



	PSE Condition (Red text indicates portions of condition altered by WAC rule)	PacificCorp Condition	Avista Condition	Draft Rule Language Section	Proposed WAC rule	Comparison to PSE condition
	Red print= altered entire condition or intent of condition.			Red print= altered entire condition or intent of condition.	Blue print = transferred the condition or the intent of the condition.	
Market Transformation	1(b) As part of Puget Sound Energy's biennial conservation acquisition efforts, Puget Sound Energy will continue to pursue regional electric market transformation, in collaboration with funding from other parties and with other strategic market partners in this biennium that: (i) Complements Puget Sound Energy's energy efficiency programs, services, and measures, (ii) Achieve long-term, cost-effective, reliable, and feasible electric energy savings. Cost effectiveness will be consistent with methodologies described in Paragraph (10) below, and will be developed by the regional market transformation entity or entities. Puget Sound Energy will conduct cost-effectiveness tests independently of the regional market transformation entity or entities.	6(h) As part of PacifiCorp's biennial conservation acquisition efforts, PacifiCorp will continue to pursue regional electric market transformation.	6(h) As part of Avista Corporation's biennial conservation acquisition efforts, Avista Corporation commits to continuing to pursue regional electric market transformation in this biennium.	480-109-100(1)(b)(vi)	Types of conservation include, but are not limited to: Market Transformation	Unsure if this was the transfer of a condition or simply a reference to (1)(b).
Company Retains Responsibility	(2) Puget Sound Energy Retains Responsibility. Nothing within this Agreement relieves Puget Sound Energy of the sole responsibility for complying with RCW 19.285 and WAC 480 109, which requires Puget Sound Energy to use methodologies consistent with those used by the Pacific Northwest Electric Power and Conservation Planning Council (Council). Specifically, the conditions regarding the need for a high degree of transparency, and communication and consultation with external stakeholders, diminish neither Puget Sound Energy's operational authority nor its ultimate responsibility for meeting the biennial conservation target approved herein.	(2) Company Retains Responsibility. Nothing in this Order relieves Avista Corporation of its sole responsibility to comply with RCW 19.285, which requires Avista Corporation to use methodologies consistent with those used by the Pacific Northwest Electric Power and Conservation Planning Council (Council). Specifically, the Conditions regarding the need for a high degree of transparency, and communication and consultation with external stakeholders, diminish neither Avista Corporation's operational authority nor its ultimate responsibility for meeting the biennial conservation target approved herein.	(2) Company Retains Responsibility. Nothing within this Order relieves PacifiCorp of the sole responsibility for complying with RCW 19.285, which requires PacifiCorp to use methodologies consistent with those used by the Pacific Northwest Electric Power and Conservation Planning Council ("Council"). Specifically, the Conditions regarding the need for a high degree of transparency, and communication and consultation with external stakeholders, diminish neither PacifiCorp's operational authority, nor its ultimate responsibility for meeting the biennial conservation target approved herein.		Not transferred	
<b>Advisory Group</b>						
Advisory Group	3(a) Puget Sound Energy must maintain and use an external conservation Advisory Group of stakeholders to advise Puget Sound Energy on the topics described in subparagraphs (i) through (ix) below. To meet this condition, Puget Sound Energy shall continue to use its Conservation Resources Advisory Group (CRAG), initially created under Docket UE 011570 and UG 011571, and its Integrated Resource Planning Advisory Group created under WAC 480 100 238.	3(a) PacifiCorp must maintain and use an external Washington Demand-Side Management ("DSM") Advisory Group ("Advisory Group") consisting of external stakeholders to advise PacifiCorp on the topics described in Subparagraphs (i) through (vii) below. To meet this condition, PacifiCorp may continue to use its Advisory Group created under the June 16, 2000, Comprehensive Stipulation in Docket UE 991832, which the Commission approved in the August 9, 2000, Third Supplemental Order in that Docket.	3(a) Avista Corporation must maintain and use an external conservation Advisory Group of stakeholders to advise Avista Corporation on the topics described in subparagraphs (i) through (ix) below.	480-109-110(1)	A utility must maintain and use an external conservation advisory group of stakeholders to advise the utility on conservation issues, including, but not limited to	(Almost) direct transfer of condition. Intent is still clear.
Advisory Role	The Advisory Groups shall address but are not limited to the following issues:	PacifiCorp will seek the advice of the Advisory Group on the following matters:	The Advisory Group shall advise on the following:			
E / M & V	3(a)(i)(1) Updates to the evaluation, measurement, and verification (EM&V) framework as implemented by Puget Sound Energy which guides its approach to evaluation, measurement, and verification of energy savings. This framework must be reflected in the Biennial Conservation Plan for each subsequent biennium; and (2) Modification of existing, or development of new, EM&V conservation protocols based on Puget Sound Energy's current evaluation, measurement and verification approach.	3(a)(i) Modification of existing or development of new evaluation, measurement, and verification (EM&V) conservation protocols based on PacifiCorp's current evaluation, measurement and verification approach.	3(a)(i)(1) Updates to the evaluation, measurement, and verification (EM&V) framework as implemented by Avista Corporation which guides its approach to evaluation, measurement, and verification of energy savings. This framework must be reflected in the Biennial Conservation Plan for each subsequent biennium; and (2) Modification of existing or development of new EM&V conservation plans based on Avista's current evaluation, measurement and verification framework.	480-109-110(1)	(a) Updates to the utility's evaluation, measurement, and verification framework. (b) Modification of existing, or development of new evaluation, measurement, and verification methods.	(Almost) direct transfer of condition. Intent is still clear.
	[none]			480-109-110(1)	(c) Independent third-party evaluation of portfolio-level biennial conservation achievement.	New requirement
Conservation Potential	3(a)(ii) Development of conservation potential assessments under RCW 19.285.040(1)(a) and WAC 480 109 010(1).	3(a)(ii) Development of conservation potential assessments under RCW 19.285.040(1)(a) and WAC 480 109 010(1).	3(a)(ii) Development of conservation potential assessments under RCW 19.285.040(1)(a) and WAC 480-109-010(1) consistent with part (3)(d).	480-109-110(1)	(d) Development of conservation potential assessments, as required by RCW 19.285.040(1)(a) and WAC 480-109-010(1).	(Almost) direct transfer of condition. Intent is still clear.
C/E calculations	3(a)(iii) Guidance to Puget Sound Energy regarding methodology inputs and calculations for updating cost-effectiveness.	3(a)(iii) Guidance to PacifiCorp regarding methodology inputs and calculations for updating cost-effectiveness.	3(a)(iii) Guidance to Avista Corporation regarding methodology inputs and calculations for updating cost-effectiveness.	480-109-110(1)	(e) The methodology, inputs and calculations for cost-effectiveness.	(Almost) direct transfer of condition. Intent is still clear.
Supply Curve Data	3(a)(iv) Market assessments and the data values used in updating Puget Sound Energy's supply curves.	3(a)(iv) Review of data sources and values used to update supply curves.	3(a)(iv) Data sources and values used to update supply curves.	480-109-110(1)	(f) The data sources and values used to develop and update supply curves.	Added "data sources", removed "market assessments"
Tariff Modifications	3(a)(v) Need for tariff modifications or mid-course program corrections.	3(a)(v) Need for tariff modifications or mid-course program corrections.	3(a)(v) Need for tariff modifications or mid-course program corrections.	480-109-110(1)	(g) The need for tariff modifications or mid-biennium program corrections.	"mid-biennium" versus "mid-course"
Marketing	3(a)(vi) Appropriate level of and planning for: (1) Marketing conservation programs. (2) Incentives to customers for measures and services.	3(a)(vi) Appropriate level of and planning for: (1) Marketing conservation programs. (2) Incentives to customers for measures and services.	3(a)(vi) Appropriate level of and planning for: (1) Marketing conservation programs. (2) Incentives to customers for measures and services.	480-109-110(1)	(h) The appropriate level of and planning for: (i) marketing conservation programs; (ii) incentives to customers for measures and services; and (iii) impact, market, and process evaluations.	Part (iii) is a new requirement
Low Income	3(a)(vii) Consideration of issues related to conservation programs for customers with low-income.	3(b) PacifiCorp has a separate Washington low-income advisory group ("Low Income Advisory Group") that includes members representing customers with limited income. Any issues related to conservation programs for customers with limited income will need to be considered and reviewed by the Low Income Advisory Group.	3(a)(vii) Consideration of issues related to conservation programs for customers with low income.	480-109-110(1)	(i) Programs for low income customers.	(Almost) direct transfer of condition. Intent is still clear.

	PSE Condition (Red text indicates portions of condition altered by WAC rule)	PacificCorp Condition	Avista Condition	Draft Rule Language Section	Proposed WAC rule	Comparison to PSE condition
Results vs. Targets	3(a)(viii) Program achievement results with annual and biennial targets.	3(a)(vii) Program achievement results with annual and biennial targets.	3(a)(viii) Comparing program achievement results with annual and biennial targets.	480-109-110(1)	(j) Establishment of the biennial conservation target and actual program achievement results compared to the target.	Removed "annual", added "actual". Added "establishment of the biennial target".
Budget vs. Expenditures	3(a)(ix) Conservation program budgets and actual expenditures compared to budgets. Puget Sound Energy shall inform the CRAG members when its projected expenditures indicate that Puget Sound Energy will spend more than 120% or less than 80% of its annual conservation budget.	3(a)(viii) Conservation program budgets and actual expenditures compared to budgets.	3(a)(ix) Conservation program budgets and actual expenditures compared to budgets. Avista Corporation shall inform the Advisory Group members when its expenditures indicate that Avista Corporation will spend more than 120 percent or less than 80 percent of annual conservation budget. Avista may provide this information in its quarterly newsletter, as total year-to-date expenditures and as total year-to-date expenditures as a percent of the annual conservation budget.	480-109-110(1)	(k) Conservation program budgets and actual expenditures compared to budgets.	Removed requirement of 80%/120%.
Required Advisory Mtgs.	3(b) The CRAG shall meet face-to-face at least semi-annually to hear updates, review program modifications, or consider need for revisions. In addition, the CRAG shall meet at least two additional times per year through conference calls or face-to-face meetings. CRAG members may call meetings at any time with sufficient notice for meeting attendance. Puget Sound Energy shall make arrangements to hold a meeting within 2 weeks from the date of the request.	3(c) The Advisory Group should meet quarterly at a minimum. PacifiCorp will consider additional meeting requests from any member of the Advisory Group with reasonable notice.	3(b) The Advisory Group shall meet four times per year at a minimum, including at least two face-to-face meetings. Avista Corporation must permit any member to request an additional meeting of the Advisory Group with reasonable notice.	480-109-110(2)	A utility must meet with its conservation advisory group at least four times per year. Conservation advisory group members may request additional meetings.	Removing the opportunity for conference calls and providing PSE a two-week notice.
Filings	3(c) Except as provided in Paragraph (8) below, Puget Sound Energy will provide the CRAG an electronic copy of all tariff filings related to programs funded by the Electric Conservation Service Rider that Puget Sound Energy plans to submit to the Commission at least two months before any proposed effective date. When extraordinary circumstances dictate, Puget Sound Energy may provide the CRAG with a copy of a filing concurrent with the Commission filing. This condition does not apply to a general rate case filing.	3(d) PacifiCorp will provide the Advisory Group an electronic copy of all DSM filings the Company submits to the Commission in advance of filing. When extraordinary circumstances dictate, PacifiCorp may provide the Advisory Group with a copy of a filing concurrent with the commission filing.	[none]	480-109-110(3)	A utility must provide its conservation advisory group an electronic copy of all conservation filings that the utility intends to submit to the commission at least 30 days in advance of the filing. The filing cover letter must document the amount of advance notice provided to the conservation advisory group.	Removed extraordinary circumstances, affecting Schedule 120 filings.
IRP Mtg Notice	3(d) Puget Sound Energy will notify CRAG members of public meetings scheduled to address Puget Sound Energy's integrated resource plan. Puget Sound Energy will also provide CRAG members with an opportunity to meet with the entity conducting the conservation potential assessment regarding the scope and design of the study, as well as the assumptions and relevant information utilized in the development of Puget Sound Energy's integrated resource plan as they apply to development and/or modification of the ten-year conservation potential as requested through the integrated resource plan public process.	3(e) PacifiCorp will notify the Advisory Group of public meetings scheduled to address the Company's integrated resource plan. PacifiCorp will also provide the Advisory Group with the assumptions and relevant information utilized in the development of PacifiCorp's integrated resource plan as they apply to development and/or modification of the ten-year conservation potential as requested through the integrated resource plan public process.	3(d) Avista Corporation will notify the Advisory Group of public meetings scheduled to address energy efficiency components of Avista Corporation's integrated resource plan and provide an opportunity for Advisory Group participation in such meetings. Avista Corporation will also provide the Advisory Group with an opportunity to meet with the entity conducting the conservation potential assessment regarding the scope and design of the study, as well as the assumptions and relevant information utilized in the development of Avista Corporation's integrated resource plan as they apply to development and/or modification of the ten-year conservation potential as requested through the integrated resource plan public process.	480-109-110(4)	A utility must notify its conservation advisory group of public meetings scheduled to address the utility's integrated resource plan, conservation programs, or conservation tariffs.	"Public meetings" is ambiguous. Omission of the red text in the condition may reduce the burden on PSE, but it will then open us up to criticism about how the CPA was developed.
Electronic copy of evaluations	[none] <<Note--PSE must include evaluations with each Annual Report.>>	3(f) PacifiCorp will notify the Advisory Group when an evaluation report associated with the Washington DSM Program is completed and provide Advisory Group members with an electronic copy of the report or a link to the report on the Company's website. PacifiCorp will also summarize the report at the next Advisory Group meeting.	3(e) Avista Corporation shall provide the Advisory Group an electronic copy of all evaluation reports once completed for Washington DSM programs.		Omitted from WAC draft It is understood that omitted conditions will remain in biennial condition lists	It appears that this was omitted due to the different expectations for evaluation delivery?
