

January 6, 2017

***VIA ELECTRONIC FILING  
AND OVERNIGHT DELIVERY***

Steven V. King  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive SW  
P.O. Box 47250  
Olympia, WA 98504-7250

**RE: Docket UE-152072—Supplemental Information on the Direct Benefit to Customers  
in Pacific Power’s 2017 Annual Conservation Plan**

Pacific Power & Light Company (Pacific Power or Company), a division of PacifiCorp, submits the enclosed supplemental information on the direct benefit to customers in its 2017 Annual Conservation Plan.

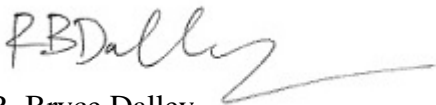
It is respectfully requested that all data requests be sent to the following, with copies to the Company’s counsel:

By Email (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

By Regular Mail: Data Request Response Center  
PacifiCorp  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232

If you have any informal inquiries, please contact Ariel Son at (503) 813-5410.

Sincerely,



R. Bryce Dalley  
Vice President, Regulation

Enclosures

## 2017 Direct Benefits to Customers

Program or Initiative	Estimated Expenditures	Direct Benefit to Customer (\$)	Direct Benefit to Customer (%)
Low Income Weatherization (114)	\$ 1,000,000	\$ 840,000	84%
Home Energy Savings (118)	\$ 3,397,403	\$ 2,325,371	68%
Home Energy Reports (N/A)	\$ 376,907		
<b>Total Residential Programs</b>	\$ 4,774,310		
wattsmart Business (140) - Commercial	\$ 3,188,791		
wattsmart Business (140) - Industrial	\$ 2,993,858		
wattsmart Business (140) - Agricultural	\$ 349,076		
<b>Total Business Programs</b>	\$ 6,531,725	\$ 3,840,478	59%
Northwest Energy Efficiency Alliance	\$ 911,483	\$ 621,238	68%
<b>Total Other Conservation Initiatives</b>	\$ 911,483		
Be wattsmart, Begin at Home	\$ 60,947		
Customer outreach/communication	\$ 250,000		
Program Evaluations (& savings verification)	\$ 333,667		
Potential study update/analysis	\$ 25,000		
Technical Reference Library	\$ 44,536		
<b>Total Portfolio-Level Expenses</b>	\$ 714,150		
<b>Total PacifiCorp Conservation</b>	\$ 12,020,185		
<b>Total System Benefit Charge Conservation</b>	\$ 12,931,668		
<b>Totals</b>	\$ 12,931,668	\$ 7,627,087	59%

Notes:

**Low Income Weatherization:** In 2015 payments to community action agencies for measure installation were 84% of the total expenditures. The same percentage was applied to the 2017 forecast to calculate the direct benefit to customers.

**Home Energy Savings:** Customer incentives, upstream, mid-stream and mail by request buy downs are included in the direct benefit to customer estimate. This information is also provided in the Incentives column for the Home Energy Savings program in Table 3 of the Cost Effectiveness Appendix of the 2017 Annual Conservation Plan.

**wattsmart Business:** Customer incentives and the estimate for customer site specific energy engineering (\$500,000) is included in the direct benefit to customer calculation. The customer incentive estimate is also provided in the Incentives column for the wattsmart Business program in Table 3 of the Cost Effectiveness Appendix of the 2017 Annual Conservation Plan. The energy engineering costs are included within the total provided in the Program Delivery column in Table 3.

**Northwest Energy Efficiency Alliance (NEEA):** PacifiCorp subtracted \$24,000 in internal management costs and then applied the 70% estimate provided by staff to NEEA funding to calculate the direct benefit to customers.

### **Current Incentive Ratio**

Incentives are the largest component of the direct benefit-to-customer metric under the direct control of the Company. The Company regularly reviews (and may adjust) incentive levels for measures within the Home Energy Savings and wattSmart Business program(s) by reviewing the following types of information: a) added costs for the efficiency measure; b) available energy savings; c) cost effectiveness; and d) other offers in the region.

The programs provide incentives to customers, installing contractors, lighting equipment manufacturers, lighting retailers, lighting distributors and motor rewind shop. Incentive delivery points and amounts are designed to significantly influence the choice(s) in favor of the measure and instill “ownership” by the customer.

Incentive amounts were reviewed and set as part of the 2016-2017 planning process. Information on these program changes was provided to the DSM Advisory Group on October 13 and 14, 2015. In 2016, incentive levels and delivery points were reviewed for both programs. Information on these program changes was provided to the DSM Advisory Group on May 6, September 2, and November 1, 2016.

Cost effectiveness of these programs is provided in Cost Effectiveness Appendix of the 2017 Annual Conservation Plan. In addition to the TRC calculation (which is indifferent to who pays; customer or utility), the analysis includes the UCT calculation, which provides insight into how incentive levels align with available savings, and the PCT, which provides insight into how the attractive a measure combined with incentives is to a participant.

Payments to community action agencies for low income weatherization are customer site specific after the agency screens the project and determines the Savings to Investment Ratio (SIR) is 1.0 or greater using US Department of Energy approved audit tool. The Company regularly reviews the program with low income stakeholders and requests detailed feedback from community action agencies. The latest set of changes to the program were approved by the Washington Utilities and Transportation Commission with an effective date of January 1, 2016. Another review is currently underway and any revisions will be filed by April 2017.

The NEEA estimate was provided by staff and has been applied to the funding provided by PacifiCorp in accordance with their current funding agreement. The Company actively participates in NEEA advisory and governance forums including the board, advisory committees and workgroups.

The current ratio of 59% is very close to the staff provided metric of 60%. The two programs directly under control of the Company, Home Energy Savings and wattsmart Business, have had regular reviews and adjustment at both the beginning of the biennial period and throughout 2016. Both are cost effective from a TRC basis. The UCT and PCT results indicate incentives levels are attractive to both the utility and the participant. The Company believes the current mix of incentives in programs under their direct control and direct benefits in programs outside its control are at the level necessary to achieve savings targets within this biennial period.