

November 26, 2013

VIA ELECTRONIC FILING

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

Attn: Steven V. King
Executive Director and Secretary

RE: Docket UE-131723, Rulemaking For Energy Independence Act, WAC 480-109

Dear Mr. King,

In response to the Washington Utilities and Transportation Commission's (Commission) October 4, 2013 Notice of Workshop and Notice of Opportunity to File Written Comments (Notice), PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or the Company) hereby submits written comments regarding the Commission's proposed changes to WAC 480-109. In addition to these written comments, the attached Attachment—"UTC Comment form for Energy Independence Act Rulemaking"—reflects the Company's proposed changes to WAC 480-109.

I. Conservation Targets and Performance

The Notice asked three questions regarding existing rules related to conservation targets and performance. For clarity, the questions are reproduced here in full with the Company's response immediately following.

- a) **RCW 19.285.040(1)(a) requires companies to develop a 10-year conservation assessment and RCW 19.285.040(1)(b) requires the establishment of a biennial conservation target. WAC 480-109-010(1)(a)(ii) allows the 10-year conservation potential assessment to be calculated based on a proportionate share of Washington retail sales and the Northwest Power and Conservation Council's (Council's) projected conservation resource target for Washington, informally referred to as the Council calculator. Through current practice, the utilities under the Commission's jurisdiction adapt the Council's methodology to their service territories and conduct the conservation potential assessment through their integrated resource plans. Is it appropriate for the Commission to eliminate, in rule, the option for utilities under its jurisdiction to use the Council calculator?**

The Company conducts its conservation potential assessment as part of its Integrated Resource Plan (IRP) and therefore does not rely on the Council Calculator. As such, the Company does

not oppose removal of the option to use the Council Calculator but otherwise takes no position on whether it is appropriate for the Commission to eliminate this option in the existing rules.

- b) WAC 480-109-010(2)(a) requires utilities to establish biennial conservation targets and “identify all achievable conservation opportunities.” Conservation opportunities can include: traditional utility-run programs of end-user conservation measures, regional market transformation programs, behavior change, transmission and distribution efficiency, and generation site conservation programs. Should the rule address how these different resources factor into the conservation target setting process?**

The Company appreciates the time and complexity required in considering multiple conservation opportunities and fully analyzing them so they can be used to establish the biennial conservation target. To date, this activity has taken place with input from stakeholders through the Demand Side Management (DSM) Advisory group process and the Company is not aware of any deficiencies in availability of information necessary for parties, including the Commission, to assess whether PacifiCorp has identified all cost effective conservation opportunities. The Company welcomes the opportunity to participate in a rule making process to help provide additional clarity parties feel is needed, provided the efforts are balanced against the need for utilities to retain flexibility to address their unique circumstances.

- c) Annual Reporting on conservation achievement is required at WAC 480-109-040(1)(a). Should the Commission adopt more explicit standards for reporting conservation achievements?**

In addition to the two-year comprehensive biennial conservation report, the Company provides annual reports on conservation achievements, semi-annual reports on DSM expenditures, and Schedule 191—System Benefits Charge Adjustment (SBC) collection updates to the biennial business plan in even numbered years. The Company believes the current process is working and is not aware of any deficiencies in the availability of information necessary for parties, including the Commission, to assess PacifiCorp’s conservation achievements. However, the Company is supportive of efforts to standardize and streamline conservation achievement reporting, provided the efforts are balanced against the need for utilities to retain flexibility to address their unique circumstances.

II. Renewable Resource Targets and Performance

The Notice asked two questions regarding existing rules related to renewable resource targets and performance. For clarity, the questions are reproduced here in full with the Company’s response immediately following.

- a) What verification of contracts for renewable resources, system dispatch data, or other information should the Commission require regulated utilities to file when requesting an order of compliance with renewable portfolio standards?**

PacifiCorp includes in its renewable portfolio standard (RPS) compliance report a list of RPS eligible renewable resources, along with supporting documentation, such as Western Renewable Energy Generation Information System (WREGIS) information or, if WREGIS information is not available, supporting contracts and calculations. At this time, the Company does not see a need for the existing rules to include a requirement for utilities to provide specific verification data. To the extent that the Commission is seeking specific information or information in a particular format, the Company is happy to work with the Commission and Commission staff to identify and respond to those needs.