<b>Annual Budgets and Energy Savings</b>						
Annual Budget	(4)(a) Puget Sound Energy must submit annual budgets to the Commission each year. The submissions must include program-level detail that shows planned expenses and the resulting projected energy savings. In odd-numbered years, the annual budget may be submitted as part of the Biennial Conservation Plan required under Paragraph (8)(f) below. In even-numbered years, the annual budget may be submitted as part of the Annual Conservation Plan required under Paragraph (8)(b) below. The Annual Conservation Plan will include program descriptions and annual budget details as contained in the Biennial Conservation Plan (BCP).	4 (a) PacifiCorp must submit annual budgets to the Commission each year. The submissions must include program-level detail that shows planned expenses and the resulting projected energy savings. In odd-numbered years, the annual budget may be submitted as part of the Biennial Conservation Plan (BCP or Plan) required under Paragraph 8(f) below. In even-numbered years, the annual budget may be submitted as part of the DSM Business Plan required under Paragraph 8(b) below.	4(a) Avista Corporation must submit annual budgets to the Advisory Group and to the Commission no later than November 1 of each year. The submissions must include reasonable program detail that shows planned expenses and the resulting projected energy savings. In odd-numbered years, the annual budget may be submitted as part of the Biennial Conservation Plan required under Paragraph 8(e) below. In even-numbered years, the annual budget may be submitted as part of the DSM Business Plan required under Paragraph 8(b) below.		Omitted from WAC draft (annual budgets are mentioned in Annual Conservation Plan requirement, 480-109-120(2).) It is understood that omitted conditions will remain in biennial condition lists	It appears that this condition was omitted due to the different timings and different submission vehicles?
Budget Detail	(4)(b) Puget Sound Energy must provide its proposed budget in a detailed format with a summary page indicating the proposed budget and savings levels for each electric conservation program, and subsequent supporting spreadsheets providing further detail for each program and line item shown in the summary sheet.	4(b) PacifiCorp must provide its proposed budget in a detailed format with a summary page indicating the proposed budget and savings levels for each electric conservation program. PacifiCorp will, upon request, provide additional detail to the Advisory Group to the extent it exists.	4(b) Avista Corporation must provide its proposed budget in a detailed format with a summary page indicating the proposed budget and savings levels for each electric conservation program, and subsequent supporting spreadsheets providing further detail for each program and line item shown in the summary sheet. These budget documents shall be provided in electronic format with formulae intact.		Omitted from WAC draft It is understood that omitted conditions will remain in biennial condition lists	
<b>Program Details</b>						
Program Details	(5) Program Details. Puget Sound Energy must maintain its conservation tariffs, with program descriptions, on file with the Commission. Program details about specific measures, incentives, and eligibility requirements must be filed and updated in the Annual Conservation Plan in this Docket. Puget Sound Energy may propose other methods for managing its program details in the Biennial Conservation Plan required under Paragraph (8)(f) below, after consultation with the CRAG as provided in Paragraph (9)(b) below.	5) Program Details. Avista Corporation must maintain its conservation tariffs, with program descriptions, on file with the Commission. Program details about specific measures, incentives, and eligibility requirements must be filed as tariff attachments or as revisions to Avista Corporation's DSM Business Plan. Avista Corporation may propose other methods for managing its program details in the Biennial Conservation Plan (BCP) required under Paragraph 8(e) below, after consultation with the Advisory Group as provided in Paragraph 9(b) below.	(5) Program Details. PacifiCorp must maintain its conservation tariffs, with program descriptions, on file with the Commission. Program details about specific measures, incentives, and eligibility requirements must be filed as tariff attachments or as revisions to PacifiCorp's DSM Business Plan. PacifiCorp may propose other methods for managing its program details in the Biennial Conservation Plan required under Paragraph 8(f) below, after consultation with the Advisory Group as provided in Paragraph 9(b) below.		Omitted from WAC draft It is understood that omitted conditions will remain in biennial condition lists	

	PSE Condition <small>(Red text indicates portions of condition altered by WAC rule)</small>	PacificCorp Condition	Avista Condition	Draft Rule Language Section	Proposed WAC rule	Comparison to PSE condition
<b>Approved Strategies for Selecting and Evaluating Energy Conservation Savings</b>						
Utility Has Ultimate Prudence Responsibility - Commission NOT obligated to accept savings	6(a) Puget Sound Energy has identified a number of potential conservation measures described in the BCP. The Commission is not obligated to accept savings identified in the BCP for purposes of compliance with RCW 19.285. Puget Sound Energy must demonstrate the prudence and cost-effectiveness of its conservation programs to the Commission after the savings are achieved. See RCW 19.285.040(1)(d).	6(a) PacifiCorp has identified a number of potential conservation resource types as set forth on page 9 in PacifiCorp's Plan. The Commission is not obligated to accept savings identified in the Plan for purposes of compliance with RCW 19.285. PacifiCorp must demonstrate the prudence and cost-effectiveness of its conservation programs to the Commission after the savings are achieved. See RCW 19.285.040(1)(d).	6(a) Avista Corporation has identified a number of potential conservation measures described in the BCP. The Commission is not obligated to accept savings identified in the BCP for purposes of compliance with RCW 19.285. Avista Corporation must demonstrate the prudence and cost-effectiveness of its conservation programs to the Commission after the savings are achieved. See RCW 19.285.040(1)(d).	480-109-100 (4)	A utility retains the responsibility to demonstrate the prudence of all conservation expenditures, as required by RCW 19.285.050(2).	Possibly transfer of condition?  If so, it is incomplete and mis-represents the intent of the condition.
RTF Deemed Savings	6(b) Except as provided in Paragraph (6)(c) below, Puget Sound Energy must use the Council's Regional Technical Forum's ("RTF's") "unit energy savings" ("UES") and approved methods and protocols for electricity measures, and distribution efficiency. As of the date of this Agreement, the RTF maintains a Web site at <a href="http://www.nwcouncil.org/energy/rtf/">http://www.nwcouncil.org/energy/rtf/</a> .	6(b) Except as provided in Paragraph (6)(c) below, PacifiCorp must use the Council's Regional Technical Forum's ("RTF's") unit energy savings for electricity measures and approved methods and protocols. As of the date of this Order, the RTF maintains a website at <a href="http://www.nwcouncil.org/energy/rtf/">http://www.nwcouncil.org/energy/rtf/</a> .	6(b) Except as provided in subparagraph (6)(c), Avista Corporation must use the Council's Regional Technical Forum's (RTF's) "unit energy savings" ("UES") and approved methods and protocols for electricity measures and distribution efficiency when available. As of the date of this Order, the RTF maintains a Web site at <a href="http://www.nwcouncil.org/energy/rtf/">http://www.nwcouncil.org/energy/rtf/</a> .	480-109-100(5)	<b>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:</b>  <b>(a) Based on generally accepted impact evaluation data or other reliable and relevant data that includes verified savings levels; and</b>  <b>(b) Presented to its advisory group for review. The commission retains discretion to determine an appropriate value or protocol.</b>	<b>This is a significant alteration of the condition</b>
Non-RTF Savings	6(c) If Puget Sound Energy uses savings estimates, methods or protocols that differ from those established by the RTF, <b>such estimates, methods or protocols must be based on generally accepted impact evaluation data and/or other reliable and relevant source data that has verified savings levels, and be presented to the CRAG for comment.</b>	6(c) If PacifiCorp uses savings estimates that differ from those established by the RTF, such estimates must be based on generally accepted impact evaluation data and/or other reliable and relevant source data that has verified savings levels, and be presented to the Advisory Group for comment.	6(c) When no RTF UES or method exists, and if Avista Corporation uses savings estimates, methods or protocols that differ from those established by the RTF, such estimates, methods or protocols must be based on generally accepted impact evaluation data and/or other reliable and relevant source data that has verified savings levels, and be presented to the Advisory Group for review.			
New Programs	6(d) When Puget Sound Energy proposes a new program tariff schedule, it must present it to the CRAG for comment with program details fully defined. After consultation with the CRAG in accordance with Paragraph (3) above, Puget Sound Energy must file a revision to its Annual Conservation Plan in this Docket. The revision may be acknowledged by placement on the Commission's No Action Open Meeting agenda.	6(d) When PacifiCorp proposes a new program, it must present it to the Advisory Group for comment with program details fully defined. After consultation with the Advisory Group in accordance with Paragraph (3) above, PacifiCorp must file a revision to its DSM Business Plan in this Docket. The revision may be acknowledged by placement on the Commission's No Action Open Meeting agenda.	6(d) When Avista Corporation proposes a new program, it must present it to the Advisory Group for comment with program details fully defined. In addition, Avista Corporation must present to the Advisory Group its proposed evaluation plan for the new program. After consultation with the Advisory Group in accordance with Paragraph 3 above, Avista Corporation must file a revision to its DSM Business Plan in this Docket. The revision may be acknowledged by placement on the Commission's No Action Open Meeting agenda.		Omitted from WAC draft  It is understood that omitted conditions will remain in biennial condition lists	Why was this omitted? Seems consistent across utilities and is "non-controversial".
E / M & V	6(e) Puget Sound Energy must provide opportunities for the CRAG to review and advise on the development of evaluation, measurement and verification protocols for conservation programs. See Paragraph (3)(a)(i) above.	6(e) PacifiCorp must provide opportunities for the Advisory Group to review and advise on evaluation, measurement and verification protocols for conservation programs. See Paragraph (3)(a)(i) above.	6(e) Avista Corporation must provide opportunities for the Advisory Group to review and advise on the development of evaluation, measurement and verification plans for conservation programs. See Paragraph 3(a)(i) above.		Omitted from WAC draft  It is understood that omitted conditions will remain in biennial condition lists	Touched on in 110(1)(a) & (b)
EM & V Spending / Reporting	6(f) Puget Sound Energy must spend a reasonable amount of its conservation budget on EM&V, including a reasonable proportion on independent, third-party EM&V. Puget Sound Energy must perform EM&V annually on a four-year schedule of selected programs such that, over the EM&V cycle, all major programs are covered. The EM&V function includes impact, process, market and cost test analyses. The results must verify the level at which claimed energy savings have occurred, evaluate the existing internal review processes, and suggest improvements to the program and ongoing EM&V processes. Evaluation reports involving analysis of both program impacts and process impacts of the programs evaluated in the prior year must be part of the Annual Report on Conservation Acquisition described in Paragraph (8)(b) below.	6(f) PacifiCorp must spend a reasonable amount of its conservation budget on evaluation, measurement, and verification ("EM&V"), including a reasonable proportion on independent, third-party EM&V. PacifiCorp must perform EM&V annually on a two-year schedule of selected programs such that, over the EM&V cycle, all major programs are covered. The EM&V function includes impact, process, market and cost test analyses. The results must verify the level at which claimed energy savings have occurred, evaluate the existing internal review processes, and suggest improvements to the program and ongoing EM&V processes. Evaluation reports involving analysis of both program impacts and process impacts of the programs evaluated in the prior year must be part of the Annual Report on Conservation Acquisition described in Paragraphs (8)(c) and (8)(g) below.	6(f) Avista Corporation must spend a reasonable amount of its conservation budget on evaluation, measurement, and verification (EM&V), including a reasonable proportion on independent, third-party EM&V. Avista Corporation must perform EM&V annually on a multi-year schedule of selected programs such that, over the EM&V cycle, all major programs are covered. The EM&V function includes impact, process, market and cost test analyses. The results must verify the level at which claimed energy savings have occurred, evaluate the existing internal review processes, and suggest improvements to the program and ongoing EM&V processes. Evaluation reports involving analysis of both program impacts and process impacts of the programs evaluated in the prior year must be part of the Annual Report on Conservation Acquisition described in Paragraph 8(b) below.		Omitted from WAC draft  It is understood that omitted conditions will remain in biennial condition lists	Conditions seem pretty consistent; why was this condition omitted?

	PSE Condition (Red text indicates portions of condition altered by WAC rule)	PacificCorp Condition	Avista Condition	Draft Rule Language Section	Proposed WAC rule	Comparison to PSE condition
3rd Party Savings Review Scope	6(g) An independent third-party review of portfolio-level electric energy savings reported by Puget Sound Energy for the 2014-2015 biennial period, from existing conservation programs operated during that period, shall be conducted. The independent third-party reviewer shall be selected through an RFP process, unless unanimously agreed by the CRAG. The review will be funded by the Puget Sound Energy Electric Conservation Service Rider. The review will be managed by UTC and Puget Sound Energy staff with input on the scope, cost, RFP development, reviewer selection and ongoing oversight by the CRAG. A final report for the entire 2014-2015 biennium shall be submitted as part of Puget Sound Energy's two-year report on conservation program achievement, required by Paragraph (8)(e) below. The report shall be finalized and made available no later than June 2016 and may be implemented in phases and delivered as a final product at an earlier date, as needed by Puget Sound Energy.	(f cont.) Independent third-party review of portfolio-level electric energy savings reported by PacifiCorp for the 2014-2015 biennial period, from existing conservation programs operated during that period, shall be conducted to: (i) Verify calculation of total portfolio MWh savings; and (ii) Conduct a review of EM&V activities and application for best practices and reasonable findings, which includes the following: (1) Validate the adequacy of PacifiCorp's savings verification process, controls, and procedures; (2) Validate savings tracking and reporting processes and practices; and (3) Review program process and impact evaluations completed during the biennium for appropriateness of evaluation approach/methodologies (program specific) and program cost-effectiveness calculations. The independent third-party evaluator shall be selected through an RFP process. A final report for the 2014-2015 biennium shall be submitted as part of PacifiCorp's two-year report on conservation program achievement, required by condition (8)(h) below. The report shall be finalized and filed in this docket no later than June 1, 2016.	6(g) An independent third-party review of portfolio-level electric energy savings reported by Avista Corporation for the 2014-2015 biennial period, from existing conservation programs operated during that period shall be conducted. The independent third-party evaluator shall be selected through an RFP process. A final report for the 2014-2015 biennium shall be submitted as part of Avista's two-year report on conservation program achievement, required by condition 8(e) below. The report shall be finalized and filed in this docket no later than June 1, 2016, and may be implemented in phases and delivered as a final product at an earlier date, as needed by Avista Corporation.		Omitted from WAC draft  It is understood that omitted conditions will remain in biennial condition lists	Conditions seem pretty consistent; why was this condition omitted?
Dist. Efficiency Savings EM&V	[none]	6(g) For savings claimed from distribution efficiency, PacifiCorp must provide verified savings calculated using Simplified Voltage Optimization (VO) Measurement and Verification Protocol approved by the RTF in 2010.	[none]		Omitted from WAC draft  It is understood that omitted conditions will remain in biennial condition lists	Inconsistent between utilities.
<b>Program Design Principles</b>						
Program Design - All Sectors	7(a) All Sectors Included — Puget Sound Energy <b>must offer a mix of tariff-based programs that ensure it is serving each customer sector, including programs targeted to the low-income subset of residential customers. Modifications to the programs must be filed with the Commission as revisions to tariffs or as revisions to Puget Sound Energy's Annual Conservation Plan, as appropriate.</b>	(7)(a) All Sectors Included — To the extent the portfolio of programs is cost-effective, PacifiCorp must offer a mix of tariff-based programs that ensure it is serving each customer sector, including programs targeted to the limited-income subset of residential customers. Modifications to the programs must be filed with the Commission as revisions to tariffs, as revisions to PacifiCorp's DSM Business Plan, or revisions as summarized in the process described in the Company's DSM Business Plan.	7(a) All Sectors Included — Avista Corporation must offer a mix of tariff-based programs that ensure it is serving each customer sector, including programs targeted to the limited-income subset of residential customers. Modifications to the programs must be filed with the Commission as revisions to tariffs or as revisions to Avista Corporation's DSM Business Plan, as appropriate.	480-109-100(7)	A utility must offer a mix of conservation programs to ensure it is serving each customer sector, including programs targeted to the low-income subset of residential customers.	This may be inconsequential, although is a significant change to the condition.
Program Design - Outreach	7(b) Outreach on Programs — Puget Sound Energy must establish a strategy and proposed implementation budget for informing participants about program opportunities in the relevant market channels for each of its energy efficiency programs. Puget Sound Energy must share these strategies and budgets with the CRAG for review and comments, and provide updates at CRAG meetings.	7(b) Outreach on Programs — PacifiCorp must establish a strategy and proposed total planned expenditures for informing participants about program opportunities. The planned expenditures will include expenditures by PacifiCorp directly and not those of the Company's third party program delivery administrators who are primarily or solely contracted for program delivery. PacifiCorp will share these strategies and expenditures with the Advisory Group for review and comments.	7(b) Outreach on Programs — Avista Corporation must establish a strategy and proposed implementation budget for informing participants about program opportunities in the relevant market channels for each of its energy efficiency programs. Avista Corporation must share these strategies and budgets with the Advisory Group for review and comments, and provide updates at Advisory Group meetings.		Omitted from WAC draft  It is understood that omitted conditions will remain in biennial condition lists	Conditions seem pretty consistent; why was this condition omitted?
Program Design - Incentives and Implementation	7(c) Incentives and Conservation Program Implementation — <b>Puget Sound Energy must offer a cost-effective portfolio of programs in order to achieve all available conservation that is cost-effective, reliable, and feasible. Programs, program services, and incentives may be directed to consumers, retailers, manufacturers, trade allies or other relevant market actors as appropriate for measures or activities that lead to electric energy savings. Incentive levels and other methods of encouraging energy conservation need to be periodically examined to ensure that they are neither too high nor too low. Incentive levels and implementation methods should not unnecessarily limit the acquisition of all available conservation that is cost-effective, reliable, and feasible. Puget Sound Energy shall work with the CRAG to establish appropriate penetration levels consistent with Council methodology and the Energy Independence Act.</b>	7(c) Incentives and Conservation Program Implementation — PacifiCorp must offer a cost-effective portfolio of programs in order to achieve all available conservation that is cost-effective, reliable, and feasible. Programs, program services, and incentives may be directed to consumers, retailers, manufacturers, trade allies or other relevant market actors as appropriate for measures or activities that lead to electric energy savings. Incentive levels and other methods of encouraging energy conservation need to be periodically examined for effectiveness in fulfilling PacifiCorp's obligation under WAC 480 109. To the degree the portfolio remains cost-effective, incentive levels and implementation methods should not unnecessarily limit the acquisition of all achievable energy conservation.	7(c) Incentives and Conservation Program Implementation — Avista Corporation must offer a cost-effective portfolio of programs as defined in part (10)(a) in order to achieve all available conservation that is cost-effective, reliable, and feasible. Programs and incentives may be directed to consumers, retailers, or trade allies, as appropriate for measures that save energy. Incentive levels and other methods of encouraging energy conservation need to be periodically examined to ensure that they are neither too high nor too low. Incentive levels and implementation methods should not unnecessarily limit the acquisition of all achievable energy conservation.	480-109-100(1)(a)(iii)	Implement conservation programs identified in the portfolio to the extent the portfolio remains cost-effective, reliable, and feasible. <b>Implementation methods shall not unnecessarily limit the acquisition of all available conservation that is cost-effective, reliable and feasible.</b>	Draft rule restricts intent of condition.

	PSE Condition (Red text indicates portions of condition altered by WAC rule)	PacificCorp Condition	Avista Condition	Draft Rule Language Section	Proposed WAC rule	Comparison to PSE condition
Program Details - % Spend Allowed on Programs w/No Approved EM&V	<p>7(d) Conservation Efforts without Approved EM&amp;V Protocol — Puget Sound Energy may spend up to ten (10) percent of its conservation budget on programs whose savings impact has not yet been measured, as long as the overall portfolio of conservation passes the Total Resource Cost (TRC) test as modified by the Council. These programs may include information-only, behavior change, and pilot projects.</p> <p>(i) Information-only services refers to those information services that are not associated with an active incentive program or that include no on-site technical assistance or on-site delivery of school education programs. Information-only services and behavior change services shall be assigned no quantifiable energy savings value without full support of the CRAG.</p> <p>(ii) If quantifiable energy savings have been identified and Commission-approved for any aspect of such programs, the budget associated with that aspect of the program will no longer be subject to this ten percent spending restriction.</p> <p>Puget Sound Energy may ask the Commission to modify this spending limit following full CRAG consultation.</p>	<p>7(d) Conservation Efforts without Approved EM&amp;V Protocol — PacifiCorp may spend up to ten (10) percent of its conservation budget on programs whose savings impact has not yet been measured, as long as the overall portfolio of conservation passes the Total Resource Cost (TRC) test described in Paragraph (10)(a) below. These programs may include educational, behavior change, and pilot projects. PacifiCorp may ask the Commission to modify this spending limit following full Advisory Group consultation.</p>	<p>7(d) Conservation Efforts without EM&amp;V plans or measurable acquisition — Avista Corporation may spend up to ten (10) percent of its conservation budget on programs whose savings impact has not yet been measured, as long as the overall portfolio of conservation passes the Council's cost-effectiveness test. These programs may include educational, behavior change, and pilot projects. Avista Corporation may ask the Commission to modify this spending limit following full Advisory Group consultation.</p>		<p>Omitted from WAC draft</p> <p>It is understood that omitted conditions will remain in biennial condition lists</p>	
<b>Required Reports and Filings</b>						
Annual Conservation Plan	<p>8 (a) By <b>December 1</b>, of each even-numbered year, the following year's Annual Conservation Plan (ACP), containing any changes to program details and an annual budget with a requested acknowledgement date of January 1, of that following year. <b>The Annual Conservation Plan may be acknowledged by placement on the Commission's No Action Open Meeting agenda. A draft will be provided to the CRAG by November 1, of the even-numbered year.</b></p>	<p>8(a) By November 1, 2014, any proposed revisions to the 2015 DSM Business Plan. The filing should contain any changes to program details and an annual budget.</p>	<p>8(a) By November 1 of each even-numbered year, the following year's DSM Business Plan, containing any changes to program details and an annual budget.</p>	480-109-120(2)	<p>On or before November 15th of each even-numbered year, a utility must file with the commission, in the same docket as its current biennial conservation plan, an annual conservation plan containing any changes to program details and annual budget.</p>	<p>Removed provision for acknowledgement. Moved filing date up two weeks, even though CRAG received draft 60 days before effective date.</p>
Annual Conservation Report	<p>8(b) An Annual Report on Conservation Acquisition for the previous year, including an evaluation of cost-effectiveness and comparing budgets to actual, by <b>March 1</b>, of the following year.</p>	<p>8(b) An Annual Report on Conservation Acquisition, including an evaluation of cost-effectiveness and comparing budgets to actual, by March 31 of each year.</p>	<p>8(b) An Annual Conservation Report (ACR) for the previous year, including an evaluation of cost effectiveness and comparing budgets to actual, by June 1 of the following year.</p>	480-109-120(3)	<p>On or before June 1st of each year, a utility must file with the commission, in the same docket as its current biennial conservation plan, an annual conservation report regarding its progress in meeting its conservation target during the preceding year.</p>	<p>Annual reporting must correspond to Schedule 120 filing on March 1 each year.</p>
	<p>Also in 8(b):</p> <p>(8)(b): An Annual Report on Conservation Acquisition for the previous year, including an evaluation of cost-effectiveness and comparing budgets to actual, by March 1, of the following year.</p>			480-109-120(3)(b)(v)	<p>(b) The annual conservation report must include, but is not limited to:</p> <p>(i) The conservation target for that year.</p> <p>(ii) Expected and actual electricity savings from conservation.</p> <p>(iii) Budgeted and actual expenditures made to acquire conservation.</p> <p>An evaluation of portfolio- <b>and program-level</b> cost-effectiveness of the actual conservation savings.</p> <p>(v) All program evaluations completed in the preceding year.</p>	<p>First time "program-level" CE is mentioned anywhere. (v) is part of existing condition (6)(f).</p> <p>"Target" applies only to two-year conservation figure. One-year figures are "goals".</p>
Cost Recovery	<p>8(c) Revisions to cost recovery tariff (Schedule 120) by March 1 each year, with requested effective date of May 1 of that same year.</p>	<p>8(c) A cost recovery tariff by May 1 of each year, with a requested effective date of July 1 of that year.</p>	<p>8(c) A cost recovery tariff by June 1 of each year, with requested effective date of August 1 of that same year.</p>	480-109-130(2)	<p>A utility must make a conservation recovery filing no later than June 1st of each year, with a requested effective date at least sixty days after the filing. If the utility believes that a filing is unnecessary, then it must file a request for exception and supporting documents no later than May 1st of each year demonstrating why a rate change is not necessary.</p>	

	PSE Condition <small>(Red text indicates portions of condition altered by WAC rule)</small>	PacificCorp Condition	Avista Condition	Draft Rule Language Section	Proposed WAC rule	Comparison to PSE condition
Biennial Conservation Plan	8(d) A report identifying its ten-year achievable potential and its biennial conservation target (Biennial Conservation Plan, or BCP), including revised program details and program tariffs by November 1, every odd year, requesting an effective date of January 1, of the following, even year. In addition to the usual customer-based measures, the plan will also include both distribution and generation energy efficiency program plans as required by RCW 19.285. Prior to filing the Biennial Conservation Plan, Puget Sound Energy shall provide the following information to the CRAG: draft ten-year conservation potential and two-year target by August 1, of that same odd year; draft program details, including budgets, by September 1, of the same year; and draft program tariffs by October 1, of the same year.	8(d) A Biennial Conservation Plan, including revised program details and program tariffs together with identification of 2016-2025 achievable conservation potential, by November 1, 2015.	8(d) A report identifying its ten-year achievable potential and its biennial conservation target (Biennial Conservation Plan, or BCP), including revised program details and program tariffs by November 1 of every odd year, requesting effective date of January 1 of the following even year.	480-109-120(1)	On or before November 1 of every odd-numbered year, a utility must file with the commission a biennial conservation plan. (b) The plan must include, but is not limited to: (i) A request that the commission approve its ten-year achievable conservation potential and biennial conservation target. (ii) The extent of public participation in the development of the ten-year conservation potential and the biennial conservation target. (iii) The ten-year conservation potential, the biennial conservation target, biennial program details, biennial program budgets, and cost-effectiveness calculations. (iv) A description of the technologies, data collection, processes, procedures and assumptions the utility used to develop the figures in (b)(iii) of this subsection. (v) A description of and support for any changes from the assumptions or methodologies used in the utility's most recent conservation potential assessment. (vi) An evaluation, measurement, and verification plan for the biennium including, but not limited to: (A) The evaluation, measurement, and verification framework; (B) The evaluation, measurement, and verification budget ; and (C) Identification of programs that will be evaluated during the biennium.	All references to BCP milestones are removed, thus eliminated the CRAG's chance to be directly involved with the BCP process and reducing the lead time for review. Added significant new requirements, some of which do not exist (an EM&V budget, for instance)
Biennial Conservation Report	8(e) Two-year report on conservation program achievement (Biennial Conservation Report, or BCR) by June 1, every even year. This filing is the one required in WAC 480 109 040(1) and RCW 19.285.070, which require that the report also be filed with the Washington Department of Commerce.	8(e) Two-year report on conservation program achievement by June 1, 2016, as required in WAC 480 109 040(1) and RCW 19.285.070, which require that the report also be filed with the Washington Department of Commerce.	8(e) Two-year report on conservation program achievement (Biennial Conservation Report, or BCR) by June 1 of every even year. This filing is the one required in WAC 480-109-040(1) and RCW 19.285.070, which require that the report also be filed with the Washington Department of Commerce.	480-109-120(4)	(a) On or before June 1st of each even-numbered year, a utility must file with the commission, in the same docket as its current biennial conservation plan, a biennial conservation report regarding its progress in meeting its conservation target during the preceding two years. (b) The biennial conservation report must include : (i) The biennial conservation target; (ii) Planned and claimed electricity savings from conservation; (iii) Budgeted and actual expenditures made to acquire conservation; (iv) The portfolio-level cost-effectiveness of the actual electricity savings from conservation; (v) An independent third-party evaluation of portfolio-level biennial conservation savings achievement; (vi) A summary of the steps taken to adaptively manage conservation programs throughout the preceding two years; and (vii) Any other information needed to justify the conservation savings achievement.	Variance discussions are contained in each Annual Report. Cost-effectiveness results are provided in each Annual Report. Previous-year evaluations are provided in each Annual Report. Total Quality Management steps are provided in each Annual Report.  The law requires a filing of the report annually, not every other year.
