

March 13, 2012

David Danner
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. S.W.
PO Box 47250
Olympia, WA 98504-7250

RE: Docket No. UE-111880 – Pacific Power and Light Company,
Biennial conservation plan (report) identifying its ten-year achievable
conservation potential and its biennial conservation target

The NW Energy Coalition (“Coalition”) appreciates the opportunity to offer these comments in response to the Commission’s February 13, 2012 Notice of Opportunity to Comment on Pacific Power and Light Company’s Report Identifying Its Ten-Year Achievable Conservation Potential and 2012-2013 (Biennial) Conservation Target Pursuant to RCW 19.285.040 and WAC 480-109-010. The Coalition continues to be a member of PacifiCorp’s Washington Demand-Side Management Advisory Group, and we participated when possible in Advisory Group meetings focused on the development of the utility’s 2012-2013 targets. In this letter, we offer general support for PacifiCorp’s filing.

We support PacifiCorp’s proposed target range of 8.7 – 9.0 aMW. While a range of conservation acquisition gives us pause due to uncertainties regarding how final compliance will be assessed¹, we understand PacifiCorp’s concern with specifying a point target for its distribution efficiency initiative.² We expect those uncertainties to lessen over time as the Company, the Commission and other stakeholders gain experience with reliably predicting, measuring and validating distribution efficiency savings.

We appreciate PacifiCorp’s in-depth analysis of production and distribution efficiency opportunities. Several challenges to pursuit of energy efficiency became apparent when the Company briefed its Advisory Group on its related conservation potential assessments. For example, we note that the current proposed 10-year potential and 2-year target include only projects within the Company’s wholly owned Chehalis plant. Again, this is a learning experience for all parties, and the Company has committed to conduct reviews at its remaining facilities prior to the 2014/15 biennium and work with parties to clarify requirements and options for jointly owned facilities.³

¹ We recommend the Commission assess the distribution efficiency initiative target range separately from PacifiCorp’s conservation target of 8.7 aMW when determining ultimate compliance.

² The Company has opted instead for a range of 0 – 0.346 aMW savings from its Distribution Efficiency Initiative. PacifiCorp’s Ten-Year Conservation Potential and 2012-2013 Biennial Conservation Target for Its Washington Service Area, January 31, 2012, p. 29.

³ *Id.*, p. 26, 29.

As we discussed in our December 7, 2011 comments in Docket No. UE-111881⁴, we believe missing from each utility's conservation potential assessment is an analysis of cost-effective opportunities for turbine upgrades and other output efficiency improvements in addition to efficiency measures that reduce overall consumption at production facilities. Instead of repeating those arguments here, we note our understanding that this issue (at least procedurally) will be in front of the Commission when considering PSE's final proposed 2012/13 biennial target and Conditions List. Commission resolution of that issue ultimately will inform future conservation potential assessments for all three investor-owned utilities.

Finally, we have seen some proposed revisions to PacifiCorp's I-937 Conditions List but have yet to see a full version with all parties' proposed modifications. We understand that one modification focuses on requiring PacifiCorp to conduct an independent third party uber-review of portfolio level electric energy savings from the 2012-2013 biennium. The intent of this evaluation appears akin to that being conducted by PSE for its 2010-2011 biennium. However, there is some ambiguity regarding the extent to which this evaluation will focus on assessing the work of other third party evaluators or duplicating the work of those evaluators. In addition, we have concerns regarding the ultimate benefit to ratepayers of costly additional evaluations, particularly if those appear to be duplicative and call into question the integrity of the whole evaluation process. We look forward to working with the other parties between now and the Open Meeting on April 12 to discuss and potentially further refine modifications to the Conditions List.

Thank you for the opportunity to provide these comments. I plan to participate in the Open Meeting on April 12 and would be happy to answer any questions at that time.

Sincerely,



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⁴ Regarding Puget Sound Energy's Report Identifying Its Ten-Year Achievable Conservation Potential and Its Biennial Conservation Target Pursuant to RCW 19.285.040 and WAC 480-109-010.