

Agenda Date: August 9, 2012
Item Numbers: A9 and A10

Dockets: UE-100170, UE-100177
Companies: Pacific Power & Light Company d/b/a PacifiCorp, Puget Sound Energy

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

Recommendation

Issue an Order in Docket UE-100170 finding Pacific Power & Light Company, d/b/a PacifiCorp,

1. complied with the June 1, 2012 reporting requirements pursuant to WAC 480-109-040,
2. complied with Order 02 in Docket UE-100170,
3. has a 2010-11 biennial conservation achievement of 92,870 megawatt-hours, and
4. must develop an approach to claiming Northwest Energy Efficiency Alliance conservation savings that is consistent with that of Avista and Puget Sound Energy, which will be filed with the Commission by November 1, 2012.

Issue an Order in Docket UE-100177 finding Puget Sound Energy

1. complied with the June 1, 2012 reporting requirements pursuant to WAC 480-109-040,
2. complied with Order 05 in Docket UE-100177,
3. has a 2010-11 biennial conservation achievement of 636,454 megawatt-hours and must file a revised report to reflect this conservation achievement, and
4. must develop an approach to claiming Northwest Energy Efficiency Alliance conservation savings that is consistent with that of Avista Corporation and Pacific Power & Light Company, d/b/a PacifiCorp, which will be filed with the Commission by November 1, 2012.

Background

On July 16, 2012, interested parties, including staff, filed comments on Avista Corporation (Avista), Pacific Power & Light Company d/b/a PacifiCorp (PacifiCorp) and Puget Sound Energy's (PSE) 2010-11 Biennial Conservation Reports (BCRs), filed on June 1, 2012. Interested parties presented oral comments at the July 27, 2012, open meeting. At that open meeting, interested parties were given an opportunity to submit additional written comments by August 2, 2012.

Following the July 27, 2012, open meeting, staff held an informal meeting with interested parties to identify areas of disagreement and issues needing further clarification. This memo identifies the issues that should be resolved at the August 9, 2012, open meeting. Other issues identified by interested party comments are listed in Attachment A, and may be addressed at a later time.

Discussion

Staff recommends that the Commission approve final 2010-11 conservation achievements of 92,870 MWh for PacifiCorp for the reasons described below.¹

Staff recommends that the Commission approve final 2010-11 conservation achievements of 636,454 MWh for Puget Sound Energy as determined by the third party evaluator.²

RCW 19.285.040(1) states that “Each utility shall pursue all available conservation that is cost-effective, reliable, and feasible.” In reviewing company compliance with initial target-setting orders, staff determined that the companies complied with the statutory requirements.³ Staff will continue evaluating conservation achievement in the context of the biennial conservation plans, the orders approving the biennial conservation targets and the BCRs.

Each company’s conservation savings from the Northwest Energy Efficiency Alliance (NEEA) should be accepted for the 2010-11 conservation achievement. At staff’s request, NEEA sent a memo on August 7, 2012 describing the different baselines and savings allocation methods used by regional utilities.⁴ Given the wide variation in savings allocations by Avista, PacifiCorp and PSE, staff recommends that the commission order Avista, PacifiCorp and Puget Sound Energy to develop a consistent approach toward calculating conservation savings from NEEA, and that the companies file a report on that approach with the commission by November 1, 2012.⁵

PacifiCorp

Public Counsel recommends PacifiCorp remove reported savings attributed to the Energy Education in Schools program, corresponding to a reduction in reported conservation savings of 5,058,749 kWh.⁶ Public Counsel claims that with this adjustment reported savings would be consistent with Commission conditions 6(b) and 6(c) of Order 02 in Docket UE-100170. Staff does not agree that such an adjustment is warranted. Staff agrees with PacifiCorp’s response to Public Counsel’s recommendation.⁷ Staff believes that PacifiCorp responded appropriately and in a timely manner to concerns raised by its DSM advisory group and Public Counsel specifically, and therefore staff does not recommend a savings adjustment.

¹ Dockets UE-100170, UE-100176, UE-100177, Staff Comments, July 16, 2012, pp. 22. (“July 16 Staff Comments”).

² *Id.*, pp. 14-15.

³ *Id.* pp. 8-10. See also pp. 16 for PSE, and pp. 23 for PacifiCorp.

⁴ See Attachment B.

⁵ July 16 Staff Comments, pp. 24-25.

⁶ Dockets UE-100170, UE-100176, UE-100177, UG-121026, Public Counsel Comments, July 16, 2012, pp. 35-37. (“July 16 Public Counsel Comments”).

⁷ Docket UE-100170, PacifiCorp Comments, August 2, 2012, pp. 4-6.

In its initial comments staff reported that it was not provided with sufficient materials to properly evaluate PacifiCorp's conservation claims and would be unable to recommend approval of the company's reported conservation achievement until such materials were submitted to the Commission.⁸ Subsequent to the drafting of the July 16, 2012 staff comments PacifiCorp submitted documentation that was sufficient to enable staff to complete its evaluation of the company's conservation savings and provide a recommendation to the Commission. Although staff is recommending approval of PacifiCorp's reported conservation achievement, staff strongly recommends that the company include proper supporting documentation in future filings. Staff acknowledges that the documentation requirements are currently unclear and that PacifiCorp provided the information requested by staff. Staff recommends that more specific reporting guidelines be issued as a condition to the next target-setting order.

Puget Sound Energy

Staff, Public Counsel, and the Northwest Energy Coalition recommend that the savings claimed from PSE's Resource Conservation Manager (RCM) program be reduced by 17.5 percent, or 7,938 MWh, as recommended by the third party reviewer.⁹ PSE has stated that it disagrees with the recommendation from the third party reviewer to reduce savings from the program, and state several reasons for disagreement.¹⁰ PSE has committed to conducting a full program evaluation ahead of the original schedule as a result of the third party review. However, staff does not think that the uncertainty surrounding savings calculations from the RCM program have been resolved by the company's explanations in the BCR and comments. As a result staff recommends that the savings reported from the RCM program be reduced by 7,938 MWh, for a total 2010-11 biennial conservation achievement of 636,454 MWh.

Conclusion

Issue orders as described in the recommendation section of this memo.

⁸ July 16 Staff Comments, pp. 20-23.

⁹ July 16 Staff Comments, pp. 14-15; July 16 Public Counsel Comments, pp. 53-57; and Docket UE-100177 Northwest Energy Coalition Comments, July 16, 2012, pp. 2-3.

¹⁰ Docket UE-100177, Puget Sound Energy's 2010-2011 Biennial Electric Conservation Achievement, June 1, 2012, pp. 11-13 and Attachment 5. See Also Docket UE-100177, PSE Comments, August 2, 2012, pp. 1-3.