

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of	DOCKET UE-152072
PACIFIC POWER & LIGHT COMPANY'S	ORDER 02
2016-2017 Biennial Conservation Target Under RCW 19.285.040	ORDER REGARDING CONSERVATION ACHIEVEMENT FOR THE 2016-2017 BIENNium

**BACKGROUND**

- 1 The Energy Independence Act (EIA), requires electric utilities with 25,000 or more customers to set and meet energy conservation targets. Under RCW 19.285.040(1)(b), each utility must establish a biennial acquisition target for cost-effective conservation, and must meet that target during the subsequent two-year period. Pacific Power & Light Company (Pacific Power or Company) set a 2016-2017 biennial conservation target of 90,009 megawatt-hours (MWh). The Washington Utilities and Transportation Commission (Commission) approved that target in Order 01 in this docket (Order 01).
- 2 On June 1, 2018, as required by Order 01, RCW 19.285.070(1), and WAC 480-109-040(1)(a), Pacific Power filed its 2016-2017 Biennial Conservation Report (Report). Pacific Power reported that it had achieved 92,727 MWh of electric conservation during the 2016-2017 biennium, exceeding its biennial target of 90,009 MWh.<sup>1</sup> Pacific Power also reported that it had met all of the requirements of Order 01 over the course of the biennium.
- 3 Beginning January 1, 2014, conservation achieved above a utility's conservation target can be claimed as excess savings to meet shortfalls in subsequent biennia.<sup>2</sup> Pacific Power achieved 2,718 MWh of excess savings during the 2016-2017 biennium. In keeping with

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<sup>1</sup> 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).

<sup>2</sup> RCW 19.285.040(1)(c)(i) and WAC 480-109-100(3)(c).

current standard practice and consistent with the Commission's guidance in Order 01 in Docket UE-171092, targets and savings figures do not include savings achieved through the Northwest Energy Efficiency Alliance (NEEA).<sup>3</sup>

4 On June 7, 2018, the Commission issued a Notice in accordance with WAC 480-109-040(2) inviting interested persons to file written comments on Pacific Power's Biennial Conservation Report. On July 19, 2018, Staff filed comments. Also on July 19, the NW Energy Coalition (NVEC) and Renewable Northwest (RNW), both DSM advisory group members, filed joint comments. NVEC 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.

5 Staff recommends the Commission issue an order finding that: (1) Pacific Power has complied with reporting requirements pursuant to WAC 480-109-120 and RCW 19.285.070; (2) Pacific Power has complied with Order 01 in this Docket; (3) Pacific Power has applied 2,195 MWh of conservation towards its decoupling conservation commitment consistent with the requirements set out in Order 12 in Docket UE-152253 for program year 2017; (4) Pacific Power & Light Company has achieved 92,727 MWh of conservation during the 2016-2017 biennium; and (5) Pacific Power has achieved 2,718 MWh of excess conservation during the 2016-2017 biennium.

### **DISCUSSION**

6 The Commission agrees with Staff's recommendation and finds that Pacific Power has complied with its reporting and other obligations under RCW 19.285.040(1)(b), RCW 19.285.070, WAC 480-109-040(1), and Order 01 in this docket.

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<sup>3</sup> 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.

**FINDINGS AND CONCLUSIONS**

- 7 (1) The Commission is an agency of the state of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, and accounts of public service companies, including electric companies.
- 8 (2) Pacific Power is an electric company and a public service company subject to Commission jurisdiction.
- 9 (3) Pacific Power serves more than 25,000 customers within the state of Washington, and is a “qualifying utility” within the meaning of RCW 19.285.030(16).
- 10 (4) Pacific Power has achieved 92,727 megawatt-hours of conservation during the 2016-2017 biennium, exceeding its target of 90,009 megawatt-hours. Pacific Power has complied with RCW 19.285.040(1)(b).
- 11 (5) Pacific Power has applied 2,195 megawatt-hours of conservation during the 2016-2017 biennium towards satisfying its decoupling conservation commitment.
- 12 (6) Pacific Power & Light Company achieved 2,718 megawatt-hours of excess conservation during the 2016-2017 biennium.
- 13 (7) Pacific Power has met the reporting requirements of RCW 19.285.070 and WAC 480-109-040(1).
- 14 (8) Pacific Power has complied with Order 01 in this docket.

**ORDER**

**THE COMMISSION ORDERS:**

- 15 (1) Pacific Power & Light Company has complied with reporting requirements pursuant to WAC 480-109-120 and RCW 19.285.070.
- 16 (2) Pacific Power & Light Company has complied with the requirements in Order 01 in this Docket.
- 17 (3) Pacific Power & Light Company achieved 92,727 megawatt-hours of conservation during the 2016-2017 biennium.

- 18       (4)     Pacific Power & Light Company has achieved its conservation obligations related to decoupling, complying with Order 12 in Docket UE-152253 for program year 2017.
- 19       (5)     Pacific Power & Light Company has achieved 2,718 megawatt-hours of excess conservation during the 2016-2017 biennium.

DATED at Olympia, Washington, and effective August 9, 2018.

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner