

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PACIFIC POWER & LIGHT
COMPANY

Report Identifying Its 2018-2019 Electric
Biennial Conservation Target Under
RCW 19.285.040 and WAC 480-109-120

DOCKET UE-171092

ORDER 01

ACCEPTING PACIFIC POWER &
LIGHT COMPANY'S
CALCULATION OF ITS 2018-2019
BIENNIAL CONSERVATION
TARGET; IMPOSING
CONDITIONS; AUTHORIZING
AND REQUIRING COMPLIANCE
FILING

BACKGROUND

- 1* Electric utilities with 25,000 or more customers are required under the Energy Independence Act (EIA or Act) to set and meet energy conservation targets every two years.¹ The 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
- 2* On November 1, 2017, Pacific Power & Light Company (Pacific Power or Company) filed its Biennial Conservation Plan (BCP) identifying a 2018-2027 10-year achievable

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 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 WAC 480-109-120.

conservation potential of 394,473 megawatt-hours (MWh) and a 2018-2019 biennial conservation target of 74,293 MWh.³

3 Table 1 summarizes the derivation of Pacific Power’s biennial target:

Table 1. Development of Pacific Power’s 2016-2017 Biennial Conservation Target

Savings Category	Savings (MWh)
End-Use Efficiency Measures (Adjusted CPA)	81,500
Less NEEA	(7,207)
End-Use Efficiency Measures Subtotal	74,293
Distribution Efficiency	0
Generation Efficiency	0
2018-2019 Biennial Conservation Target	74,293

4 Pacific Power’s 2018-2019 Demand-side Management Business Plan, attached to the Biennial Conservation Plan filing as Appendix 2, explains the Company’s conservation budget and the suite of measures that the Company will use to achieve its target. A summary of this information is provided below in Table 2.

Table 2. Comparison of Pacific Power’s 2016-2017 and 2018-2019 BCPs

Program	2016-2017 Projected Savings (MWh)	2016-2017 Budget	2018-2019 Projected Savings (MWh)	2018-2019 Budget
Residential				
<i>Home Energy Savings</i>	28,512	\$6,843,322	17,839	\$4,253,246
<i>Low-income</i>	534	\$1,780,000	335	\$1,502,000
<i>Home Energy Reports</i>	9,773	\$741,433	9,541	\$453,335
Residential Total	38,819	\$9,364,755	27,715	\$6,208,581

³ In preparation for setting its biennial target, Pacific Power made a number of adjustments. Most of these adjustments related to unit energy savings (UES) values – the assumed savings attributable to a given measure – that were updated based on new information and inclusion of non-energy benefits. The adjustments also included behavioral programs, waste heat-to-power technologies, and regenerative technologies. The adjustments comprise about 15 percent of the total 10-year potential identified in the BCP. No adjustments were made for distribution or production efficiency, as the Company’s evaluations did not identify any additional cost-effective savings in those areas.

Non-Residential	52,812	\$11,616,614	56,674	\$12,679,251
Pilots	-	-	-	-
NEEA	5,245	\$1,821,451	7,207	\$1,741,240
Administration/Other	-	\$1,757,709	-	\$1,956,654
Total	96,876	\$24,560,529	91,596	\$22,585,726

Note: 2016-2017 values are as filed in the 2016-2017 BCP in Docket UE-152072 (pg. 27). Columns may not add to totals, due to rounding.

