

Agenda Date: January 10, 2018
Item Number: D3

Docket: UE-171092
Company: Pacific Power & Light Company

Staff: Kyle Frankiewicz, Regulatory Analyst

Recommendation

Issue an order rejecting Pacific Power & Light Company's 2018-2019 biennial conservation target of 78,008 megawatt-hours, and direct the company to refile its biennial conservation plan consistent with Attachment A (biennial conservation target of 79,509 megawatt-hours; decoupling commitment of 3,975 MWh).

Rationale for Revised Recommendation

In its memo dated December 20, 2017, commission staff (staff) recommended that the commission direct the Pacific Power & Light Company (Pacific Power or company) to refile its biennial conservation plan with a biennial conservation target of 81,500 megawatt-hours, and a decoupling commitment of 4,075 MWh. During its review of the details of the savings reported by NEEA to the companies, staff discovered that the three electric utilities were not consistent in their approach to NEEA savings. Staff has identified one additional necessary adjustment to Pacific Power's target.

The company's conservation potential assessment (CPA) identified certain potential conservation savings achievable by the company, but which are now expected to be achieved by new codes and standards. Staff supports adjusting the CPA's results based on quantifiable variables not considered within the CPA, including updated codes and standards.¹ Staff believes that the portion of NEEA's forecasted savings categorized as "codes and standards measures" can be used as a reasonable proxy for the savings that are now unavailable to the company.

Staff contends that the Pacific Power's decoupling commitment should be calculated based on the total cost-effective savings after appropriate adjustments, which should include the codes and standards adjustment presented in this memo. Accordingly, staff is revising its recommended target and decoupling commitment for Pacific Power. Staff's proposed target and the company's proposed target are compared below.

¹ The company's other adjustments are listed in Table 4 of Pacific Power's Biennial Conservation Plan.

Conservation Category	Company-proposed Target (MWh)	Staff-proposed Target (MWh)
Cost-effective, reliable and feasible conservation	81,500	81,500
NEEA Savings	(7,207)	n/a
Codes and Standards Savings Adjustment ²	n/a; included in row above	(1,991)
2018-2019 Biennial Conservation Target	74,293	79,509
Decoupling Commitment (5%)	3,715	3,975
Total Portfolio Savings	78,008	83,484

Conclusion

Staff recommends that the commission issue an order rejecting Pacific Power’s 2018-2019 biennial conservation target and directing the company to refile its biennial conservation plan consistent with the targets in Attachment A.

Attachment A

² Calculated by staff based on 0.22 aMW reported in NEEA’s memo to Pacific Power, Appendix 3 of the BCP.