Odd and Even Years	8(f) Examples of even/odd years, discussed in parts (8)(a) through (e) above.	8(g) Annual Conservation Plans apply to the odd year of a biennium. Biennial Conservation Plans address an even and odd year combination.	[none]		Omitted from WAC draft unnecessary	No longer needed if condition is transferred to WAC
Filing dates	(g) If a due date of a required filing or report falls on a weekend or holiday, the deliverable is due on the business day immediately prior. Annual Conservation Plans apply to the odd year of a biennium. Biennial Conservation Plans address an even-and-odd year combination.	[none]	[none]		Omitted from WAC draft unnecessary	No longer needed if condition is transferred to WAC
<b>Required Public Involvement in Preparation for the 2014-15 Biennium</b>						

	PSE Condition <i>(Red text indicates portions of condition altered by WAC rule)</i>	PacificCorp Condition	Avista Condition	Draft Rule Language Section	Proposed WAC rule	Comparison to PSE condition
2012-13 Public Involvement - Conservation Potential	9(a) Puget Sound Energy must consult with the Advisory Groups on the scope and design of a 10-year conservation potential analysis, which shall be completed by November 1, 2015. See RCW 19.285.040(1)(a); WAC 480 109 010(1). This must be based on a current conservation potential assessment study of Puget Sound Energy's service area within Washington State. This may be conducted within the context of Puget Sound Energy's integrated resource plan. If Puget Sound Energy chooses to use the supply curves that make up the conservation potential in the Council's Northwest Power Plan, the supply curves must be updated for new assumptions and measures.	9(a) PacifiCorp must consult with the Advisory Group on the scope and design of a ten-year conservation potential analysis, which shall be completed by September 1, 2015. See RCW 19.285.040(1)(a); WAC 480 109 010(1). The potential analysis must be based on a current conservation potential assessment study or other relevant work of PacifiCorp's service area within Washington State. This may be conducted within the context of PacifiCorp's integrated resource plan. If PacifiCorp chooses to use the supply curves that make up the conservation potential in the Council's Northwest Power Plan, the supply curves must be updated for new assumptions and measures.	9(a) Consistent with condition 3(d), Avista Corporation must provide the Advisory Group with an opportunity to discuss and inform the scope and design of a 10-year conservation potential analysis, which shall be completed by November 1, 2015. See RCW 19.285.040(1)(a); WAC 480-109-010(1). This must be based on a current conservation potential assessment study of Avista Corporation's service area within Washington State. This may be conducted within the context of Avista Corporation's integrated resource plan. If Avista Corporation chooses to use the supply curves that make up the conservation potential in the Council's Northwest Power Plan, the supply curves must be updated for new assumptions and measures.		No specific section with this language in the WAC draft, but reference to this requirement in the Conservation advisory group section; 480-109-110(1)(d)	No clear direct transfer of condition.
2012-13 Public Involvement - 2 yr. Targets	9(b) Puget Sound Energy must consult with the Advisory Groups starting no later than July 1, 2015, to begin to identify achievable conservation potential for 2016-2025 and to begin to set annual and biennial targets for the 2016-2017 biennium, including necessary revisions to program details. See RCW 19.285.040(1)(b); WAC 480 109 010(2) and (3).	9(b) PacifiCorp must consult with the Advisory Group beginning no later than July 1, 2015, to identify achievable conservation potential for 2016-2025 and set biennial targets for the 2016-2017 biennium, including necessary revisions to program details. See RCW 19.285.040(1)(b); WAC 480 109 010(2) and (3).	9(b) Consistent with condition 3(d), Avista Corporation must engage the Advisory Group beginning no later than July 1, 2015, to begin to identify achievable conservation potential for 2016-2025 and to begin to set annual and biennial targets for the 2016-2017 biennium, including necessary revisions to program details. See RCW 19.285.040(1)(b); WAC 480-109-010(2) and (3).		No specific section with this language in the WAC draft, but reference to this requirement in the Conservation advisory group section; 480-109-110(1)(d)	No clear direct transfer of condition.
Fuel Conversion (Standard Efficiency)	9(c) Fuel switching program will continue to use current practice of upgrading only to high-efficiency gas measures.	[none]	[none]		Omitted from WAC draft It is understood that omitted conditions will remain in biennial condition lists	
<b>Cost Effectiveness Test is the Total Resource Cost Test</b>						
TRC Cost-Effectiveness Test	10(a) The Commission uses the Total Resource Cost Test (TRC), as modified by the Council, as its primary cost-effectiveness test. The Council-modified TRC test includes quantifiable non-energy benefits, a risk adder, and a 10 percent conservation benefit adder. Puget Sound Energy's portfolio must pass the TRC test. All cost-effectiveness calculations will assume a Net-to-Gross ratio of 1.0, consistent with the Council's methodology.	10(a) The Commission uses the TRC, as modified by the Council, as its cost-effectiveness test. PacifiCorp must demonstrate that the cost-effectiveness tests presented in support of its programs and portfolio are in compliance with the cost-effectiveness definition (RCW 80.52.030(7)) and system cost definition (RCW 80.52.030(8)) and incorporate the 10 percent conservation benefit and a risk adder consistent with the Council's approach. PacifiCorp will also consider quantifiable non-energy benefits unless the Company shows that they do not materially impact resource targets and potentials.	10(a) The Commission uses the Total Resource Cost (TRC) test as its primary cost-effectiveness test. When the Council's current practice baseline or similar baseline adjustment is not feasible, consistency with the Council methodology for determining cost-effectiveness can be achieved by excluding the costs and benefits associated with participants who would have adopted the measure in the absence of the program intervention. Consistency with the Council methodology for determining cost-effectiveness also requires the inclusion of quantifiable non-energy costs and benefits, a risk adder, and a 10 percent conservation benefit adder. Avista Corporation's portfolio must pass the previously defined cost-effectiveness test.			
Other Cost-Effectiveness Tests	10(b) Puget Sound Energy must also provide calculations of the Program Administrator Cost Test (also called the Utility Cost Test) as described in the National Action Plan for Energy Efficiency's study "Understanding Cost-Effectiveness of Energy Efficiency Programs."	10(b) In addition to the Council-modified TRC, PacifiCorp must provide calculations of the Program Administrator Cost test (also called the Utility Cost test), Ratepayer Impact Measure test, and Participant Cost test described in the National Action Plan for Energy Efficiency's study "Understanding Cost-effectiveness of Energy Efficiency Programs." As of the date of this Order, the study is available on the website of the United States Environmental Protection Agency at <a href="http://www.epa.gov/cleanenergy/documents/suca/cost-effectiveness.pdf">http://www.epa.gov/cleanenergy/documents/suca/cost-effectiveness.pdf</a> .	10(b) Avista Corporation must also provide calculations of the Program Administrator Cost test (also called the Utility Cost test) as described in the National Action Plan for Energy Efficiency's study "Understanding Cost-effectiveness of Energy Efficiency Programs."	480-109-100(8)	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.	Several elements of condition 10 have been omitted, including the TRC discussion, administrative costs, UCT. Of 10(a) through (c), which will remain intact?
Cost-Effectiveness Tests - Portfolio / Program / Measure	10(c) Puget Sound Energy must calculate cost-effectiveness at the portfolio and program levels. Conservation-related administrative costs must be included in portfolio level analysis.	10(c) Overall conservation cost-effectiveness must be evaluated at the portfolio level. Costs included in the portfolio level analysis include conservation-related administrative costs. PacifiCorp must also evaluate the conservation program by providing cost tests at the individual measure group (measure groups consist of one or more measures) and portfolio levels. All cost-effectiveness calculations will assume a Net-to-Gross ratio of 1.0 consistent with the Council's methodology.	10(c) Avista Corporation must calculate cost-effectiveness at the portfolio and program levels. Conservation-related administrative costs must be included in portfolio-level analyses.			
	[none]	10(d) Treatment of costs for EM&V and potential study or analysis activities in calculating program and portfolio cost-effectiveness will be handled as outlined in PacifiCorp's "Evaluation, Measurement & Verification Framework for Washington" document developed in conjunction with PacifiCorp's Washington Advisory Group and included as an Appendix 8 to PacifiCorp's Ten-Year Conservation Potential and 2014-2015 Biennial Conservation Target for its Washington Service Area.	[none]		Omitted from WAC draft It is understood that omitted conditions will remain in biennial condition lists	Inconsistent conditions.
<b>Recovery through an Electric Conservation Service Rider</b>						
Annual Cost Recovery	11(a) Annual Filing — Puget Sound Energy's annual Electric Conservation Service Rider filing, required under Paragraph (8)(d) above, will recover the future year's budgeted expenses and any significant variances between budgeted and actual income and expenditures during the previous period.	11(a) Annual Filing — PacifiCorp's annual tariff rider filing, required under Paragraph (8)(d), will recover the future year's budgeted expenses and any significant variances between budgeted and actual income and expenditures during the previous period.	11(a) Annual Filing — Avista's annual tariff rider filing, required under Paragraphs (8)(c) above, will recover the future year's budgeted expenses and any significant variances between budgeted and actual income and expenditures during the previous period.		Omitted from WAC draft It is understood that omitted conditions will remain in biennial condition lists	Rider filing is partly addressed in 480-109-130



	PSE Condition <small>(Red text indicates portions of condition altered by WAC rule)</small>	PacificCorp Condition	Avista Condition	Draft Rule Language Section	Proposed WAC rule	Comparison to PSE condition
Scope of Expenditures	11(b) Scope of Expenditures — Funds collected through the Electric Conservation Service Rider must be used on approved conservation programs and their administrative costs. Additionally, Rider funds may be used as approved by the Commission; e.g., for net metering administration costs, small-scale renewable programs and demand response pilots.	11(b) Scope of Expenditures — Funds collected through the rider must be used on approved conservation programs and their administrative costs. Costs associated with planning are typically not incurred on an annual basis and may create variations in the SBC from year to year. Therefore, costs associated with planning activities may be recovered through the SBC over a period of two years so as to smooth any of these variations.	11(b) Scope of Expenditures — Funds collected through the rider must be used on approved conservation programs and their administrative costs.		Omitted from WAC draft It is understood that omitted conditions will remain in biennial condition lists	Rider filing is partly addressed in 480-109-130
Cost Recovery - Customer Class Rates	11(c) Recovery for Each Customer Class — Puget Sound Energy shall retain existing Rider mechanisms, subject to the Commission's Order in Docket UE 970686.	11(c) Recovery for Each Customer Class — Rate spread and rate design must match PacificCorp's underlying base volumetric rates.	11(c) Recovery for Each Customer Class — Rate spread and rate design must match Avista's underlying base volumetric rates.		Omitted from WAC draft It is understood that omitted conditions will remain in biennial condition lists	Rider filing is partly addressed in 480-109-130
Distribution and Production Efficiency	11(d) Recovery of costs associated with distribution and production efficiency initiative are not funded through the Electric Conservation Service Rider because these programs are not customer conservation initiatives. These are company conservation programs. As such, these costs are recovered in the general rate making process over time and may be requested through a general rate case, a deferred accounting petition or other allowed mechanism.	11(d) Distribution and Production Efficiency Costs — Recovery of costs associated with Distribution and Production Efficiency initiatives are not funded through the SBC because these programs are not customer conservation initiatives; these are company infrastructure conservation programs. As such, these costs are recovered in the general rate making process over time and may be requested through a general rate case, a deferred accounting petition or other allowed mechanism.	[none]		Omitted from WAC draft It is understood that omitted conditions will remain in biennial condition lists	Rider filing is partly addressed in 480-109-130
<b>Additional Commitments</b>						
Additional Commitments	(12) Additional Commitments (a) Puget Sound Energy will continue to review the feasibility of pursuing cost-effective conservation in the form of reduction in electric power consumption resulting from increases in the efficiency of energy use at electric power production facilities it owns in whole or in part and inform the CRAG at least semi-annually regarding progress in making efficiency improvements in those facilities. Puget Sound Energy shall work with the CRAG to identify options for overcoming obstacles.  PSE shall also work with the CRAG to determine how to avoid double-counting of efficiency savings achieved at electric power production facilities owned in whole or in part by PSE and located within the service territory of a separate electric utility.	[none]	[none]		Omitted from WAC draft It is understood that omitted conditions will remain in biennial condition lists	

There is also a potential impact of these changes on gas programs. Low Income Weatherization cost-effectiveness, for instance.

Key significant rule changes that were suggested in the Commission's rules version and have no corresponding existing condition. A complete set of draft rule comments are contained in PSE's October 6 Commission filing in Docket No. UE-131723.  
It should also be noted that several elements of Sections A through J of the 2010 Electric Settlement Agreement, Docket No. UE-100177 are omitted from the WAC rule revisions.

PSE Condition	PacificCorp Condition	Avista Condition	Draft Rule Language	Proposed WAC rule	PSE Comment
[none]			480-109-060 (20)	"Pursue all" means an ongoing process of researching and evaluating the range of possible conservation technologies and programs, and implementing all programs which are cost-effective, reliable and feasible.	Extensively discussed in PSE's May 9, 2014 filed comments, #6 and its October 6 comments, #4.
[none]			480-109-100 (1)(a)(ii)	Develop portfolio. Develop a conservation portfolio that includes all available, cost-effective, reliable, and feasible potential. A utility must develop programs to acquire available conservation from all of the types of conservation identified in subsection (b) of this section. If no cost-effective, reliable and feasible conservation is available from one of the types of conservation, a utility is not obligated to acquire such a resource.  (b) Types of conservation include, but are not limited to: (i) End-use efficiency; (ii) Behavioral programs; (iii) High-efficiency cogeneration; (iv) Production efficiency; (v) Distribution efficiency; and (vi) Market transformation.	Extensively discussed in PSE's May 9, 2014 filed comments. No comments made in October 6 comment form.

	PSE Condition <small>(Red text indicates portions of condition altered by WAC rule)</small>	PacificCorp Condition	Avista Condition	Draft Rule Language Section	Proposed WAC rule	Comparison to PSE condition
	[none]			480-109-100 (1)(a)(iv)	(iv) Adaptively manage. Continuously review and update as appropriate the conservation portfolio to adapt to changing market conditions and developing technologies. A utility must research emerging conservation technologies, and assess the potential of such technologies for implementation in its service territory.	Noted in October 6 comment form.
				480-109-100 (3)(c)	(c) Excess conservation . No more than twenty-five percent of any biennial target may be met with excess conservation savings allowed by this subsection. Excess conservation may only be used to mitigate shortfalls in future biennium and may not be used to adjust a utility's ten-year conservation potential or biennial target. The presence of excess conservation does not relieve a utility of its obligation to pursue the level of conservation in its biennial target .	Noted in October 6 comment form.
				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. (ii) A utility may exclude low-income conservation programs from portfolio-level cost-effectiveness calculations. However, a utility must count savings from such programs toward meeting its target. (iii) A utility must require the implementing agency of a low-income conservation program to evaluate each residence with the savings-to-investment ratio , as described in the Weatherization Manual For Managing the Low-Income Weatherization Program.	Noted in October 6 comment form.
	[none]			480-109-300	Energy and emissions intensity metrics.	PSE's response is contained in its May 9 Comments on EIA Rulemaking cover letter, questions 6 and 7, and its October 6 comments, # 38.