- 5 Commission staff (Staff) filed comments in this docket detailing its evaluation of the Company's filing. Overall, Staff is satisfied with Pacific Power's 2018-2019 BCP, which demonstrates the Company's strong commitment to pursue all reliable, cost-effective conservation. The Company's Conservation Potential Assessment appears to have followed the Northwest Power and Conservation Council's methodology, accurately captured the rapidly evolving energy efficiency industry, and supports the Company in setting a target for the upcoming biennium.
- 6 Staff is concerned, however, with the Company's approach to calculating its target. Staff recommends that the Commission require Pacific Power and the other electric utilities to discontinue excluding savings generated by the Northwest Energy Efficiency Alliance (NEEA) from biennial conservation targets. As Staff notes in its comments, all three companies fund and actively collaborate with NEEA, a nonprofit regional market transformation group comprised of over 140 Northwest utilities and energy efficiency organizations. The companies fund certain NEEA programs and, in turn, achieve conservation savings in proportion to their level of funding. Beginning in the 2014-2015 biennium, the Commission granted the companies' request to exclude NEEA savings from their conservation targets because NEEA's savings were not wholly within the companies' control.
- 7 In comments filed in all three of the companies' BCP dockets, Staff articulated several concerns about continuing the practice of excluding NEEA savings from the EIA target.
- 8 First, Staff argues that the risk of missing a target because NEEA is not within the companies' control has been all but eliminated. Since the 2014-2015 biennium, NEEA has over delivered on its projected savings.
- 9 Second, Staff argues that excluding NEEA savings is inconsistent with the state's treatment of consumer-owned public utilities, which must include NEEA savings in their target calculations. Effective January 1, 2014, conservation achieved above a utility's conservation target can be claimed to meet target shortfalls in subsequent biennia. Staff contends that excluding NEEA savings prevents those savings from being claimed as

excess, thereby preventing ratepayers from realizing actual value generated by ratepayer-funded conservation programs.

10 Finally, Staff believes that including NEEA savings will contribute to utility support for NEEA, which Staff perceives to be inconsistent at times.

11 Staff recommends the Commission approve a biennial conservation target of 79,509 MWh – which represents the Company’s proposed target of 74,293 MWh plus 5,216 MWh of NEEA savings – with a corresponding decoupling commitment of 3,975 MWh, which represents 5 percent of the total savings target. Additionally, Staff recommends the Commission impose a number of commitments, agreed to by Staff and the Company, as set out in detail in Attachment A to Staff’s memo. In summary, Pacific Power commits to:

- Continue pursuing regional electric market transformation
- Continue to use its Demand-Side Management Advisory Group and Low-Income Advisory Group, including notifying and consulting with the Groups in a variety of circumstances
- Provide its proposed budget and maintain conservation tariffs with program descriptions on file with the Commission
- Spend a reasonable amount of its conservation budget on evaluation, measurement, and verification, and commit to a number of related requirements
- Conduct an independent third-party review of portfolio-level electric energy savings
- Spend no more than 10 percent of its conservation budget on programs for which a savings impact has not yet been measured, as long as the overall portfolio of conservation passes the Total Resource Cost (TRC) test as modified by the Northwest Power and Conservation Council
- Ensure the Company’s portfolio passes the TRC test
- Provide calculations of the Program Administrator Cost Test
- Use funds collected through the Electric Conservation Service Rider only on costs incurred by the Company associated with providing demand side management services and programs to customers

12 NW Energy Coalition (NVEC) filed comments on December 1, 2017. NVEC applauded Pacific Power for pursuing an on-bill loan repayment program, encouraged the Company to explore pay-for-performance programs, and expressed its preference that any clarification on how NEEA savings and decoupling are treated should result in a common approach for all three utilities.

13 Utility Conservation Services, LLC (UCONS) filed comments on December 1, 2017. UCONS’s comments responding to Puget Sound Energy’s (PSE) BCP referred to Pacific Power’s BCP as well, including a cover letter observing that its comments “are relevant to

the conservation efforts of Pacific Power as well as to PSE.”⁴ UCONS raises concerns related to the acquisition of energy efficiency in hard to reach markets. UCONS presents several recommendations and specifically requests the Commission direct the companies to issue a new request for proposals, and direct Staff to take an active role in the process to ensure it is fair and thorough. Additional long-term recommendations include directing Staff to conduct workshops and possibly a rulemaking to make improvements that enhance conservation efforts and spur innovation.

- 14 On December 18, 2017, PSE, Avista Corporation d/b/a Avista Utilities, and Pacific Power & Light Company (collectively, the Companies) responded to Staff’s comments. The Companies disagree with Staff’s recommendation that NEEA savings be included in the EIA target for the 2018-2019 biennium. The Companies argue that: 1) their support of NEEA has been unwavering; 2) including NEEA savings in the Companies’ enforceable targets would inappropriately shift the risk of NEEA achieving its goals to the Companies; 3) that electric savings reported to Department of Commerce is consistent with reports of public utilities; 4) any change in goal setting should be vetted with each of the Companies’ advisory groups; and 5) the Companies should not unduly benefit if NEEA exceeds its targets.
- 15 On December 19, 2017, the Public Counsel Unit of the Washington State Attorney General’s Office (Public Counsel) responded to Staff’s comments. Public Counsel disagrees with Staff’s recommendation and analysis. In its response, Public Counsel argues: 1) that Staff’s recommendation regarding NEEA savings should have been discussed with the advisory group pursuant to WAC 480-109-110(1); 2) excess conservation savings are not guaranteed; 3) inclusion of NEEA in the target will result in less conservation; 4) Staff’s concern about consistency with public utilities has already been addressed through revised reports to Commerce; 5) including NEEA savings in the target is contradictory to state policies on conservation; and 6) there is no evidence of wavering support for NEEA.
- 16 Accordingly, Public Counsel recommends that the Commission allow the advisory groups and all interested parties to discuss the Companies’ BCPs before the Commission renders a decision. In the alternative, Public Counsel recommends the Commission accept the Companies’ exclusion of the NEEA savings but require the advisory groups to discuss the issue in the next BCP cycle.

⁴ Cover letter to UCONS’s Comments on Pacific Power’s Biennial Conservation Plan.

- 17 On December 27, 2017, Staff filed a response to stakeholder comments regarding NEEA savings in the 2018-2019 BCPs. In its response, Staff clarifies that only NEEA program measure savings are included in Staff's recommended target. In addition, Staff clarifies that companies are expected to support NEEA's efforts towards market transformation, as long as those efforts deliver cost-effective conservation. Staff further argues that including NEEA in the target appropriately places risk on the Companies, and agrees that reporting to Commerce has become consistent. Finally, Staff argues that the treatment of NEEA savings was previously raised with the Companies, and that there is no consensus within any of the Companies' advisory groups about whether to include or exclude those savings.
- 18 The parties provided additional comments at the Commission's recessed open meeting on January 10, 2018. Staff argued that consumer-owned utilities are required by the Department of Commerce to include NEEA savings in their conservation target calculations, and raised the issue that the EIA may require the inclusion of all savings in target calculations.
- 19 Pacific Power argued that excluding NEEA savings will ensure NEEA maintains its focus on its own goals rather than the Companies' needs.
- 20 NWEC argued that the Companies should be fully committed to NEEA, which is invested in long-term regional market transformation. NWEC expressed concerns, however, that utility influence could have the unintended consequence of steering NEEA towards setting short-term goals if the Companies are required to include NEEA savings in their target.
- 21 Public Counsel recommended the Companies take the NEEA savings issue back to their advisory groups and include all stakeholders in the discussion.
- 22 In response, Staff argued that the Utilities are unlikely to reach a consensus within their advisory groups, and suggested the Commission require the formation of a joint advisory group specifically to address the inclusion of NEEA savings in conservation targets.

DISCUSSION

Conservation Target

- 23 We accept Pacific Power's calculation of its conservation target, but require the Companies to form a joint advisory group with all stakeholders, including the Department of

Commerce, to engage in further discussions about whether NEEA savings should be included in conservation target calculations going forward.

24 At this juncture, a number of unresolved issues hinder us from making a fully informed decision regarding the inclusion of NEEA savings. On one hand, we sympathize with the Company's position that relying on an outside entity to achieve a portion of its EIA target creates a risk that can otherwise be avoided if the Company undertakes its own conservation efforts. Conversely, we recognize that the Company retains full authority to direct its funding to specific projects, and therefore exercises some degree of control over NEEA's programs. Moreover, NEEA savings comprise a relatively small portion of the Companies' overall conservation target. We also recognize that NEEA engages in cost-effective, reliable, and feasible market transformation programs consistent with the standards set out in RCW 19.285.040.

25 We conclude that a special joint advisory group is the most appropriate forum to address these issues in a comprehensive and collaborative manner. Based on the parties' representations, advisory group discussions related to NEEA savings have waned. Whether the conversation has stalled due to disagreement or miscommunication, it is evident that a broader, more in-depth discussion that includes all stakeholders is warranted. By way of guidance for the parties, those discussions should address whether to include the various subsets of NEEA savings, whether the EIA requires that NEEA savings be included in target calculations, consistency with target setting requirements for consumer-owned utilities, and the degree of control the Companies have over NEEA's execution of its programs. We expect those conversations to occur in calendar year 2018.

26 Accordingly, we accept the Company's calculation, which excludes NEEA savings, for the purpose of setting a conservation target for the 2018-2019 biennium. We reserve judgment related to the issue of whether NEEA savings should be included in conservation targets in subsequent biennia pending the joint advisory group's submission of its findings and recommendations.

Decoupling Target

27 In Pacific Power's 2015 general rate case, the Commission directed Pacific Power to include a decoupling commitment of 5 percent of its biennial conservation requirement.⁵

⁵ *WUTC v. Pacific Power & Light Company*, Docket UE-152253, Order 12 ¶138 (September 1, 2016).

At the time the Commission entered its Final Order, the Commission allowed the exclusion of NEEA savings.

28 During the recessed open meeting, we learned that the Companies are using different assumptions to calculate decoupling conservation targets based on whether NEEA savings were included in biennial conservation targets at the time their respective decoupling programs were approved. This variation warrants further attention and clarification. The Companies agreed at the recessed open meeting to calculate their decoupling conservation targets based on total conservation achievement, including NEEA savings, for the 2018-2019 biennium, pending further direction from the Commission. Our decision regarding whether NEEA savings should be included in setting EIA targets will necessarily clarify how decoupling targets should be calculated going forward.

29 Accordingly, the Commission accepts Pacific Power's calculation of its 2018-2019 biennial conservation target of 74,293 MWh with a corresponding decoupling conservation commitment of 3,975. We also impose the agreed conditions set out in Attachment A to Staff's memo, as amended by this Order, which is attached as Attachment A to, and incorporated into, this Order.

FINDINGS AND CONCLUSIONS

- 30 (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.
- 31 (2) The Commission has authority to determine investor-owned utilities' compliance with RCW 19.285.040(1). The Commission has authority to review and decide whether to approve investor-owned utility conservation targets. The Commission may rely on its standard practice in exercising that authority. The Commission has adopted WAC 480-109-010 to implement RCW 19.285.040(1).
- 32 (3) Pacific Power is an electric company and a public service company subject to Commission jurisdiction. Pacific Power is a qualifying investor-owned electric utility under RCW 19.285.030(19).
- 33 (4) On November 1, 2017, Pacific Power filed with the Commission its 2018-2019 Biennial Conservation Report identifying the Company's 2018-2027 10-year achievable conservation potential and 2018-2019 biennial conservation target.

- 34 (5) Pacific Power's calculation of its 2018-2019 biennial conservation target of 74,293 megawatt-hours is consistent with RCW 19.285.040(1) and WAC 480-109-120(1).
- 35 (6) It is in the public interest to accept Pacific Power's biennial conservation target, as authorized by RCW 19.285.040(1)(e) and WAC 480-109-120(5).
- 36 (7) It is in the public interest to impose the conditions agreed to by the Company and Staff as set out in Attachment A to this Order.
- 37 (8) Pacific Power should be required to file a revised BCP reflecting a decoupling conservation commitment of 3,975 megawatt-hours.

ORDER

THE COMMISSION ORDERS:

- 38 (1) Pacific Power & Light Company's proposed 2018-2019 biennial conservation target of 74,293 megawatt-hours is accepted.
- 39 (2) The Commission imposes the agreed conditions set out in Attachment A to this Order.
- 40 (3) Pacific Power & Light Company is authorized and required to submit a compliance filing updating its Biennial Conservation Plan to reflect a decoupling conservation commitment of 3,975 megawatt-hours.
- 41 (4) The Commission waives the requirement for 30 days' notice to the advisory group in WAC 480-109-110(3) for purposes of this filing.
- 42 (5) The Commission retains jurisdiction over this matter for purposes of effectuating this order.

DATED at Olympia, Washington, and effective January 12, 2018.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner

ATTACHMENT A

Proposed Conditions for 2018-2019 Pacific Power & Light Company Electric Conservation

- (1) **Ten-Year Potential/Biennial Conservation Target – Approval and Conditions.**
 - a. The following conservation targets are approved for Pacific Power & Light Company (Pacific Power or Company), with conditions pursuant to RCW 19.285.040(1)(e) and WAC 480-109-120(1). This approval is subject to the Conditions described in Paragraphs (2) through (9) below.
 - i. *Biennial conservation target:* 74,293 megawatt-hours (as measured at generation).
 - ii. *Decoupling commitment:* 3,975 megawatt-hours, pursuant to Order 12 in Docket UE-152253.
 - b. As part of Pacific Power’s biennial conservation acquisition efforts, Pacific Power will continue to pursue regional electric market transformation in its Washington service area, in collaboration with funding from other parties and with other strategic market partners in this biennium that complements Pacific Power’s energy efficiency programs, services, and measures.
- (2) **Pacific Power Retains Responsibility.** Nothing within this Agreement relieves Pacific Power of the sole responsibility for complying with RCW 19.285 and WAC 480-109. Specifically, the conditions regarding the need for a high degree of transparency, and communication and consultation with external stakeholders, diminish neither Pacific Power’s operational authority nor its ultimate responsibility for meeting the biennial conservation target approved herein.
- (3) **Advisory Group.**
 - (a) To meet the requirements of WAC 480-109-110, Pacific Power shall continue to use its Demand-Side Management Advisory Group (“DSM Advisory Group”), initially created under the June 16, 2000, Comprehensive Stipulation in Docket UE-991832, which the Commission approved in the August 9, 2000, Third Supplemental Order in that Docket, and its Integrated Resource Plan public input process created under WAC 480-100-238.

- (b) Pacific Power has a separate Washington low-income advisory group (“Low-Income Advisory Group”) that includes members representing customers with limited income. Any issues related to conservation programs for customers with limited income will be considered and reviewed by the Low-Income Advisory Group as well as by the DSM Advisory Group.
 - (c) Pacific Power will notify the DSM Advisory Group members of public meetings scheduled to address the Company’s integrated resource plan. The Company will invite members to engage in the integrated resource plan public process to discuss the assumptions and relevant information utilized in the development of the Company’s integrated resource plan, as these assumptions will inform the 10-year conservation potential.
 - (d) Pacific Power will consult the DSM Advisory Group members on the scope and design of the conservation potential assessment that will inform the 2021 IRP and Washington 2022-2031 conservation forecast in advance of beginning that work, i.e., prior to the vendor Request for Proposal, etc.
 - (e) Pacific Power must consult with its DSM Advisory Groups starting no later than July 1, 2019, to begin to identify achievable conservation potential for 2020-2029 and to begin to set annual and biennial targets for the 2020-2021 biennium, including necessary revisions to program details. *See* RCW 19.285.040(1)(b); WAC 480-109-120.
- (4) **Annual Budgets and Energy Savings.** Pacific Power must provide its proposed annual budgets in a detailed format with a summary page indicating the proposed budget and savings levels for each electric conservation program, and subsequent supporting spreadsheets providing further detail for each program and line item shown in the summary sheet.
- (5) **Program Details.** Pacific Power must maintain its conservation tariffs, with program descriptions, on file with the Commission. Program details about specific measures, incentives, and eligibility requirements must be filed as tariff attachments or as revisions to Pacific Power’s DSM Business Plan. Pacific Power may propose other methods for managing its program details in the BCP after consultation with the DSM Advisory Group as provided in Paragraph (3) above.
- (6) **Approved Strategies for Selecting and Evaluating Energy Conservation Savings.**

- (a) Pacific Power has identified a number of potential conservation resource types as set forth on page 7 in Pacific Power's BCP. The Commission is not obligated to accept savings identified in the BCP for purposes of compliance with RCW 19.285. Pacific Power must demonstrate the cost-effectiveness of its conservation programs to the Commission after the savings are achieved. *See* RCW 19.285.040(1)(e).
- (b) When Pacific Power proposes a new or significant change to a program, pilot or tariff schedule, it must present the program to the DSM Advisory Group members with program details fully defined. After consultation with the DSM Advisory Group in accordance with WAC 480-109-110(1)(h), Pacific Power must file a revision to its DSM Business Plan in this Docket.
- (c) Pacific Power must spend a reasonable amount of its conservation budget on evaluation, measurement, and verification ("EM&V"), including a reasonable proportion on independent, third-party EM&V. Pacific Power must perform EM&V annually on a two-year schedule of selected programs such that, over the EM&V cycle, all major programs are covered. The EM&V function includes impact, process, market and cost test analyses. The results must verify the level at which claimed energy savings have occurred, evaluate the existing internal review processes, and suggest improvements to the program and ongoing EM&V processes.
- (d) An independent third-party review of portfolio-level electric energy savings reported by Pacific Power for the 2018-2019 biennial period, from existing conservation programs operated during that period, shall be conducted, per WAC 480-109-120(4)(b)(v). The independent third-party reviewer shall be selected through an RFP process and is intended to:
 - (i) Verify the calculation of total portfolio MWh savings; and
 - (ii) Provide a review of EM&V activities and application for best practices and reasonable findings, which includes the following:
 - (1) Validate the adequacy of Pacific Power's savings verification process, controls and procedures;
 - (2) Validate savings tracking and reporting processes and practices;
 - (3) Review program process and impact evaluations

completed during the biennium for appropriateness of evaluation approach/methodologies (program specific) and program cost-effectiveness calculations.

(7) Program Design Principles

- (a) Modifications to the programs must be filed with the Commission as revisions to tariffs, revisions to Pacific Power's DSM Business Plan, or utilize the program change process for Schedule 118 or Schedule 140 described in the Company's DSM Business Plan.
- (b) Incentives and Conservation Program Implementation — Programs, program services, and incentives may be directed to consumers, retailers, manufacturers, trade allies or other relevant market actors as appropriate for measures or activities that lead to electric energy savings.
- (c) Conservation Efforts without Approved EM&V Protocol — Pacific Power may spend up to 10 percent of its conservation budget on programs whose savings impact has not yet been measured, as long as the overall portfolio of conservation passes the Total Resource Cost (TRC) test as modified by the Northwest Power and Conservation Council (Council). Pacific Power may ask the Commission to modify this spending limit following consultation with DSM Advisory Group members.
 - (i) Information-only services refers to those information services that are not associated with an active incentive program or that include no on-site technical assistance or on-site delivery of school education programs. Information-only services and behavior change services shall be assigned no quantifiable energy savings value without the support of the DSM Advisory Group.
 - (ii) If quantifiable energy savings have been identified and Commission-approved for any aspect of such programs, the budget associated with that aspect of the program will no longer be subject to this 10 percent spending restriction.

(8) Cost-Effectiveness Test is the Total Resource Cost (TRC) Test

- (a) The Commission uses the Total Resource Cost Test (TRC), as modified by the Council, as its primary cost-effectiveness test. The Council-modified

TRC test includes quantifiable non-energy benefits, a risk adder, and a 10 percent conservation benefit adder. Pacific Power's portfolio must pass the TRC test. All cost-effectiveness calculations will assume a Net-to-Gross ratio of 1.0, consistent with the Council's methodology.

- (b) Pacific Power must also provide calculations of the Program Administrator Cost Test (also called the Utility Cost Test) as described in the National Action Plan for Energy Efficiency's study "Understanding Cost-Effectiveness of Energy Efficiency Programs."
- (c) Conservation-related administrative costs must be included in portfolio level analysis.

(9) Recovery Through an Electric Conservation Service Rider

- (a) Scope of Expenditures — Funds collected through the Pacific Power's Electric Conservation Service Rider (Schedule 191 – System Benefits Charge Adjustment or "SBC") are intended to recover the costs incurred by the Company associated with providing demand side management services and programs to customers.
- (b) Recovery for Each Customer Class — Rate spread and rate design must match Pacific Power's underlying base volumetric rates.
- (c) Recovery of costs associated with distribution and production efficiency initiative are not funded through the SBC because these programs are not customer conservation initiatives. These are company conservation programs. As such, these costs are recovered in the general rate making process over time and may be requested through a general rate case, a deferred accounting petition or other allowed mechanism.