

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of	DOCKET UE-111880
PACIFIC POWER & LIGHT COMPANY'S	ORDER 04
2012-2013 Biennial Conservation Target Under RCW 19.285.040	ORDER REGARDING CONSERVATION ACHIEVEMENT FOR THE 2012-2013 BIENNIUM

**BACKGROUND**

- 1 Initiative 937, 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 2012-2013 biennial conservation target of 76,291 to 79,322 megawatt-hours. The Washington Utilities and Transportation Commission (Commission) approved that target in Order 01.
- 2 On May 30, 2014, as required by Order 01, RCW 19.285.070(1), and WAC 480-109-040(1)(a), Pacific Power filed its "2012-2013 Biennial Conservation Report" (Biennial Conservation Report or BCR). Pacific Power reported that it had achieved 111,853 megawatt-hours of electric conservation during the 2012-2013 biennium, exceeding its maximum biennial target of 79,322 megawatt-hours.
- 3 On June 6, 2014, 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. During the comment period, the Commission received written comments from Commission Staff (Staff) and the Public Counsel Section of the Attorney General's Office (Public Counsel).

4 On July 1, 2014, Pacific Power filed a revised BCR that corrected several minor errors, including a minor calculation error that caused the Company to over-report savings from its insulation program and omission of savings from production efficiency programs in its reported achievement. The revisions resulted in an increase in the Company's biennial conservation achievement to 111,923 megawatt-hours.

5 At the recessed Open Meeting on July 25, 2014, the Commission heard oral comments from Staff, Public Counsel, and Pacific Power. Staff and Public Counsel agree that the Company's revised BCR addresses all of their issues with the original filing and that Pacific Power has complied with all applicable requirements.

6 Both Public Counsel and Staff, however, recommend that third-party review of future BCRs include on-site evaluations of the Company's conservation projects. Public Counsel also encourages Pacific Power to implement the suggestion of its third-party conservation reviewer, SBW Consulting, to closely monitor its tracking and reporting system to ensure that it aligns with best practices.

7 Pacific Power is amenable to adding on-site evaluations to its third-party review process if, after discussing the costs and benefits of on-site evaluations, the Washington Demand-Side Management Group recommends the Company do so. The Company also plans to follow SBW Consulting's recommendation that the Company review its single database tracking and reporting system once it is in place to ensure it aligns with best practices.

### **DISCUSSION**

8 The Commission agrees with Staff and Public Counsel 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. We also find merit in Staff and Public Counsel's recommendations for improving third-party review of the Company's Biennial Conservation Reports in the future, but this is not the right proceeding to require Pacific Power to implement those recommendations. Rather, we leave such implementation to be negotiated between the interested parties during the target-setting process.

**FINDINGS AND CONCLUSIONS**

- 9 (1) The Washington Utilities and Transportation 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.
- 10 (2) Pacific Power is an electric company and a public service company subject to Commission jurisdiction.
- 11 (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).
- 12 (4) Pacific Power has achieved 111,923 megawatt-hours of conservation during the 2012-2013 biennium, exceeding its maximum target of 79,322 megawatt-hours. Pacific Power has complied with RCW 19.285.040(1)(b).
- 13 (5) Pacific Power has met the reporting requirements of RCW 19.285.070 and WAC 480-109-040(1).
- 14 (6) Pacific Power has complied with Order 01 in this docket.

**ORDER**

**THE COMMISSION ORDERS:**

- 15 (1) Pacific Power & Light Company has complied with the June 1, 2014, reporting requirements pursuant to WAC 480-109-040.
- 16 (2) Pacific Power & Light Company has complied with the requirements in Order 01.

- 17 (3) Pacific Power & Light Company achieved 111,923 megawatt-hours of conservation during the 2012-2013 biennium.

DATED at Olympia, Washington, and effective July 31, 2014.

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

JEFFREY D. GOLTZ, Commissioner