



Rob McKenna

ATTORNEY GENERAL OF WASHINGTON

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December 23, 2010

SENT VIA E-MAIL & ABC LMI

David Danner
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Pk. Dr. S.W.
PO Box 47250
Olympia, WA 98504-7250

Re: PacifiCorp's Update to the 2010 and 2011 Demand-Side Management Business Plan, Docket No. UE-100170

Dear Mr. Danner:

Public Counsel submits this letter in advance of the Commission's December 30, 2010, Open Meeting. These comments address PacifiCorp's Updated 2010 and 2011 Demand-Side Management Business Plan ("Business Plan") filed November 1, 2010, as a compliance filing pursuant to Order 02 in Docket UE-100170, Condition 8(b). At this time we are not making any recommendation with regard to the updated 2010-2011 Business Plan, and are not requesting that the Commission take any action. However, we would like to take this opportunity to inform the Commission that Public Counsel is currently reviewing in further detail the Company's Energy Education in Schools Program.

Pursuant to the conditions approved in Docket UE-100170 (PacifiCorp I-937 energy efficiency compliance docket), PacifiCorp was required to submit an update to its 2010-2011 Business Plan by November 1, 2010, to include any changes to program details and an annual budget. We commend the Company for the timely submission of this update.¹ By filing their Business Plan in a timely manner, Pacificorp has met the I-937 requirement.

PacifiCorp's Energy Education in Schools Program is administered by three community action agencies and provides energy education curriculum and energy savings kits to sixth grade students in Walla Walla, Toppenish, and Yakima.² The energy savings kits include a CFL and other low-cost energy efficiency measures. This program is offered under the Company's residential demand-side management (DSM) portfolio and represents approximately 18 percent of the total projected residential portfolio budget for 2010 and approximately 16 percent of the total residential portfolio with respect to kwh savings.³

We are still gathering information on the evaluation of this program from the Company and its evaluator, Cadmus, and are appreciative of the Company's responsiveness to our inquiries.

¹ PacifiCorp's Demand-Side Management Business Plan-Washington, November 2010 Update, UE-100170, compliance filing dated November 1, 2010 (hereafter, "November 2010 Business Plan Update").

² November 2010 Business Plan Update, pp. 10-11.

³ November 2010 Business Plan Update, p. 2.

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While educational programs such as this certainly have merit in a general sense, Public Counsel seeks to ensure from a customer perspective that ratepayer funds are wisely spent on cost-effective programs and that claimed savings are real. Based on our initial review, we are concerned that rigorous measurement and verification of program savings has not occurred. We are also concerned that the savings estimates that PacifiCorp attributes to some of the program measures, such as CFLs, appear to vary significantly from the deemed savings attributed by the Regional Technical Forum (RTF).⁴ In addition, we are reviewing whether the Company distributes measures and counts savings under this program for students who are not PacifiCorp customers, which could inappropriately impact its own ratepayers.

Public Counsel appreciates the opportunity to comment on PacifiCorp's 2010-2011 Business Plan update. We will continue to examine these issues in consultation with the Company, Commission Staff and PacifiCorp's DSM advisory group. Ultimately, this review may lead us to recommend that the Company scale back the program, and possibly, that some or all savings associated with the Energy Education in Schools program should not be claimed for purposes of meeting conservation targets under I-937.

As discussed above, we are not requesting the Commission take any action at this time. Since the Energy Education in Schools program represents a large portion of Pacificorp's residential energy efficiency portfolio, and is discussed in the Business Plan, we wanted to inform the Commission of our ongoing review of this program. I plan to attend the December 30, 2010, Open Meeting for Public Counsel and will be available to address any questions regarding these comments.

Sincerely,



for
LEA DAESCHEL
Policy Analyst
(206) 464-6380

cc: Mike Parvinen (E-mail)
Dave Nightingale (E-mail)
Deborah Reynolds (E-mail)
Cathie Allen (E-mail)

⁴ Approximately half of the savings for this program are attributed to the CFL included in the kit, as well as additional CFLs that the sixth grade students indicate have been installed in their homes, based upon written survey responses provided by the students. See Evaluation Assessment for 2009-2010 school year, Cadmus, September 21, 2010, Table 3, p. 6. This Evaluation Assessment is available at:
http://www.pacificorp.com/content/dam/pacificorp/doc/Energy_Sources/Demand_Side_Management/WEE_in_Schools_Memo092110.pdf