

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PACIFICORP, d/b/a PACIFIC POWER
& LIGHT COMPANY'S

2020-2029 Ten-Year Achievable Electric
Conservation Potential and 2020-2021
Biennial Conservation Target Under
RCW 19.285.040 and WAC 480 109 010;

In the Matter of the Petition of

PACIFICORP, d/b/a PACIFIC POWER
& LIGHT COMPANY,

For an Exemption from WAC 480-109-
130 and Extension of Time to File
Supporting Documentation

DOCKET UE-190908

ORDER 02

DOCKET UE-200406

ORDER 01

CONSOLIDATING DOCKETS;
GRANTING PETITION; GRANTING
EXEMPTION FROM RULE AND
EXTENSION OF TIME TO FILE
SUPPORTING DOCUMENTATION

BACKGROUND

1 Under the Energy Independence Act (EIA or Act), electric utilities with 25,000 or more customers are required to set and meet energy conservation targets every two years.¹ The

¹ RCW 19.285.040(a) requires each electric utility to identify its 10-year achievable cost-effective conservation potential using methodologies consistent with those used by the Pacific Northwest Electric Power and Conservation Planning Council in its most recently published regional power

Washington Utilities and Transportation Commission (Commission) promulgated rules implementing the EIA, which further require that each utility must file a report with the Commission identifying its 10-year achievable conservation potential and its biennial conservation target every two years.

2 On November 1, 2019, PacifiCorp, d/b/a Pacific Power & Light Company, (PacifiCorp or Company)² filed its 2020-2021 Biennial Conservation Plan identifying a 2020-2029 ten-year achievable conservation potential of 509,495 megawatt-hours (MWh) and a 2016-2017 Biennial Conservation Target of 93,189 MWh.

3 On December 17, 2019, in Order 01 in Docket UE-190908, the Commission accepted PacifiCorp's 2020-2029 Ten-Year Achievable Electric Conservation Potential of 509,495 MWh; 2020-2021 EIA Target of 93,189 MWh; 2020-2021 EIA Penalty Threshold of 86,979 MWh; and 2020-2021 Decoupling Penalty Threshold of 4,660 MWh. The Commission required that, by April 15, 2020, the Company file a petition to modify or retain the biennial EIA target, penalty threshold, decoupling commitment, and ten-year potential incorporating the effects of the Clean Energy Transformation Act (CETA) to the degree possible. The petition must detail how the social cost of greenhouse gas emissions has been included in evaluating conservation targets and why the methodology used is appropriate.

4 On April 15, 2020, PacifiCorp filed a Petition to Retain the Commission Approved Biennial EIA Target, Penalty Threshold, Decoupling Commitment, and Ten Year Potential (Petition).

5 In its Petition, the Company submits that it has incorporated the social cost of greenhouse gas emissions price in the ten year potential and established conservation targets filed in the 2020-2021 Biennial Conservation Plan based on the "P-18" case from its 2019

plan. At least every two years, a utility must also review and update its assessment for the subsequent 10-year period. RCW 19.285.040(b) requires each qualifying utility to establish and make publicly available a biennial acquisition target for cost-effective conservation consistent with its identification of achievable opportunities in RCW 19.285.040(a) and meet that target during the subsequent two-year period. At a minimum, each biennial target must be no lower than the qualifying utility's pro-rata share for that two-year period of its cost-effective conservation potential for the subsequent two-year period.

² On December 5, 2019, Pacific Power & Light Company filed a petition with the Commission changing its name to PacifiCorp, d/b/a Pacific Power & Light Company. References in this Order to PacifiCorp apply to the Company under both names.

Integrated Resource Plan (IRP) Progress Report, which retires all coal by 2030 and incorporates the social cost of greenhouse gas emissions price policy. PacifiCorp proposes to retain the targets the Commission accepted in Order 01.

