

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of	DOCKET UE-190908
PACIFICORP d/b/a PACIFIC POWER & LIGHT COMPANY'S	ORDER 04
2020-2029 Ten-Year Achievable Electric Conservation Potential and 2020-2021 Biennial Conservation Target Under RCW 19.285.040 and WAC 480-109-010	APPROVING 2020-2021 BIENNIAL ELECTRIC TARGET REPORT

BACKGROUND

- 1 The Energy Independence Act (EIA)¹ requires Washington's electric utilities to "pursue all available conservation" that is cost-effective, reliable, and feasible. Electric utilities are required to acquire this conservation by setting (and achieving) biennial conservation targets.² 2021 marks the second half of the 2020-2021 biennium and, as such, electric utilities are held accountable for the achievement of their biennial targets at the conclusion of the 2021 year.
- 2 In July 2021, to address extenuating circumstances, a new law was passed allowing an electric utility to be considered in compliance, in certain circumstances, even when failing to meet its biennial acquisition target for cost-effective conservation. Subsection 1(e) of RCW 19.285.040 states that even if a utility has not achieved its target, it can be "considered in compliance" with its biennial acquisition target if there were "events beyond the reasonable control of the utility that could not have been reasonably anticipated or ameliorated prevented it from meeting the conservation target."³

¹ RCW 19.285.040.

² WAC 480-109-100(3).

³ RCW 19.285.040(1)(e) goes on to state: "Events that a qualifying utility may demonstrate were beyond its reasonable control, that could not have reasonably been anticipated or ameliorated, and that prevented it from meeting the conservation target include: (i) Natural disasters resulting in the issuance of extended emergency declarations; (ii) the cancellation of significant conservation projects; and (iii) actions of a governmental authority that adversely affects the acquisition of cost-effective conservation by the qualifying utility."

3 On June 1, 2022, PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) filed its 2020-2021 Biennial Conservation Report (Biennial Conservation Report) in Docket UE-190908, as required by rule.⁴ The Company’s electric conservation target achievements as outlined in the Company’s Biennial Conservation Report are summarized in the tables below:

Electric Conservation Target⁵	Electric Conservation Target⁶	% of Electric Target Achieved
91,639	64,897	71%

4 During the 2020-2021 biennium, PacifiCorp used several adaptive management strategies during this challenging period. PacifiCorp increased both residential and non-residential incentives, expanded online offerings, and began practicing virtual inspections where possible, among other actions. Despite these efforts, PacifiCorp did not meet its electric savings target for the 2020-2021 biennium. Commission staff (Staff) agrees with PacifiCorp’s assertion that the COVID-19 pandemic and its related challenges constitute events beyond the reasonable control of the utility that prevented it from meeting its conservation target. Staff therefore believes that PacifiCorp should be “considered in compliance” with its biennial acquisition target for cost-effective conservation per RCW 19.285.040(1)(e) and does not believe a penalty is appropriate at this time.⁷

DISCUSSION AND DECISION

5 We agree with Staff’s recommendation. As a preliminary matter, we find that PacifiCorp has complied with the reporting requirements of WAC 480-109-120 and RCW 19.285.070 by timely filing a biennial conservation report with sufficient detail to allow

⁴ WAC 480-109-120; PacifiCorp’s electric biennial conservation target is contained within its 2020-21 Biennial Conservation Plan, which was approved in Order 01 in Docket UE-190908. On June 21, 2022, PacifiCorp filed a revised Biennial Conservation Report to incorporate feedback from Staff which PacifiCorp missed prior to the initial filing. *In the Matter of PacifiCorp*, Docket UE-190908, Revised 2020-2021 Biennial Conservation Report (June 21, 2022).

⁵ This is the Company’s total local biennium target, which is equal to the EIA penalty threshold plus the decoupling threshold and does not include regional savings.

⁶ Application of excess savings from previous biennia is included in this target, also called total local conservation achievement, which is defined as conservation achieved by each utility that is subject to EIA penalty.

⁷ RCW 19.285.040(1)(e) provides circumstances where a qualifying electric utility can be “considered in compliance” with the biennial acquisition targets.

the Commission to determine how PSE is performing compared to its conservation targets.

6 We acknowledge that, as stated in Staff’s comments on electric biennial conservation reports, 2020-2021 were difficult years for conservation achievement.⁸ The COVID-19 pandemic initiated an overflow of challenges, such as closures of utility offices and customer businesses; customer financial challenges; changes in customer demand; and labor and supply chain shortages. These elements added to the already significant challenges utilities face in achieving the remaining conservation in the region.

7 Under RCW 19.285.040(1)(e), a company may be considered in compliance with its biennial acquisition target for cost-effective conservation if events beyond the reasonable control of the utility that could not have been reasonably anticipated or ameliorated prevented it from meeting the conservation target. Although PacifiCorp failed to meet its conservation targets, we find that there existed sufficient circumstances to allow PacifiCorp to be “considered in compliance” for the purposes of RCW 19.285.040(1)(e). Further, the Company has shown that it has exercised adaptive management techniques in an effort to adapt to the challenges the pandemic introduced. Thus, we find that PacifiCorp has sufficiently complied with its biennial acquisition target for cost-effective conservation to be considered in compliance and conclude that no penalty is warranted at this time.

FINDINGS AND CONCLUSIONS

- 8 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric companies.
- 9 (2) PacifiCorp is an electric company and a public service company subject to Commission jurisdiction. PacifiCorp is a qualifying electrical company under RCW 80.04.010.

⁸ Dockets UE-190905, UE-190912 & UE-190908, Commission Staff Comments Regarding Electric Utility Conservation Achievements Under the Energy Independence Act (Staff Comments) (July 1, 2022).

- 10 (3) On June 1, 2022, PacifiCorp filed its Biennial Conservation Report, which showed that PacifiCorp had failed to meet its conservation targets.
- 11 (4) Pursuant to RCW 285.040(1)(e), the Commission may determine that a utility is considered in compliance with its biennial acquisition target for cost-effective conservation if events beyond the reasonable control of the utility that could not have been reasonably anticipated or ameliorated prevented it from meeting the conservation target.
- 12 (5) The COVID-19 pandemic created circumstances beyond PacifiCorp's control that interfered with the Company's ability to meet its conservation target.
- 13 (6) PacifiCorp took adequate adaptive measures to attempt to ameliorate the effect of the pandemic on its conservation efforts.
- 14 (7) This matter came before the Commission at a recessed open meeting on July 26, 2022.
- 15 (8) After reviewing PacifiCorp's report and Staff's comments, and giving due consideration to relevant matters, the Commission finds that PacifiCorp has complied with the reporting requirements of WAC 480-109-120 and RCW 19.285.070 and is considered in compliance with its biennial acquisition target for cost-effective conservation.

ORDER

THE COMMISSION ORDERS:

- 16 (1) PacifiCorp d/b/a Pacific Power & Light Company's 2020-2021 Biennial Report of Conservation Accomplishments is APPROVED.
- 17 (2) This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs, on any matters that may come before it.

DATED at Lacey, Washington, and effective July 26, 2022.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVE W. DANNER, Chair

ANN E. RENDAHL, Commissioner