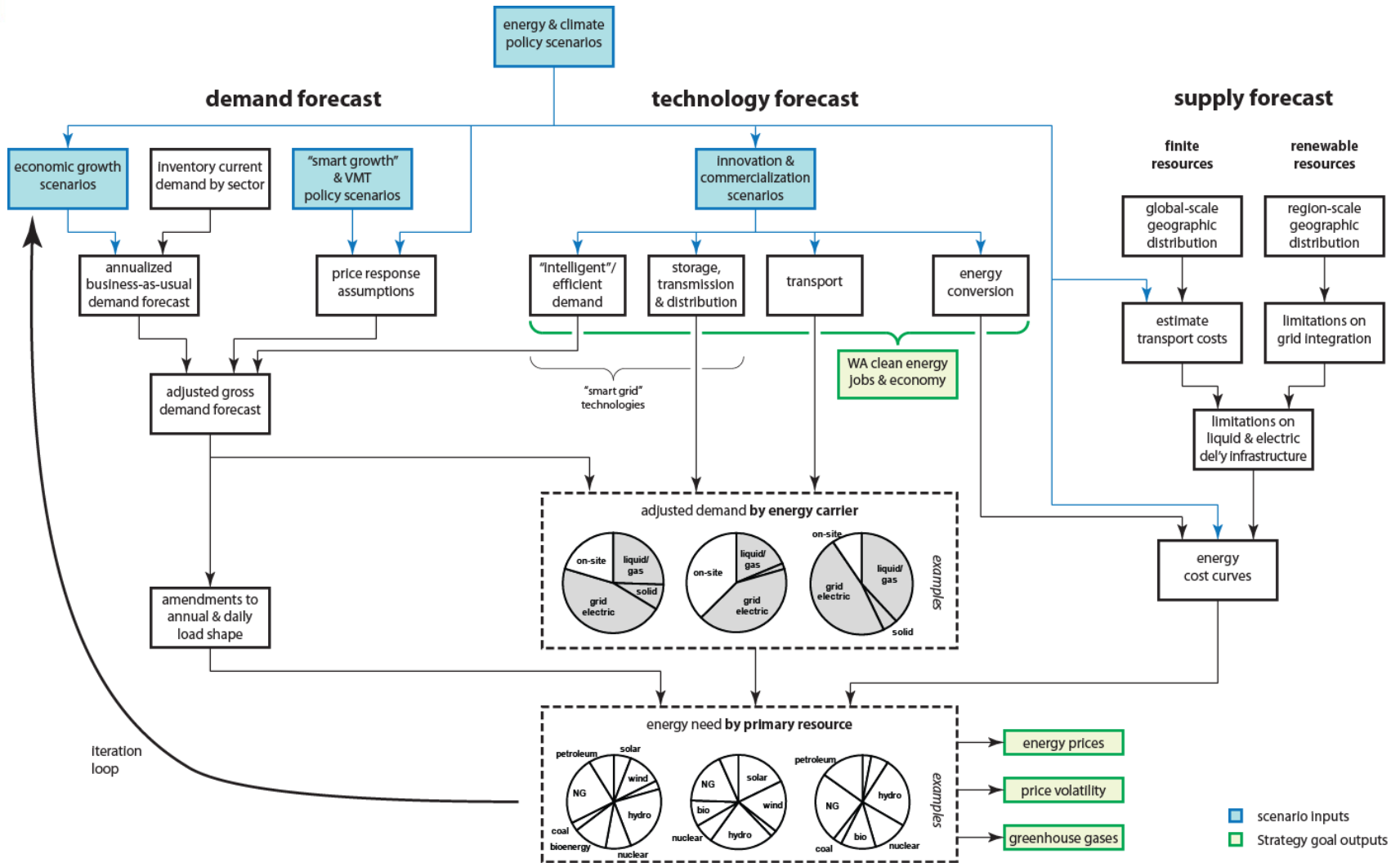
Demand Forecast



Supply Forecast

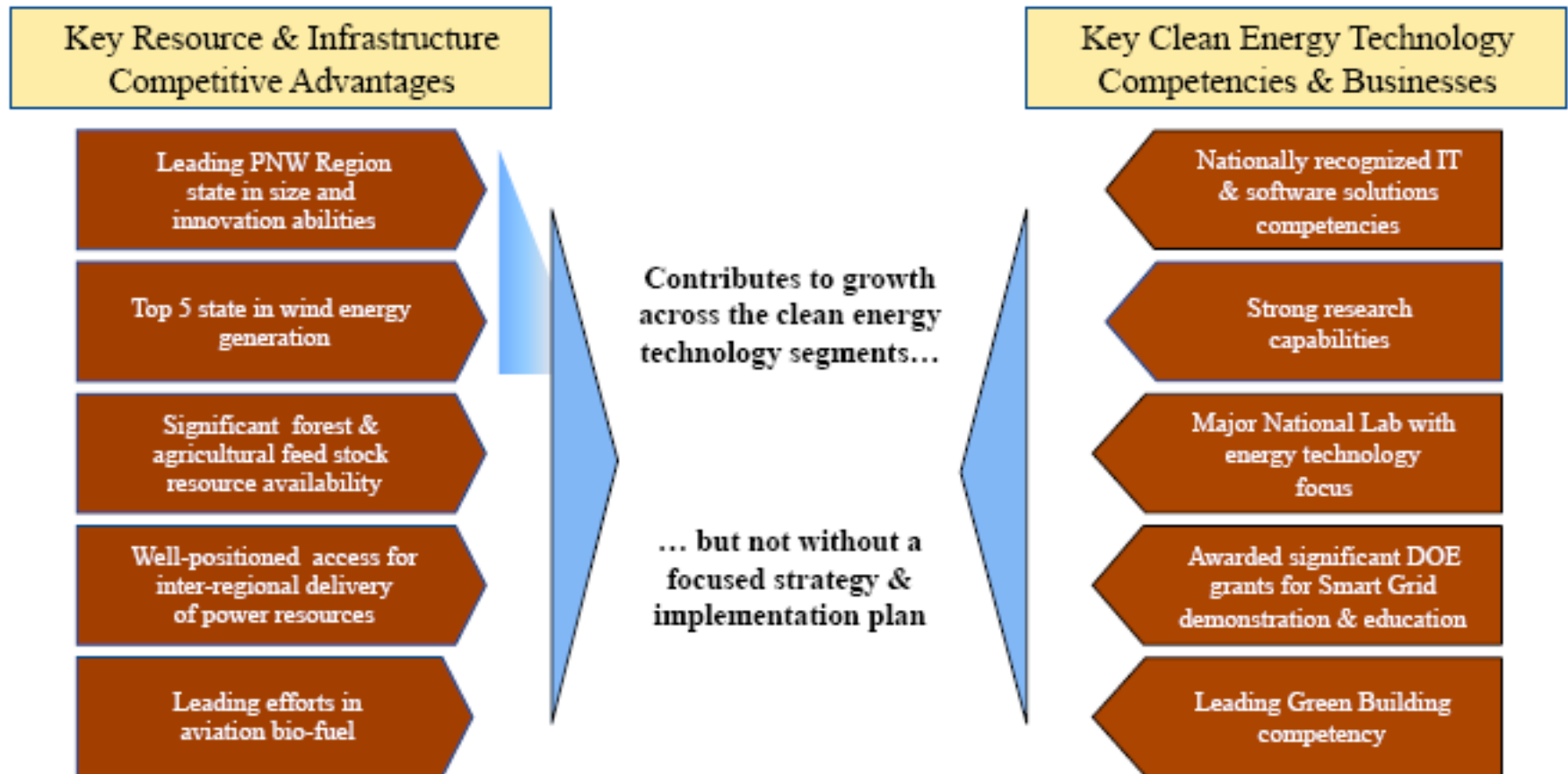


Technology Forecast



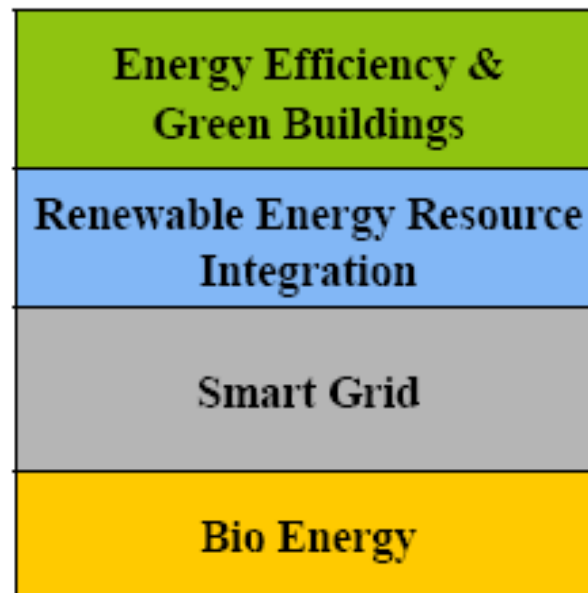
Focusing the Strategy >> Competitive Advantages That Can Be Leveraged

Washington State has key competitive advantages and competencies which can be leveraged to foster clean energy technology growth and associated economic development