- 6 On May 1, 2020, PacifiCorp filed a request for exemption in Docket UE-190908 and submitted the same request for exemption in Docket UE-200460. In both requests, PacifiCorp requests that the Commission grant an exemption from the annual requirement to file revisions to its Schedule 191, System Benefits Charge Adjustment, under WAC 480-109-130(2) and Condition 11(d) in Order 01 in Docket UE-190908. The Company notes that as of December 31, 2019, the Schedule 191 DSM balance account was overfunded by approximately \$3.719 million. The Company, however, expects that higher conservation costs in 2020 and lower revenues associated with the COVID-19 pandemic will lower the Schedule 191 DSM account balance. PacifiCorp therefore proposes to leave the existing collection rate for conservation costs unchanged through August 31, 2020, and to revisit the account balance in September 2020.
- 7 PacifiCorp further requests that the Commission grant the Company a one-week extension to provide the supporting documentation in support of its request for exemption as required under WAC 480-109-130(2).
- 8 As an initial matter, Commission staff (Staff) recommends that the Commission issue an order consolidating dockets UE-190908 and UE-200406 because PacifiCorp's filings in both dockets raise closely related issues.
- 9 On the merits, Staff recommends granting PacifiCorp's Petition to retain its EIA target, penalty threshold, decoupling commitment, and ten-year potential. Staff believes that the Company's IRP modeling framework and application of the social cost of greenhouse gas emissions are generally consistent with regional efforts conducted by the Northwest Power Planning and Conservation Council (NPPCC). While noting that relevant rulemakings are still in progress, Staff takes the position that the Company's methodology is acceptable for the present.
- 10 Staff further recommends granting PacifiCorp's request for an exemption from the annual requirement to file revisions to its Schedule 191, System Benefits Charge Adjustment. Staff submits that there is sufficient information to demonstrate that a rate change is not necessary through August 31, 2020.

- 11 Staff also recommends granting PacifiCorp a one-week extension to provide the supporting documentation for its May 1, 2020, request for exemption. Staff notes that the Company provided the supporting documentation on May 8, 2020, one week after the Company filed its request for exemption on May 1, 2020.

DISCUSSION AND DECISION

1. Consolidation

- 12 We consolidate Dockets UE-190908 and UE-200406. The Commission may consolidate dockets when the facts or principles of law are related.³ PacifiCorp requested that the Commission grant an exemption from the annual requirement to file revisions to its Schedule 191, System Benefits Charge Adjustment, in both Docket UE-190908 and Docket UE-200406. These dockets involve the same facts and legal principles, and the Commission can most efficiently resolve the Company's request by consolidating the dockets.

2. Conservation Targets

- 13 As noted in Order 01 in Docket UE-190908, PacifiCorp agreed with Staff to update its conservation targets once the Company finalized its 2019 IRP progress report. This solution addressed the gap between newly implemented legislation and rulemakings that are in progress but not yet complete. Order 01 therefore required PacifiCorp to "file a petition to modify or retain the biennial EIA target, penalty threshold, decoupling commitment, and ten-year potential incorporating the effects of the Clean Energy Transformation Act to the degree possible."⁴ Furthermore, Order 01 required, "[t]he petition must detail how the social cost of greenhouse gas emissions has been included in evaluating conservation targets and why the methodology used is appropriate."⁵
- 14 We agree with Staff's finding that PacifiCorp sufficiently includes the social cost of greenhouse gas emissions in evaluating its conservation targets and that the Commission should permit the Company to retain the EIA target, penalty threshold, decoupling commitment and ten-year potential approved in Order 01. While the appropriate method

³ WAC 480-07-320.

⁴ Order 01, Exhibit A(1)(b).

⁵ *Id.*

for including the social cost of greenhouse gas emissions in the IRP remains under consideration in the IRP rulemaking in Docket UE-190698, PacifiCorp's modeling framework is generally consistent with regional efforts conducted by NPPCC. The Company's social cost of greenhouse gas emissions values were drawn from the Western Interagency work group. We agree with Staff that the Company's use of the "P-18" case in its 2019 IRP is acceptable for the present and supports retaining the conservation targets approved in Order 01. However, as the social cost of greenhouse gas emissions is not fully resolved, PacifiCorp should continue to monitor and participate in the IRP rulemaking in Docket UE-190698 for guidance on how to incorporate the social cost of greenhouse gas emissions in future filings.

3. Conservation Cost Recovery Adjustment

15 We grant PacifiCorp's request for an exemption this year from the annual requirement to file revisions to its Schedule 191, System Benefits Charge Adjustment, as required by WAC 480-109-130(2) and Condition 11(d) in Order 01 in Docket UE-190908. We apply a public interest standard when evaluating requests for exemptions from Commission rules, considering factors such as whether the effect of applying the rule would be contrary to the underlying purposes of the rule and the public interest.⁶ PacifiCorp explains that the Schedule 191 DSM fund was overfunded as of December 2019, and it proposes to leave the existing collection rate for conservation costs unchanged through August 31, 2020. Staff supports this proposal and notes that there is a benefit to minimizing rate changes during the COVID-19 pandemic. Under these circumstances, exempting PacifiCorp from the annual requirement to file revisions this year to its Schedule 191, System Benefits Charge Adjustment, is consistent with the purposes of that requirement and the public interest.

