

Agenda Date: August 9, 2018
Item Number: A8

Docket: UE-152072
Company: Pacific Power & Light Company

Staff: Kyle Frankiewicz, Regulatory Analyst

Recommendation

Issue an Order in Docket UE-152072 finding that:

- (1) Pacific Power & Light Company has complied with reporting requirements pursuant to WAC 480-109-120 and RCW 19.285.070.
- (2) Pacific Power & Light Company has complied with Order 01 in Docket UE-152072.
- (3) Pacific Power & Light Company has achieved 92,727 megawatt-hours of conservation during the 2016-2017 biennium.
- (4) Pacific Power & Light Company has applied 2,195 megawatt-hours of conservation during the 2016-2017 biennium towards satisfying its decoupling conservation commitment, complying with Order 12 in Docket UE-152253 for program year 2017.
- (5) Pacific Power & Light Company has achieved 2,718 megawatt-hours of excess conservation during the 2016-2017 biennium.

Discussion

On June 1, 2018, Pacific Power & Light Company (Pacific Power or company) filed its 2016-2017 Biennial Conservation Report (report) with the Washington Utilities and Transportation Commission (commission), as required by Order 01 in this docket,¹ RCW 19.285.070(1), and WAC 480-109-120(4). The report, which was revised with small corrections on July 9, indicates that the company achieved 92,727 megawatt-hours (MWh) of savings during the 2016-2017 biennium, exceeding the company's biennial target of 90,009 MWh.² Pacific Power's report states, and staff concurs, that the company has met all of the requirements of Order 01 over the course of the biennium.

Beginning January 1, 2014, conservation achieved above a utility's conservation target can be claimed as excess savings to meet shortfalls in subsequent biennia.³ Pacific Power's excess savings are presented in the table below. In keeping with current standard practice and with

¹ *In the Matter of Pacific Power & Light Company's Report Identifying Its 2016-2025 Ten-Year Achievable Electric Conservation Potential and Its 2016-2017 Electric Biennial Conservation Target Under RCW 19.285.040 and WAC 480-109-010*, Docket UE-152072, Order 01 Appendix A, Page 4 (December 17, 2015).

² UE-152072 Order 01, ¶ 17 establishes a target of 87,814 MWh. This target was increased with the inclusion of a decoupling adder of 2,195 MWh for the 2017 program year, pursuant to Docket UE-152253, Order 12, ¶ 7, subsection (4).

³ RCW 19.285.040(1)(c)(i) and WAC 480-109-100(3)(c).

guidance provided by the commission in Order 01 of UE-171092, targets and savings figures do not include savings achieved through the Northwest Energy Efficiency Alliance (NEEA).⁴

Table 1. Pacific Power’s biennial conservation targets and savings achieved

	2014-2015	2016-2017	2018-2019
<i>Conservation target per commission order (MWh)</i>	74,703 ⁵	90,009	78,268 ⁶
<i>Total conservation achieved</i>	98,881	92,727	84,389 MWh of savings forecasted
<i>Excess</i>	24,178 ⁷	2,718	n/a
<i>Biennia eligible to use excess savings for compliance</i>	2016-2017 and 2018-2019	2018-2019 and 2020-2021	2020-2021 and 2022-2023

Pursuant to commission direction at the recessed open meeting to discuss 2018-2019 biennial conservation plans on January 10, 2018, Staff is participating in a statewide advisory group to discuss treatment of savings achieved through NEEA. Until the commission specifies a different approach, Staff understands that the target and the achieved savings figures used to calculate excess savings should both exclude NEEA. This is consistent with the methodology used to set the 2016-2017 targets, and with Pacific Power’s approach in calculating its results. Thus, Staff recommends that, for the 2016-2017 biennium, Pacific Power may carry forward 2,718 MWh of excess savings.

One of the improvements brought about by the statewide advisory group was to increase consistency in reporting targets and savings to the Department of Commerce (Commerce) among all the investor-owned utilities. After further dialogue, Pacific Power submitted a revised Commerce report to include achievement with no form of conservation potential or achievement excluded.

Stakeholder Comments

⁴ In comments on Pacific Power’s 2018-2019 Biennial Conservation Plan, staff recommended that the EIA conservation target should include all potential savings, including market transformation, and should include savings achieved through all pursued venues. This method would recognize all savings that were purchased by ratepayers during the biennium, and would more accurately reflect the achievement reported on a statewide basis by increasing consistency between investor-owned and consumer-owned utilities.

⁵ UE-132047, Order 02, ¶ 24.

⁶ Goal includes five percent decoupling commitment and does not include NEEA savings, pursuant to Order 01 in Docket UE-171092.

⁷ UE-132047, Order 03, ¶ 17.

Staff filed comments in this docket on July 19, 2018.⁸ While Staff comments were generally positive, Staff noted a concerning trend wherein Pacific Power has often had to file minor revisions to its reports in the last two years. Staff appreciates the company's attention to detail, though notes this issue as an area for improvement.

In addition to staff, the NW Energy Coalition (NWECC) and Renewable Northwest (RNW), both DSM advisory group members, filed joint comments on July 19, 2018. NWECC and RNW note that Pacific Power has always exceeded its conservation target, sometimes by a wide margin, and that the 2018-2019 target is 13 percent lower than the 2016-2017 target. The stakeholders encourage Pacific Power to set higher targets.

Conclusion

Staff recommends that the commission issue an order in Docket UE-152072 as described in the recommendation section above.

⁸ Commission Staff Comments Regarding Electric Utility Conservation Achievements Under The Energy Independence Act, RCW 19.285 And WAC 480-109 (2016-2017 Biennial Conservation Reports) (July 19, 2018). https://www.utc.wa.gov/_layouts/15/CasesPublicWebsite/CaseItem.aspx?item=document&id=00024&year=2015&docketNumber=152072.