Focusing the Strategy >> Target Clean Energy Technology Segments

Through two cycles of review of the clean energy technology markets, the Council has agreed to focus the strategic plan further on four areas:

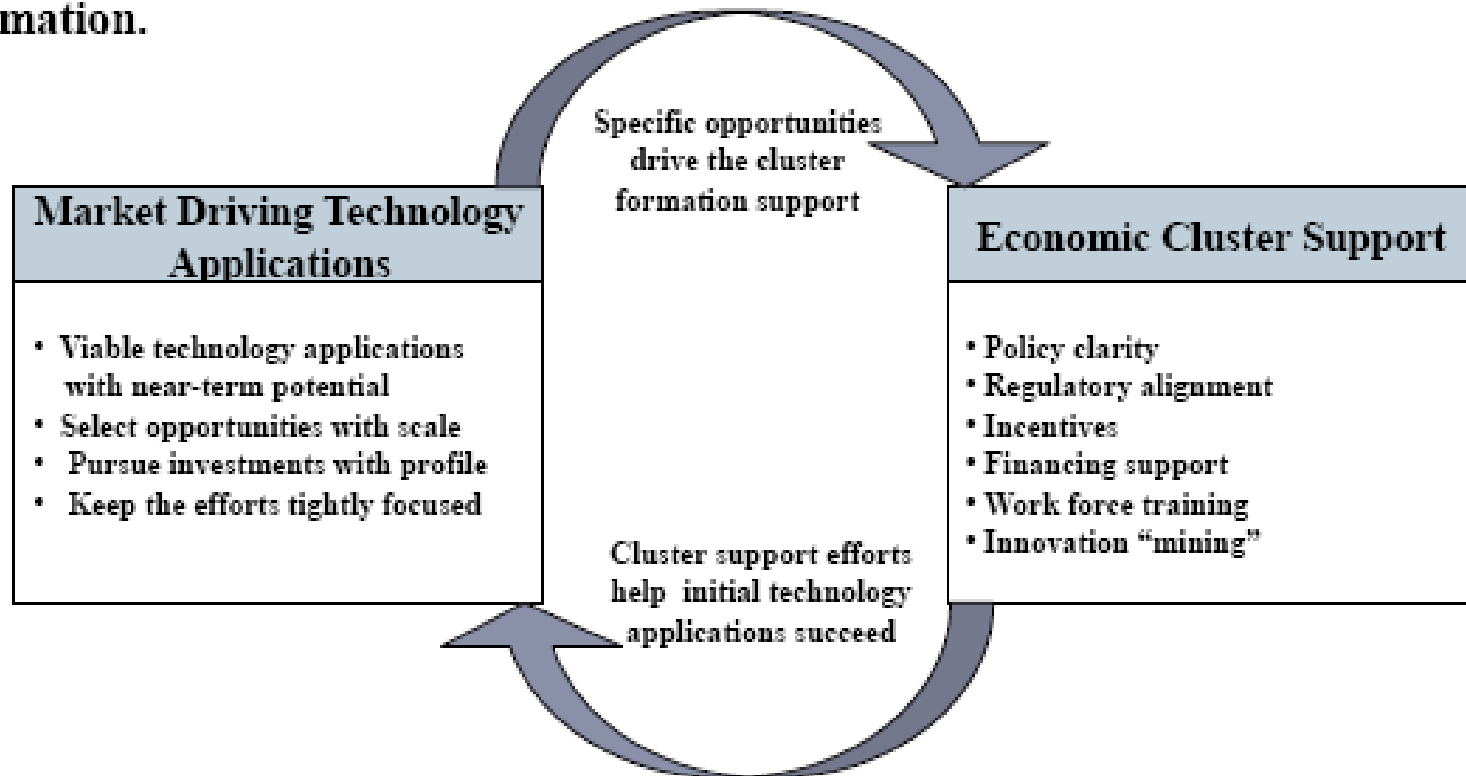


Each of these areas benefit from the competitive advantages enjoyed by Washington state and are large present or expected future markets.



Key Strategy Components >> Make a Market & Create Economic Cluster Support

Strategy Focus: Pursue **limited large scale clean energy technology opportunities** in the most near-term promising segments to create the “pull” to build the support structure that enables clean energy technology cluster formation.



SES Preliminary Recommendations for Update

- Streamlined permitting for renewables
- Streamlined permitting for pilot projects
- Electric vehicle regulatory changes: siting & resale
- Investigate applications of compressed natural gas
- Policy support for energy efficiency retrofits
- Removal of conservation disincentives for private utilities



Thank you!

- www.commerce.wa.gov Click on Energy Policy
- Questions?