16 We also grant PacifiCorp a one-week extension to provide the supporting documentation in support of its May 1, 2020, request for exemption. Under WAC 480-109-130(2), if the utility believes that conservation cost recovery filing is unnecessary, "then it must file a request for exception and supporting documents no later than May 1st of each year demonstrating why a rate change is not necessary." The purpose of this requirement is to ensure that the Commission has sufficient time to review information supporting an exemption request. PacifiCorp timely filed its exemption petition but requested an additional week to provide supporting documentation and provided those documents by

⁶ WAC 480-07-110(2)(c).

that date. Staff does not oppose the Company's request for the additional week of time to file the supporting documents because the brief delay did not significantly hamper the Commission's ability to review it. We agree and grant PacifiCorp's request to file supporting documentation by May 8, 2020. We caution, however, that our decision is limited to the specific circumstances presented in this case.

FINDINGS AND CONCLUSIONS

- 17 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric companies.
- 18 (2) PacifiCorp is an electric company, a public service company subject to Commission jurisdiction, and a qualifying electric company under RCW 80.04.010.
- 19 (3) This matter came before the Commission at a regularly scheduled open meeting on May 21, 2020.
- 20 (4) On April 15, 2020, PacifiCorp filed a petition to retain the Commission-approved biennial EIA target, penalty threshold, decoupling commitment and ten-year potential approved in Order 01 in Docket UE-190908.
- 21 (5) The Company sufficiently considers the social cost of greenhouse gas emissions in evaluating conservation targets as required by Order 01 in Docket UE-190908.
- 22 (6) Allowing PacifiCorp to retain the biennial EIA target, penalty threshold, decoupling commitment and ten-year potential approved in Order 01 is consistent with the purpose of that order and the public interest.
- 23 (7) On May 1, 2020, PacifiCorp filed a request for exemption from the annual requirement to file revisions to its Schedule 191, System Benefits Charge Adjustment, under WAC 480-109-130(2) and Condition 11(d) in Order 01 in Docket UE-190908.
- 24 (8) Pursuant to WAC 480-07-320, Dockets UE-190908 and UE-200460 should be consolidated because the petitions filed in both dockets raise the same facts and legal issues.

- 25 (9) The Commission should allow PacifiCorp to continue its current collection rate for conservation costs through August 31, 2020.
- 26 (10) PacifiCorp's request for an exemption this year from the annual requirement to file a revisions to its Schedule 191, System Benefits Charge Adjustment, under WAC 480-109-130(2) and Condition 11(d) in Order 01 in Docket UE-190908 is consistent with the public interest and the purposes of the rule and that order.
- 27 (11) On May 1, 2020, PacifiCorp requested a one-week extension to provide the supporting documentation in support of its request for exemption from the annual requirement to file revisions to its Schedule 191, Systems Benefits Charge Adjustment.
- 28 (12) Allowing PacifiCorp an additional week to file documentation in support of its Petition is consistent with the public interest under the specific circumstances present in this proceeding.

ORDER

THE COMMISSION ORDERS:

- 29 (1) Dockets UE-190908 and UE-200406 are consolidated.
- 30 (2) PacifiCorp, d/b/a Pacific Power & Light Company, may retain the biennial EIA target, penalty threshold, decoupling commitment and ten-year potential approved in Order 01 in Docket UE-190908.
- 31 (3) The Commission exempts PacifiCorp, d/b/a Pacific Power & Light Company, from compliance in calendar year 2020 with the annual requirement to file revisions to its Schedule 191, System Benefits Charge Adjustment, under WAC 480-109-130(2) and Condition 11(d) in Order 01 in Docket UE-190908.
- 32 (4) The Commission grants the request of PacifiCorp, d/b/a Pacific Power & Light Company, for a one-week extension of the deadline to file supporting documentation as required by WAC 480-109-130(2).
- 33 (5) The Commission retains jurisdiction over this matter for purposes of effectuating this Order.

DATED at Lacey, Washington, and effective May 21, 2020.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner