

Agenda Date: September 27, 2012
Item Number: A3

Docket: UE-100176
Company: Avista Corporation

Staff: Eric Russell, Regulatory Analyst
Deborah Reynolds, Assistant Director, Conservation and Energy Planning

Recommendation

Issue an Order in Docket UE-100176 finding:

- (1) Avista Corporation has complied with the June 1, 2012, reporting requirements pursuant to WAC 480-109-040.
- (2) Avista Corporation has complied with Order 01 in Docket UE-100176.
- (3) Avista Corporation has achieved 165,505 megawatt-hours of conservation during the 2010-2011 biennium. Within thirty days of the date of this order, Avista must file a revised report with the commission and with the Department of Commerce to reflect this conservation achievement.
- (4) Avista Corporation, in collaboration with Puget Sound Energy, Inc. and PacifiCorp d/b/a Pacific Power & Light Company, must develop a consistent approach to claiming Northwest Energy Efficiency Alliance conservation savings. Avista Corporation, PacifiCorp d/b/a Pacific Power and Light Company, and Puget Sound Energy, Inc. will jointly propose an approach to claiming Northwest Energy Efficiency Alliance conservation savings to the commission by November 1, 2012. Avista will incorporate the modified approach into the development of the 2014-2015 Biennial Conservation Plan required by Order 01 ¶ 31 (Condition (8)(e)) in Docket UE-111882.
- (5) Avista Corporation has complied with Order 05, Dockets UE-110876 and UG-110877, with respect to its electric demand-side management programs and expenditures for 2010 and 2011.
- (6) Avista Corporation has an electric demand-side management program that will be reviewed for prudence outside of a general rate case, consistent with Puget Sound Energy, Inc. and PacifiCorp d/b/a Pacific Power and Light Company.

Discussion

On June 1, 2012, as required by Order 01,¹ RCW 19.285.070(1), and WAC 480-109-040(1)(a), Avista Corporation (Avista or company) filed a “2010-2011 Conservation Program Achievement” Report with the Washington Utilities and Transportation Commission (commission). Avista reported that it had achieved 169,467 megawatt-hours of conservation during the 2010-2011 biennium, and had exceeded its biennial target of 128,603 megawatt hours. In its comments filed July 16, 2012, staff recommended that Avista’s conservation savings be reduced by 3,962 megawatt-hours, to a total biennial achievement of 165,505 megawatt-hours.

¹ Order 01 ¶ 31 (Condition (8)(e)).

This was due to the reported savings of the company's Simple Steps, Smart Savings retail compact florescent lamp program not being consistent with Conditions (6)(b) and (6)(c) of Order 01.² According to staff, the reported savings were based neither on guidelines set by the Northwest Power and Conservation Council's Regional Technical Forum, nor on a rigorous impact evaluation.

The commission considered the matter at its August 9, 2012, open meeting. The commission agreed that Avista had (1) complied with the June 1, 2012, reporting requirements pursuant to WAC 480-109-040, (2) complied with Order 01 in Docket UE-100176, (3) had a 2010-11 biennial conservation achievement of 165,505 megawatt-hours, and (4) must develop an approach to claiming Northwest Energy Efficiency Alliance conservation savings that is consistent with that of Puget Sound Energy, Inc. and PacifiCorp d/b/a Pacific Power & Light Company, which will be filed with the commission by November 1, 2012. Chairman Goltz dissented on the reduction of Avista's conservation savings as described above.

The commission instructed staff to work with interested parties to draft the language for Order 03 in Docket UE-100176, to be formally considered by the commission at a future date.

Subsequent to the August 9, 2012, open meeting, staff drafted the order and provided opportunity for interested parties to comment. Staff received input from the company and Public Counsel. Some of the recommended language was incorporated into the proposed version of Order 03.

There remains some disagreement among staff, Public Counsel, and the company regarding the prudence review process continuing forward. Staff intends to work with the interested parties to develop a process to address this issue within a reasonable amount of time.

Conclusion

Staff recommends that the commission issue an order in Docket UE-100176 as described in the recommendation section above.

² Docket UE-100176, Order 01 Paragraph 62.