

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PACIFICORP d/b/a PACIFIC POWER
& LIGHT COMPANY'S

2010-2011 Biennial Conservation Target
Under RCW 19.285.040

DOCKET UE-100170

ORDER 03

ORDER REGARDING
CONSERVATION ACHIEVEMENT
FOR THE 2010-2011 BIENNIUM

I. BACKGROUND

A. The Energy Independence Act and Order 02 in Docket UE-100170

- 1 Washington voters approved Initiative 937, the Energy Independence Act (EIA), in the 2006 general election. Now codified in Chapter 19.285 of the Revised Code of Washington, it requires electric utilities with 25,000 or more customers to set and meet energy conservation targets, among other things. Under RCW 19.285.060(6), the Washington Utilities and Transportation Commission (Commission) has authority to enforce the EIA with respect to investor-owned utilities. Pursuant to the rule-making authority granted in RCW 19.285.080(1), the Commission has adopted rules to ensure the proper implementation and enforcement of the EIA as it applies to investor-owned utilities.¹ Those rules are codified in Chapter 480-109 of the Washington Administrative Code.
- 2 Under RCW 19.285.040(1)(b), each utility must establish a biennial acquisition target for cost-effective conservation, and meet that target during the subsequent two-year period. PacifiCorp d/b/a Pacific Power and Light Company (PacifiCorp), set a 2010-2011 biennial conservation target of 74,460 megawatt-hours. On July 29, 2010, the Commission approved that target, with conditions, in Order 02 in this docket.²

¹ *Rules to Implement the Energy Independence Act*, Docket UE-061895, General Order R-546 (Nov. 30, 2007). The rule-making order is published in Issue 08-01 of the Washington State Register as WSR 07-24-012.

² *Pac. Power & Light Co.*, Docket UE-100170, Order 02 Amending Order 01 Approving Pacific Power & Light Company's Ten-Year Achievable Conservation Potential and Biennial Conservation Target Subject to Conditions (July 29, 2010). The 2010-2011 target is described in ¶ 20 of Order 02.

B. PacifiCorp's Filings

- 3 On June 1, 2012, as required by Order 02,³ RCW 19.285.070(1), and WAC 480-109-040(1)(a), PacifiCorp filed a “2010-2011 Biennial Conservation Report—Washington” (Report). Using a reporting template developed by the Washington Department of Commerce, PacifiCorp also filed a Conservation Report with that agency, as required by RCW 19.285.070(1) and WAC 480-109-040(1). PacifiCorp included the Conservation Report in the Report it filed with the Commission. As required by RCW 19.285.070(3) and WAC 480-109-040(4), PacifiCorp also posted the Report on its own website.
- 4 On July 5, 2012, PacifiCorp notified the Commission that it had identified an error in one of its calculations, and revised its reported conservation savings. On August 24, 2012, as required by RCW 19.285.070(1) and WAC 480-109-040(1), PacifiCorp submitted a revised Conservation Report to the Washington Department of Commerce and to the Commission. As required by RCW 19.285.070(3) and WAC 480-109-040(4), PacifiCorp also posted a revised “2010-2011 Biennial Conservation Report—Washington” on its own website.⁴
- 5 PacifiCorp reported that it had exceeded its 2010-2011 biennial conservation target, as follows:

PacifiCorp Reported 2010-2011 Biennial Conservation Results	
Biennial Conservation Target	74,460 megawatt-hours ⁵
Reported Savings	92,670 megawatt-hours ⁶
Percent of Target Achieved	124.5%

- 6 On June 5, 2012, the Commission issued a Notice inviting interested persons to file written comments on PacifiCorp's report by July 16, 2012, in accordance with WAC 480-109-040(2). The Notice stated that the Commission would consider the matter at its

³ Order 02 ¶ 59 (Condition (8)(h)).

⁴http://www.pacificorp.com/content/dam/pacificorp/doc/Energy_Sources/Demand_Side_Management/WA_2010-2011_Biennial_Report.pdf (last visited August 27, 2012).

⁵ Order 02 ¶ 20.

⁶ Docket UE-100170, Letter from William R. Griffith to David W. Danner (July 5, 2012).

July 27, 2012, Open Meeting. On July 10, 2012, at PacifiCorp's request, the Commission issued a Notice rescheduling the matter for the August 9, 2012, Open Meeting.

7 During the comment period, the Commission received written comments from Public Counsel, NW Energy Coalition, and Commission Staff. At its July 27, 2012, Open Meeting, the Commission orally invited interested persons to file additional written comments no later than August 2, 2012. Public Counsel, Renewable Northwest Project and NW Energy Coalition, and PacifiCorp filed comments. At the August 9, 2012, Open Meeting, the Commission heard oral comments from Public Counsel, NW Energy Coalition, Commission Staff, and PacifiCorp. The Commission also considered Staff's Open Meeting memorandum of that date.

II. SUMMARY AND DISCUSSION OF COMMENTS

8 Public Counsel agreed that PacifiCorp had exceeded its 2010-2011 electric conservation target, and had therefore complied with RCW 19.285.040(1)(b). Public Counsel agreed that PacifiCorp had complied with RCW 19.285 and WAC 480-109.

9 Public Counsel argued, however, that PacifiCorp had failed to comply with Conditions (6)(b) and (6)(c) of Order 02⁷ by using an unverified method for estimating how much electricity was saved through its Energy Education in Schools program. Public Counsel recommended that PacifiCorp should be required to reduce its reported conservation savings by the amount attributed to that program, or 5,058,749 kilowatt-hours.

