

REC-2009-005754



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Governor

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March 12, 2009

The Honorable Steven Chu, Secretary
U.S. Department of Energy
1000 Independence Avenue Southwest
Washington, D.C. 20585

**Re: State Energy Program Assurances, Section 410
American Recovery and Reinvestment Act of 2009**

Dear Secretary Chu:

Section 410 of the American Recovery and Reinvestment Act of 2009, (H.R. 1)(ARRA) provides that funding under the ARRA will be made available after I notify you that I have obtained certain assurances.

Section 410(1) asks that I notify you that I have obtained assurances that the following will occur:

The applicable State regulatory authority will seek to implement, in appropriate proceedings for each electric and gas utility, with respect to which the State regulatory authority has ratemaking authority, a general policy that ensures that utility financial incentives are aligned with helping their customers use energy more efficiently and that provide timely cost recovery and a timely earnings opportunity for utilities associated with cost-effective measurable and verifiable efficiency savings, in a way that sustains or enhances utility customers' incentives to use energy more efficiently.

I hereby notify you that I have received assurances from our state regulatory authority, the Washington Utilities and Transportation Commission (UTC), that it has in place general policies to promote energy efficiency and maintain just and reasonable rates while protecting the public, consistent with the ARRA. The UTC has also assured me that it is considering further actions to promote energy efficiency.

Section 401(2) asks that I notify you that I have obtained assurances that the following will occur:

- The State, or the applicable unit of local government that has authority to adopt building codes, will implement the following:
 - (A) A building energy code (or codes) for residential buildings that meets or exceeds the most recently published International Energy Conservation Code, or achieves equivalent or greater energy savings.



The Honorable Steven Chu

March 12, 2009

Page 2

- (B) A building energy code (or codes) for commercial buildings throughout the State that meets or exceeds the ANSI/ASHRAE/ IESNA Standard 90.1-2007, or achieves equivalent or greater energy savings.
- (C) A plan for the jurisdiction achieving compliance with the building energy code or codes described in subparagraphs (A) and (B) within 8 years of the date of enactment of this Act in at least 90 percent of the new and renovated residential and commercial building space. Such plan shall include active training and enforcement programs and measurement of the rate of compliance each year.

Our State Building Code Council has assured me that the Washington State Energy Code already meets or exceeds the overall energy savings of (1) the 2009 International Energy Conservation Code for residential buildings and (2) the ANSI/ASHRAE/IESNA standard 90.1-2007 for commercial buildings, as required in Section 410. Our state building codes are enforced locally and training and enforcement programs are offered through state and local organizations. Measurement of compliance will continue by the Council and its constituent organizations to ensure Washington State achieves the maximum energy savings.

Section 401(3) asks that I notify you that I have obtained assurances that the following will occur:

The State will, to the extent practicable, prioritize the grants toward funding energy efficiency and renewable energy programs, including –

(A) the expansion of existing energy efficiency programs approved by the State or the appropriate regulatory authority, including energy efficiency retrofits or buildings and industrial facilities, that are funded -

(i) by the State; or

(ii) through rates under the oversight of the applicable regulatory authority, to the extent applicable;

(B) the expansion of existing programs, approved by the State or the appropriate regulatory authority, to support renewable energy projects and deployment activities, including programs operated by entities which have the authority and capability to manage and distribute grants, loans, performance incentives, and other forms of financial assistance; and

(C) cooperation and joint activities between states to advance more efficient and effective use of this funding to support the priorities described in this paragraph.

Washington State is committed to improving energy efficiency and promoting renewable energy as part of a balanced state energy policy. I have asked the Department of Community, Trade & Economic Development, to the greatest extent practicable, to place a priority on expanding existing energy efficiency and renewable energy programs as described in Sec. 410(3)(A-C) of the ARRA.

The Honorable Steven Chu

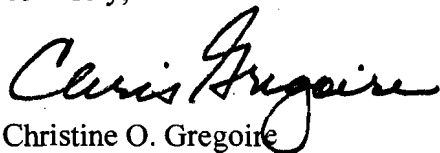
March 12, 2009

Page 3

We appreciate the information you have provided on the Energy Department website regarding the federal stimulus package and are anticipating additional specific guidance about these grants in the near future. I want to assure you that, within the limits of my authority, Washington will do our utmost to move forward in these critical areas while upholding the overall goals of the Recovery Act.

Please let me know if you need additional information or clarification regarding Washington State's participation in this program. We look forward to immediate distribution of the Federal SEP funds to permit our state to make progress in energy efficiency and renewable energy.

Sincerely,



Christine O. Gregoire
Governor

cc: Gil Sperling, Director
Office of Weatherization and Intergovernmental Programs
U.S. Department of Energy
Rogers Weed, Director, and Tony Usibelli, State Energy Director
Washington State Department of Community, Trade & Economic Development
Dave Danner, Executive Director
Washington State Utilities & Transportation Commission
David Terry, Executive Director
National Association of State Energy Officials