

January 14, 2011

***VIA ELECTRONIC FILING***

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504‑7250

Attention: David W. Danner
 Executive Director and Secretary

**RE: Docket U-101973 Comments on Proposed Revisions to Draft Rules**

Dear Mr. Danner:

PacifiCorp, d.b.a. Pacific Power (or “Company”) submits the following response to the Washington Utilities and Transportation Commission’s (“Commission”) Notice of Opportunity to File Response to Information Request (“Notice”) issued in Docket U-101973 on December 21, 2010. The Notice presents a list of eight topics regarding low-income conservation programs and requests that interested parties provide information where applicable. Pacific Power provides the following information in response to the Notice.

1. **For low-income agencies, a complete budget and expenditures with a list of all funding sources for low-income conservation including housing repair, health and safety assistance and the amount of funding available as a proportion of total agency budget.**

Question 1 is not applicable to Pacific Power.

1. **For each utility, a complete budget for low-income conservation including housing repair, health and safety assistance and spending as a proportion of total conservation budget.**

Pacific Power’s Low-income Weatherization Program, Schedule114, Residential Energy Efficiency Rider Optional for Qualifying Low-income Customers (Schedule 114) is budgeted in total, without a breakdown of specific costs. The budget for the program and its percentage of the Company’s total Washington Demand Side Management budget for 2008 through 2011 are as follows:

|  |  |  |
| --- | --- | --- |
|  | Schedule 114 Budget | Percentage of DSM Budget |
| 2008 | $1,017,075 | 13.4% |
| 2009 | $1,017,075 | 13.5% |
| 2010 | $1,000,000 | 11.2% |
| 2011 | $1,000,000 | 12.1% |

1. **Total utility disbursement to CAP agencies in 2008-2009.**

The total reimbursement provided to the three agencies offering energy efficiency services to Pacific Power customers in calendar years 2008 and 2009 are as follows:

|  |  |  |
| --- | --- | --- |
|  | CY 2008 | CY 2009 |
| Blue Mountain Action Council | $36,374.16 | $45,827.03 |
| Northwest Community Action Center | $109,958.52 | $222,952.90 |
| Opportunities Industrialization Center of Washington | $386,367.63 | $223,205.91 |
| Total | $532,700.31 | $491,985.84 |

1. **An explanation of the administration of low-income conservation programs.**

The Low-income Weatherization Program is available through Schedule 114, included with the Company’s response as Attachment A. This is a demand side management program with costs recovered through Schedule 191, System Benefits Charge Adjustment, which is included with the Company’s response as Attachment B. Pacific Power contracts with Blue Mountain Action Council in Walla Walla, Northwest Community Action Center in Toppenish and Opportunities Industrialization Center of Washington in Yakima (Agencies) to install efficiency measures in the homes of income-eligible customers in an effort to reduce their electricity usage. The Agencies also receive funding from state and federal sources.

Pacific Power provides a rebate of 50 percent of the cost of installing approved measures when the Agencies have state Matchmaker program funding available, and 100 percent of costs when the funding is not available. In addition, Agencies bill the Company for an administrative cost reimbursement calculated as 15 percent of the rebate requested on each completed home. Reimbursements on related home repairs are available up to 15 percent of the annual reimbursement on energy efficiency measures received.

Agency staff members verify income eligibility, audit the homes, install the measures and invoice the Company for the services provided. Services are available to homeowners and renters residing in single-family homes, manufactured homes and apartments.

1. **A list of the types of conservation measures installed.**

Pacific Power will provide a rebate on the following measures as included in Schedule 114:

* Ceiling, floor and wall insulation in electrically heated homes must be installed if the results of an agency audit indicate these measures are cost effective;
* Attic ventilation when installed with ceiling insulation;
* Ground cover and water pipe insulation when installed with floor insulation;
* Electric space heating duct insulation and sealing in unheated spaces;
* Weather-stripping and caulking including blower door assisted air sealing and duct sealing in electrically heated homes;
* Thermal doors in electrically heated homes;
* Dehumidifiers in electrically heated homes;
* Timed thermostats on centrally controlled electric heat systems and heat anticipating thermostats for zonal electric heating systems;
* Energy efficient showerheads and aerators when electric water heaters are in use;
* Replacement of electric water heaters when audit results indicate it is cost effective;
* Fluorescent light fixtures;
* Compact fluorescent light bulbs, limit of 10 per home in fixtures in use 2 or more hours per day;
* Refrigerators when the model in use has monitored results showing annual usage of 1,500 kWh or more; and
* Class 40 replacement windows in electrically heated homes when audit results indicate it is cost effective
1. **A list of types of health and human safety measures installed.**

Schedule 114 allows for Agencies to bill the Company for reimbursement on home repairs. These include health and human safety measures, but are not specified. Agencies will be able to provide a list of the specific health and human safety measures.

1. **A spreadsheet showing the cost effectiveness calculations with line items for housing repair and safety assistance.**

Included as Attachment C is the most recent Low-income Weatherization Program evaluation, dated January 19, 2007. It includes cost effectiveness analyses on pages 37-40. Cost-effectiveness calculations are based on total program costs. Types of costs such as home repair are not analyzed separately. The average energy savings per home is estimated to be 1,840 kWh. The total resource cost benefit ratios range from 0.60-0.65 based on electricity savings only and range from 1.08-1.12 under scenarios that include electricity and non-electricity savings benefits.

The next Low-income Weatherization Program evaluation will be completed by August 2012.

1. **The best information available on conservation potential for low-income customers and a description of how that information was determined.**

This would best be addressed by the Agencies, as they are responsible for determining eligibility for participation in energy efficiency programs for low-income customers. The Company began partnering with Blue Mountain Action Council, Northwest Community Action Center and Opportunities Industrialization Center of Washington to provide energy efficiency services to limited income households in the mid-1980s. The Company has provided funding on a total of 6,762 homes from 1986 through 2010. Additional homes have been served by the Agencies using funding from other sources. However, Pacific Power does not receive data on these completions and is unable to determine the total number of completions.

While the total number of eligible structures diminishes each year as existing dwellings built prior to July 1, 1991 are weatherized, the conservation potential for low-income customers is subject to factors such as economic climate (customers no longer eligible for low-income status or an increase in customers eligible for low-income status), customer movement (existing low-income customers moving into weatherized homes or moving out of area and new low-income customers moving into unweatherized homes), and weather conditions. As such, a specific estimate of conservation potential for low-income customers would be unfounded. However, based on relatively levelized annual participation in the Company’s program, it is reasonable to believe that there is a continuing need and conservation potential for low-income customers.

Pacific Power appreciates the opportunity to provide information and to participate in the review of low-income conservation programs including attending the February 1, 2011, workshop. Please direct any questions to Jon Christensen, Regulatory Manager, (503) 813-5269.

Sincerely,

Andrea L. Kelly

Vice President, Regulation

Attachments

**(Attachment A)**

**LOW-INCOME WEATHERIZATION PROGRAM (SCHEDULE 114)**

**(Attachment B)**

**SYSTEM BENEFIT CHARGE ADJUSTMENT (SCHEDULE 191)**

**(Attachment C)**

**LOW-INCOME WEATHERIZATION PROGRAM EVALUATION**

**DATED JANUARY 19, 2007**