- b) The definition of an eligible renewable resource at RCW 19.285.030(11)(b) includes electricity produced by incremental efficiency improvements to Northwest hydroelectric plants. What methods and documentation should the Commission require of an electric utility that is claiming incremental hydroelectric generation efficiency improvements as eligible renewable resources?**

Currently, utilities are allowed the option of selection one of three possible methodologies for calculating incremental hydro efficiency improvements. PacifiCorp relies on Method 2, which is similar to the methodology used by the Oregon Department of Energy under Oregon's renewable portfolio standard law. PacifiCorp is supportive of efforts to aid the Commission, Staff, and other interested parties in further discussions regarding utility calculations of incremental hydro efficiency improvements but does not see a need for a particular methodology to be prescribed in rule. However, if the Commission does determine changes to the rules are necessary to clarify the methods and documentation used by utilities claiming incremental hydroelectric generation efficiency improvements, PacifiCorp urges the Commission to retain the ability of PacifiCorp to rely on a methodology that is consistent with the methodologies used by the Company in other states, including Oregon.

III. Conclusion

PacifiCorp appreciates the opportunity to provide these preliminary comments and looks forward to participating in this rulemaking proceeding. Please direct inquiries to Gary Tawwater, Manager of Regulatory Affairs, at (503) 813-6805.

Sincerely,

A handwritten signature in cursive script that reads "William R. Griffith / GWT".

William R. Griffith
Vice President, Regulation

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

Submit this form by 5 PM Monday, Nov. 26, 2013 via the Commission's Web portal at www.utc.wa.gov/e-filing or by e-mail to records@utc.wa.gov.

Comments on behalf of: PacifiCorp Commenter: Teri Ikeda E-mail: Teri.Ikeda@PacifiCorp.com Phone: (503) 813-6848

In the first column, fill in the section or subsection of interest in the rule. In the next columns provide the specific text, proposal for change, and rationale.

Comment 1	Current Text	Proposed Text	Rationale for proposed change
Regarding WAC 480-109-007(9)	<p>(9) "Eligible renewable resource" means:</p> <p>(a) Electricity from a generation facility powered by a renewable resource other than fresh water that commences operation after March 31, 1999, where:</p> <p>(i) The facility is located in the Pacific Northwest; or</p> <p>(ii) The electricity from the facility is delivered into Washington state on a real-time basis without shaping, storage, or integration services; or</p> <p>(b) Incremental electricity produced as a result of efficiency improvements completed after March 31, 1999, to hydroelectric generation projects owned by a qualifying utility and located in the Pacific Northwest or to hydroelectric generation in irrigation pipes and canals located in the Pacific Northwest, where the additional generation in either case does not result in new water diversions or impoundments.</p>	<p>(9) "Eligible renewable resource" means:</p> <p>(a) Electricity from a generation facility powered by a renewable resource other than fresh water that commences operation after March 31, 1999, where:</p> <p>(i) The facility is located in the Pacific Northwest; or</p> <p>(ii) The electricity from the facility is delivered into Washington state on a real-time basis without shaping, storage, or integration services; or</p> <p>(b) Incremental electricity produced as a result of efficiency improvements completed after March 31, 1999, to hydroelectric generation projects owned by a qualifying utility and located in the Pacific Northwest or to hydroelectric generation in irrigation pipes and canals located in the Pacific Northwest, where the additional generation in either case does not result in new water diversions or impoundments.</p> <p><u>(c) Qualified biomass energy; or</u></p> <p><u>(d) For a qualifying utility that serves customers in other states, electricity from a generation facility powered by a renewable resource other than freshwater that commences operation after March 31, 1999, where: (i) The facility is located within a state in which the qualifying utility serves retail electrical customers; and (ii) the qualifying utility owns the facility in whole or in part or has a long-term contract with the facility of at least twelve months or more.</u></p>	<p>Senate Bill 5575</p> <p>Senate Bill 5400</p>