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| 2010-2011  Washington  Conservation Report  Appendix 2 |
| 2010-2011  Plan Condition Requirements and Compliance |
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| Pacific Power |

**2010-2011 Plan Condition Requirements and Compliance**

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| **Docket UE-100170 Order 02 (2)** | |  |
| Requires PacifiCorp to use methodologies consistent with those used by the Council. | Appendix 3 of PacifiCorp’s Ten-Year Conservation Potential and Biennial Conservation Target report filed in Docket UE-100170 contains an outline of the methodology used and provided by the Northwest Power and Conservation Council in the development of the regional power plan along with a description of the Company’s aligning methodology. This work was expanded upon in Appendix 3 of PacifiCorp’s Ten-Year Conservation Potential and Biennial Conservation Target report filed in Docket UE-111880. It contains work product further refined by the Methodology Sub-Committee of the Washington Collaborative Working group (summer 2011) and includes Avoided Costs and Total Resource Cost determinants. Together these documents demonstrate the consistency of the methodologies used in the development of both resource plans and development of the Company’s ten-year conservation forecast. |  |
| **Docket UE-100170 Order 02 (3) (a) (i)** | |  |
| The Company will consult with the DSM Advisory Group on the development of a written framework for evaluation, measurement, and verification (EM&V) as implemented by PacifiCorp which guides its approach to evaluation, measurement, and verification of energy savings. This framework must be reflected in the Biennial Conservation Plan for the next biennium, 2012-2013 | The development of a written EM&V framework in collaboration with the DSM Advisory Group is described in the “Utility Evaluation, Measurement and Verification Activities” section of the Ten-Year Conservation Potential and Biennial Conservation Target report filed in Docket UE-111880; a copy of the EM&V framework is also provided as Appendix 8 to that report. |  |
| **Docket UE-100170 Order 02 (3) (a) (ii)** | |  |
| The Company will consult with the DSM Advisory Group on development of conservation potential assessments under RCW 19.285.040(1)(a) and WAC 480‑109‑010(1). | The preparatory work for the 2007 and 2011 conservation potential assessments, used in the development of the 2008 and 2011 IRPs and consequently both the 2010-19 and 2012-21 I-937 conservation forecasts, were completed prior to the issuance of Order 02 in Docket UE-100170. However, Company engaged the DSM advisory group in a review of the sources and assumptions of the conservation forecasts and adjustments prior to their filing and approvals. This process as well as detailed explanations of the adjustments made is documented in the Ten-Year Conservation Potential and Biennial Conservation Target reports filed in Dockets UE-100170 and UE-111880, in the stakeholder engagement section in the main report and appendix 4, adjustments section, to those reports. |  |
| **Docket UE-100170 Order 02 (3) (c)** | |  |
| The Advisory Group should meet quarterly at a minimum. | A list of 2010 and 2011 Advisory Group meetings, including Washington Collaborative Working Group meetings, is provided in the company’s 2010 and 2011 Annual Reports on Conservation Acquisition (filed in March each year). They demonstrate PacifiCorp’s compliance to the requirement for quarterly advisory group meetings. |  |
| **Docket UE-100170 Order 02 (5)** | |  |
| Company 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 the Company DSM Business Plan. | Copies of the Company’s conservation tariffs and/or program descriptions, including details on specific measures, incentives and eligibility are contained in Attachment A, the company’s Demand-Side Management Business Plan for 2010–2011 filed in Docket UE-100170. This information was refreshed in the company’s update to the 2010-11 Business Plan filed November 1, 2011 and again as Appendix 7, Demand-Side Management Business Plan 2012-13, filed in Docket UE-111880. |  |
| **Docket UE-100170 Order 02 (6) (b) & (c)** | |  |
| PacifiCorp must use RTF deemed savings or other reliable and relevant source data that has verified savings levels and be presented to the Advisory Group for comment. | The preparatory work for the 2007 and 2011 conservation potential assessments, used in the development of the 2008 and 2011 IRPs and consequently both the 2010-19 and 2012-21 I-937 conservation forecasts, were completed prior to the issuance of Order 02 in Docket UE-100170. However, the data sources for the 2011 Conservation Potential Assessment are outlined beginning on page 53 of Volume I of the “Assessment of Long-Term System-Wide Potential for Demand-Side and Other Supplemental Resources” which is provided as Appendix 2 to the Ten-Year Conservation Potential and Biennial Conservation Target report filed in Docket UE-111880. Volume II, Appendix E of that report provides a comparison of savings values. An electronic version of this spreadsheet was provided to the DSM Advisory Group on August 16, 2011. Current RTF savings data also informed several of the adjustments to the Company’s current ten-year conservation forecast; after consultation with the DSM Advisory Group. Adjustments are described in both the “Conservation Potential and Conservation Targets” section as well as in Appendix 4 of the Ten-Year Conservation Potential and Biennial Conservation Target report. In addition, supporting documentation for the proposed Home Energy Savings program changes included savings data sources and was provided to the Advisory Group for comment. |  |
| **Docket UE-100170 Order 02 (6) (f)** | |  |
| PacifiCorp must spend between four and six percent of its conservation budget on EM&V. | As documented in the company’s 2010 and 2011 annual reports on conservation acquisition (filed in March), the company spent $987,623 on third-party evaluation, measurement and verification (process and impact evaluations) of its conservation program results over the two year period. This represents 5.9% of the company’s $16,816,419 (excluding new program cost of $3,748) in conservation expenditures over the same period. |  |
| **Docket UE-100170 Order 02 (7) (a)** | |  |
| PacifiCorp must offer a mix of tariff-based programs that ensure it is serving each customer sector, including limited income customers. | For a full list of PacifiCorp programs see Attachment A, “Demand-Side Management Business Plan – Washington 2010–2011” filed in Docket UE-100170 and the update to this business plan filed November 1, 2011. Also reference Appendix 7 to the Ten-Year Conservation Potential and Biennial Conservation Target report, “PacifiCorp’s Washington Demand-side Management 2012-2013 Business Plan” filed in Docket UE-111880. These business plans contain program details demonstrating the breadth of program services available to Pacific Power customers to assist them with the conservation projects. Residential customers currently have four programs available, including a no cost weatherization offer for income qualified customers and comprehensive program with incentives for conservation projects/upgrades in both the new construction and retrofit markets. Business customers have access to two comprehensive programs (also available to both the new construction and retrofit markets) which provide both prescriptive (pre-calculated $/units) incentives and site specific calculated incentives. In addition, NEEA delivers regional initiatives benefiting customers across all customer groups. |  |
| **Docket UE-100170 Order 02 (7) (b)** | |  |
| 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. | Costs to fund a communications plan were added to the revised business plan filed in Docket UE-100170 on November 1, 2010. The communication plan was reviewed with the advisory group on March 18, 2011 and implementation began a month later, April, 2011.  Information and costs associated with the 2012-2013 Outreach and Communications plan were provided in Appendix 7, DSM Business Plan, to the company’s Ten-Year Conservation Potential and Biennial Conservation Target report filed in Docket UE-111880. |  |
| **Docket UE-100170 Order 02 (7) (c)** | |  |
| 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 examined periodically for effectiveness in fulfilling the Company’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. | Pacific Power conservation programs are prospectively analyzed for cost-effectiveness as proposed (new programs) and as part of the filing of biennial business plans required under I-937 (existing programs). They are also analyzed retrospectively in the annual reports on conservation acquisitions (filed in March) and on a two year basis by third-party consultants conducting independent impact and process evaluations.  Cost-effectiveness is also run prospectively to evaluate program changes that may be proposed in between business plan updates.  Collectively these reviews ensure the company maintains a cost-effective conservation portfolio and has the information needed to assist in program design changes to maximize program performance. |  |
| **Docket UE-100170 Order 02 (7) (d)** | |  |
| PacifiCorp may spend up to 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. These programs may include educational, behavior change, and pilot projects. The Company may ask the Commission to modify this spending limit following full Advisory Group consultation. | PacifiCorp did not propose or spend any of its conservation budget during the 2010-11 biennium period on conservation programs whose savings impact was not measured and reported. |  |
| **Docket UE-100170 Order 02 (8) (a) - (h)** | |  |
| Required reports and filings. | The Company has met the compliance report requirements in Docket UE-100170 Order 02 (8) (a) – (e) relevant to the 2010-2011 biennium period. The submission of this report satisfies the remaining compliance requirements in Docket UE-100170 Order 02 (8) (h), to submit a two-year report on conservation program achievement. |  |
| **Docket UE-100170 Order 02 (9) (a) & (b)** | |  |
| Required Public Involvement in Preparation for the 2012-2013 Biennium. | See “Stakeholder Engagement” section of the Ten-Year Conservation Potential and Biennial Conservation Target report filed in Docket UE-111880 for an outline of the public process the Company facilitated in the development of its proposed 2012-2021 ten year conservation potential forecast and 2012-2013 biennial targets. |  |
| **Docket UE-100170 Order 02 (10) (a) - (c)** | |  |
| Cost effectiveness Test is the Total Resource Cost Test. | See Appendices 3 of the Ten-Year Conservation Potential and Biennial Conservation Target reports, “Comparison of Regional Methodologies” filed in Dockets UE-100170 and UE-111880. In addition to resource planning and avoided cost development methodology comparisons these appendices provide information on how the Company’s Total Resource Cost calculation complies with the cost-effectiveness definition (RCW 80.52.030(8)), incorporating the 10 percent conservation benefit and a risk adder consistent with the Council’s approach. Cost effectiveness assessments for the programs in the 2012-2013 business plan as well as three portfolio cost effectiveness assessments are provided in Appendix 7 to the 2012-2021 report. In addition, program and measure specific cost effectiveness calculations were provided with the changes proposed to the Home Energy Savings and FinAnswer Express program. Quantifiable non - energy benefits were included in these calculations. Program and portfolio level cost effectiveness was provided in the 2010 annual report and also included quantifiable non-energy benefits. The 2010 potential study update included the effects of non-energy benefits as a reduction to energy efficiency measure costs. |  |
| **WAC 480-109-010 (1)(a) and (2)(a)** | |  |
| (1)(a) Consider only conservation resources that are cost-effective, reliable and feasible.  (2)(a) The biennial conservation target must identify all achievable conservation opportunities. | PacifiCorp relied on 1) its 2007 “Assessment of Long-Term System-Wide Potential for Demand-Side and Other Supplemental Resources” (July 11, 2007), 2) economic screening of the conservation potential identified through the 2008 Integrated Resource Plan (IRP) development, 3) Council’s 6th  regional power plan (for measures not considered in the 2007 assessment), and 4) other post IRP adjustments (all documented in Appendix 4 of the PacifiCorp’s ten-year conservation potential and 2010-2011biennial conservation target report) to establish its ten-year conservation forecast and biennial conservation target.  The commission accepted the company’s forecast and target as meeting the requirements to consider all conservation resources that are cost-effective, reliable and feasible by approval of the company’s forecast and targets in Docket UE-100170 on July 15, 2010. |  |
| **WAC-480-109-010 (1)(b)(i) and (ii)** | |  |
| Projection must be derived from and reasonably consistent with one of two sources: IRP or current power plan targets. | For the 2010-2019 conservation forecast and 2010-2011 biennium target the company elected to use its 2008 IRP as the base source for its conservation projection. This election is describe in detail in “PacifiCorp’s Ten-Year Conservation Potential and 2010-2011 Biennial Conservation Target for its Washington Service Area” filed in Docket UE-100170. |  |
| **WAC-480-109-010 (2)(a) and (b)** | |  |
| (2)(a) The biennial conservation target must identify all achievable conservation opportunities.  (2)(b) 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 response to WAC 480-109-010 (1)(a) and (2)(a) above in this table.  The manner by which the company arrived at its 2010-11 biennial conservation target is explained on page 34 of “PacifiCorp’s Ten-Year Conservation Potential and 2010-2011 Biennial Conservation Target for its Washington Service Area” filed in Docket UE-100170. |  |