10 Public Counsel also expressed other concerns about the methodologies that PacifiCorp had used for calculating savings. Among other things, Public Counsel noted that PacifiCorp, Avista, and Puget Sound Energy had each taken a different approach in reporting savings attributable to Northwest Energy Efficiency Alliance market transformation efforts. Public Counsel recommended that the three utilities should take a consistent approach in the future.

11 NW Energy Coalition recommended that the Commission find PacifiCorp to be in compliance with RCW 19.285.040 and RCW 19.285.070 with regard to meeting its 2010-2011 biennial target and reporting its conservation savings. Like Public Counsel, however, NW Energy Coalition expressed concern about the methodologies that PacifiCorp had used for calculating certain savings.

⁷ Order 02 ¶ 59 (Conditions (6)(b), (6)(c)).

- 12 Commission Staff recommended that the Commission find PacifiCorp to be in compliance with Order 02, RCW 19.285, and WAC 480-109. Commission Staff disagreed with Public Counsel's recommendation to remove reported savings attributed to the Energy Education in Schools program, urging that PacifiCorp had addressed the matter appropriately.
- 13 PacifiCorp disagreed with Public Counsel's recommendation to remove the savings attributed to its Energy Education in Schools program, explaining that the savings were based on an assessment methodology that had been used for years without objection until more than halfway through the 2010-2011 biennium. At the August 9, 2012, Open Meeting, PacifiCorp stated that it agreed with the recommendations in Staff's Open Meeting memorandum of that date.
- 14 The Commission agrees with PacifiCorp and Commission Staff that PacifiCorp has complied with Order 02 and should not be required to reduce its reported conservation savings. The savings attributed to the Energy Education in Schools program were based on assessments conducted by an independent third-party contractor in accordance with a methodology that was used since the program's inception in 2003. The Energy Education in Schools program was one of the components of the 2010-2011 target that the Commission approved in Order 02.⁸
- 15 Commission Staff agreed with Public Counsel's observations concerning the reporting of savings attributable to Northwest Energy Efficiency Alliance market transformation efforts. In its August 9, 2012, Open Meeting memorandum, Staff recommended that the three utilities should be ordered to develop a consistent approach, to be filed with the Commission by November 1, 2012.
- 16 The Commission agrees with Public Counsel and with Commission Staff that the three investor-owned electric utilities should develop a consistent approach to the reporting of savings attributable to Northwest Energy Efficiency Alliance market transformation efforts.

III. FINDINGS AND CONCLUSIONS

- 17 (1) The Washington Utilities and Transportation Commission is an agency of the state of Washington vested by statute with the authority to regulate the rates,

⁸ See Docket UE-100170, PacifiCorp's Ten-Year Conservation Potential and 2010-2011 Biennial Conservation Target Report, Attachment A, page 4, and Attachment C, pages 47-58 (July 2, 2010).

rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electrical companies. RCW 80.01.040; RCW Chapters 80.04, 80.08, 80.12, 80.16, 80.28.

- 18 (2) PacifiCorp is an electrical company and a public service company subject to Commission jurisdiction.
- 19 (3) PacifiCorp serves more than 25,000 customers within the state of Washington, and is a “qualifying utility” within the meaning of RCW 19.285.030(16).
- 20 (4) In Order 02 in this docket, the Commission approved, with conditions, PacifiCorp’s 2010-2011 biennial conservation target of 74,460 megawatt-hours.
- 21 (5) PacifiCorp has achieved 92,670 megawatt-hours of conservation during the 2010-2011 biennium, and has exceeded its target for the biennium. PacifiCorp has complied with RCW 19.285.040(1)(b).
- 22 (6) PacifiCorp has met the reporting requirements of RCW 19.285.070, WAC 480-109-040(1), and WAC 480-109-040(4).
- 23 (7) WAC 480-109-040(5) requires PacifiCorp to provide a summary of its Report to its customers, by bill insert or other suitable method, within ninety days of the date of this Order 03.
- 24 (8) PacifiCorp has complied with Order 02 in this docket.

IV. ORDER

THE COMMISSION ORDERS:

- 25 (1) PacifiCorp d/b/a Pacific Power and Light Company has complied with the June 1, 2012, reporting requirements pursuant to WAC 480-109-040.
- 26 (2) PacifiCorp d/b/a Pacific Power and Light Company has complied with Order 02 in Docket UE-100170.
- 27 (3) PacifiCorp d/b/a Pacific Power and Light Company has achieved 92,670 megawatt-hours of conservation during the 2010-2011 biennium.

- 28 (4) PacifiCorp d/b/a Pacific Power and Light Company, in collaboration with Avista Corporation and Puget Sound Energy, must develop a consistent approach to claiming Northwest Energy Efficiency Alliance conservation savings. PacifiCorp d/b/a Pacific Power and Light Company, Avista, and Puget Sound Energy will jointly propose an approach to claiming Northwest Energy Efficiency Alliance conservation savings to the Commission by November 1, 2012. PacifiCorp d/b/a Pacific Power and Light Company will incorporate the modified approach into the development of the 2014-2015 Biennial Conservation Plan required by Order 01 ¶ 29 (Condition (8)(f)) in Docket UE-111880.

DATED at Olympia, Washington, and effective September 13, 2012.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner