**COMMENT FORM OF PACIFIC POWER**

**UTC Comment form for Energy Independence Act Rulemaking, WAC 480-109, Docket UE-131723**

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| Comment 1 | Current Proposed Text | PacifiCorp’s Proposed Changes to Text | Rational for proposed change |
| Regarding WAC 480-109-060 (18) | “Pro rata” means the calculation dividing the utility’s projected ten-year conservation potential into five equal proportions to establish the minimum biennial conservation target. | Do not change existing WAC language. | The calculation is inconsistent with methodologies used by the Northwest Power Planning Council in the development of the 6th Regional Power Plan. The calculation does not recognize the differences in availability of resources potential within the forecast period (i.e. lost opportunity versus discretionary), the rate at which emerging technologies become available in the market, or the barriers to ramping up in hard-to-reach markets. The draft rule language also does not reflect that some measures captured within the forecast may not be economic within the first two years of the forecast period. |
| Comment 2 | Current Proposed Text | Proposed Text | Rationale for proposed change |
| Regarding WAC 480-109-060(30) | “Transmission voltage” means an electric line normally operated at or above 100,000  volts. | Delete the proposed text in its entirety. | It is unclear why this definition is being proposed, as it may be inconsistent with classification of transmission voltage used for FERC rates. |
| Comment 3 | Current Proposed Text | PacifiCorp’s Proposed Changes to Text | Rational for proposed change |
| Regarding WAC 480-109-100 (1)(i) | Identify potential. Identify the cost-effective, reliable and feasible potential of possible technologies and conservation programs and measures in the utility’s service territory. | Identify potential. Identify the cost-effective, reliable and feasible conservation potential in the utility’s service territory. | The draft rule language combines identification of all cost-effective, reliable and feasible conservation with how such conservation is pursued (e.g., through programs and other actions).. These are separate concepts and should not be combined into a single compliance obligation. |
| Comment 4 | Current Proposed Text | PacifiCorp’s Proposed Changes to Text | Rational for proposed change |
| Regarding WAC 480-109-100 (2)(c) | The projection must include a list of each measure used in the potential, its unit energy savings value, and the source of that value. | The projection must include a list of each measure category used in the potential and the source of that value. | Pacific Power questions whether this rule change will be effective in improving the practical implementation of Energy Independence Act (EIA),.  Currently, the Company provides extensive detail on end uses, unit energy consumption, unit energy savings and data sources in the Conservation Potential Assessment CPA (Appendices B and C). Appendix C-6 provides a Washington-specific Explicit comparison between CPA and regional savings values. The Biennial Conservation Plan BCP filing includes the CPA as an Appendix.  In addition, the Company provides an Appendix in our BCP that shows which measures were selected by the IRP for the current biennial period.    The information provided in the company’s BCP and CPA illustrates that a robust all-sector CPA utilizes more than UES values (contextually described in the proposed rule as savings per piece of equipment). CPA’s also incorporate energy savings per building, per sq. ft., per linear foot of refrigerated case, as a percent of end use by industry, etc.  While the draft rule requirements may be satisfied by re-configuring or re-arranging the existing information available, it may also require additional detail in the form of access to third party models or work papers which could increase costs.  If this rule change is adopted, the timing of its implementation should be considered to allow utilities to incorporate changes to the scopes of work for future CPAs (those that will be used to inform the 2018-2019 conservation forecast) to ensure utilities have the information needed to fully comply (provide the information in the specific format requested) and minimize the potential cost of this new requirement (avoid having to redo or re-configure current work products). |
| Comment 5 | Current Proposed Text | PacifiCorp’s Proposed Changes to Text | Rational for proposed change |
| Regarding WAC 480-109-100 (3)(b) | The biennial conservation target must be no lower than a pro rata share of the utility’s ten-year cumulative achievable conservation potential. | The biennial conservation target must be no lower than a pro rata share of the utility’s ten-year cumulative achievable conservation potential. Each utility must fully document how it prorated its ten-year cumulative conservation potential to determine the minimum level for its biennial conservation target. | See Pacific Power’s rational for proposed change – Comment 1. The full description in the draft rule language here is needed if no change is made to the Pro rata definition. |
| Comment 6 | Current Proposed Text | PacifiCorp’s Proposed Changes to Text | Rationale for proposed change |
| Regarding WAC 480-109-100(5) | A utility must use unit energy savings values and protocols approved by the regional technical forum or by commission order. The commission will consider a unit energy savings value or protocol that is:   1. Based on generally accepted impact evaluation data or other reliable and relevant data that includes verified savings levels; and 2. Presented to its advisory group for review. The commission retains discretion to determine an appropriate value for this protocol | When making program changes or proposing new measures, a utility must use the unit energy savings values and standard protocol savings estimation methodologies approved by the regional technical forum or by commission order or provide an explanation for why not. The commission will consider a unit energy savings value or protocol that is:   1. Based on generally accepted impact evaluation data or other reliable and relevant data that includes verified savings levels; and 2. Presented to its advisory group for review. The commission retains discretion to determine an appropriate value or protocol | Consider adding “When making changes ….” This change would clarify the requirement relates to new work commencing after the rules are adopted.  Consider qualifying “protocols” with “standard” to make it clearer which protocols are being referenced.  Consider adding “savings estimation methodologies “to delineate the savings calculations from the regional work research plan included in the protocol.  Consider adding “or provide an explanation for why not”. The ability to propose an alternate unit energy savings value or approach for savings estimation provides needed flexibility in cases where the savings values or protocol may not apply to all program measures or where the utility has equally reliable savings value or savings estimation methodology  Consider minor language change “or” in place of “for this” that may more appropriately reflect the intended commission action. |
| Comment 7 | Current Proposed Text | PacifiCorp’s Proposed Changes to Text | Rational for proposed change |
| Regarding WAC 480-109-100 (8)(a) | Portfolio. A utility’s conservation portfolio must pass a cost-effectiveness test consistent with that used in the Northwest Conservation and Electric Power Plan. A utility must evaluate conservation using cost-effectiveness tests consistent with those used by the council, and as required by the commission, except low-income conservation programs. | Portfolio. A utility’s conservation portfolio must pass a cost-effectiveness test consistent with that used in the Northwest Conservation and Electric Power Plan. A utility must evaluate conservation using cost-effectiveness tests consistent with those used by the council, and as required by the commission. | See explanation to Comment 7, striking “…except low-income conservation programs.” From current text. |
| Comment 8 | Current Proposed Text | PacifiCorp’s Proposed Changes to Text | Rational for proposed change |
| Regarding WAC 480-109-100 (8)(b) | A utility must evaluate low-income conservation programs for cost-effectiveness using the savings-to-investment ratio, as described in the Weatherization Manual For Managing the Low-Income Weatherization Program. A utility may also evaluate low-income conservation programs using a cost-effectiveness test consistent with that used by the council. | Remove article (8)(b) and its sub-parts (i)(ii)and (iii). | Pacific Power suggests striking all references to evaluating the cost-effectiveness of low-income conservation programs in a manner inconsistent with other forms of conservation in the state. While the Company understands the challenges in delivering low-income conservation under the current cost-effectiveness evaluation criteria, until a review of the possible ramifications of this change is conducted, it is most prudent to continue to apply the same cost-effectiveness tests to all programs. For example, low-income sector conservation opportunities are not analyzed separately in completing a utility CPA and therefore cannot be screened separately in a utility IRP for economics. It is possible to evaluate prospective and actual low-income program performance under the savings-to-investment criteria, but it is not possible to use this screening for measures that may be applicable in this sector within the CPA and IRP planning phases, suggesting a utility would not be in compliance in how it derives its ten-year forecast and biennial target (some residential measures might be cost-effective if installed in a low-income home verses a non-low-income home.)  If adopted as proposed, challenges with strict compliance of this rule and those related to the identification of “all cost-effective” conservation should be considered.  Also, as currently proposed, the Company points out possibly conflicting language in in (8)(b)(i), which reads “A utility must evaluate low-income conservation programs for cost-effectiveness using the savings-to-investment ratio, as described…..” and also later reads “A utility may also evaluate low-income conservation programs using a cost-effectiveness test consistent with that used by the council.” This language suggests a utility has the choice of the two methodologies. |
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