

Agenda Date: August 12, 2016  
Item Number: D5

**Docket:** UE-132047  
**Company:** Pacific Power & Light Company

**Staff:** Jennifer Snyder, Regulatory Analyst

### **Recommendation**

Issue an Order in Docket UE-132047 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-132047.
- (3) Pacific Power & Light Company has achieved 98,881 megawatt-hours of conservation during the 2014-2015 biennium.
- (4) Pacific Power & Light Company has achieved 24,178 megawatt-hours of excess conservation during the 2014-2015 biennium.
- (5) Pacific Power & Light Company must submit a revised Conservation Report to Commerce within thirty days identifying a 2014-2015 biennial target and achievement with no conservation excluded.

### **Discussion**

On June 1, 2016, Pacific Power & Light Company (Pacific Power or company) filed its 2014-2015 Biennial Conservation Report (report) with the Washington Utilities and Transportation Commission (commission), as required by Order 01 in this docket,<sup>1</sup> RCW 19.285.070(1), and WAC 480-109-120(4). The report indicated that the company had achieved 98,881 megawatt-hours (MWh) of savings during the 2014-2015 biennium and had exceeded its biennial target of 74,703 MWh. Pacific Power also reported that it had 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.<sup>2</sup> Pacific Power achieved excess savings during the 2014-2015 biennium.

In its initial July 21, 2016, comments, Staff recommended excess savings be calculated using a target that includes all potential savings, and an achieved savings amount that includes all savings achieved by the utility, no matter the path to achievement. This method would recognize all savings that were purchased by ratepayers during the biennium, accurately reflect the

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<sup>1</sup> *In the Matter of Pacific Power & Light Company's Report Identifying Its 2014-2023 Ten-Year Achievable Electric Conservation Potential and Its 2014-2015 Electric Biennial Conservation Target Under RCW 19.285.040 and WAC 480-109-010*, Docket UE-132047, Order 01 Appendix A ¶ 8 (December 19, 2013).

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

achievement reported on a statewide basis, and increase consistency between investor-owned and consumer-owned utilities.

However, Staff agrees with stakeholders that excluding NEEA savings is consistent with our standard practice. Thus, following our stakeholder discussions, we recommend that excess savings be calculated based on the stated UTC target and the stated UTC achievement, continuing to exclude NEEA. For the 2014-2015 biennium, Pacific Power may carry forward 24,178 megawatt-hours of excess savings. No single large facility savings have been identified by Pacific Power.

To increase consistency among all state utilities, an all-encompassing target and achievement should be used when submitting reports to Commerce, including the UTC target and achievement in the notes of the report. Staff recommends that Pacific Power submit a revised Conservation Report to Commerce identifying a 2014-2015 biennial target and achievement with no conservation excluded.

A full discussion of conservation and policy issues in the biennium can be found in Staff's Comments filed on July 21, 2016.

### **Stakeholder Comments**

The NW Energy Coalition (NVEC) was the only other party to file comments regarding Pacific Power's report. In its comments, filed on June 21, 2016, NVEC recommended that, in light of the fact that the utility has easily exceeded its targets for the last three biennia, Pacific Power pursue goals that are more in line with their actual achievement in the future.

### **Conclusion**

Staff recommends that the commission issue an order in Docket UE-132047 as described in the recommendation section above.