

July 9, 2010

SENT VIA E-MAIL AND FIRST CLASS MAIL

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

Re: PacifiCorp's Revised Compliance Report Concerning Its Ten-Year Conservation Potential and Biennial Conservation Target, Docket No. UE-100170

Dear Mr. Danner:

Public Counsel submits this letter in advance of the Commission's July 15, 2010, Open Meeting. These comments address PacifiCorp's *revised* compliance report concerning its ten-year conservation potential and biennial conservation target filed with the Commission on July 2, 2010, in compliance with RCW 19.285.040 and WAC 480-109-010 (hereafter "Revised Compliance Report").

The Commission considered PacifiCorp's initial compliance report, filed January 29, 2010, at the March 11, 2010, Open Meeting. The Commission determined that the review of the compliance report should be extended to allow for further examination and review of stakeholder comments. Beginning in late March 2010, PacifiCorp engaged stakeholders, including Public Counsel, in a series of discussions regarding revisions to PacifiCorp's compliance report. These discussions spanned a time period of over three months and resulted in many positive improvements to the report. During this time parties also discussed and provided input on a conditions list which Public Counsel understands will be proposed by Staff in this proceeding as conditions for approval of PacifiCorp's ten-year conservation potential and biennial target.

Due to the collaborative efforts of the parties, the Revised Compliance Report, in conjunction with the conditions list provided in the Commission Staff memo in this docket, address many of Public Counsel's concerns with PacifiCorp's initial compliance report. Our one outstanding concern relates to the discussion under the "Evaluation" section of the Company's Revised Compliance Report. We continue to believe this section is lacking important background information regarding the Company's evaluation, measurement and verification (EM&V) efforts, protocols and procedures. This concern is discussed further under the "Guidance for Future I-937 Compliance Filings" section of this letter.

Public Counsel Recommendation

Public Counsel recommends that the Commission approve PacifiCorp's proposed ten-year conservation potential and biennial target, subject to certain conditions. These conditions were negotiated by all parties in this proceeding and are included in the Commission Staff's memo for this agenda item. We also recommend the Commission require one presentation improvement for future I-937 compliance filings. Specifically, we recommend the Commission's Order include the language provided below related to evaluation, measurement and verification.

Guidance for Future I-937 Compliance Filings

Public Counsel's initial comments filed on March 5, 2010, expressed concern that PacifiCorp did not provide adequate background information and support for their EM&V work. This concern persists in the Revised Compliance Report.¹ While we are pleased that the Company included evaluation plans and reports for certain DSM programs as an attachment to the Revised Compliance Report, we continue to believe the Company has not provided an adequate narrative explanation of past EM&V work, including historical evaluation schedules for their DSM programs. In addition, they do not provide or describe an EM&V framework or protocol that guides their evaluation work, except for a reference that they ask their third-party evaluators to demonstrate an understanding of the California Evaluation Framework, which references the IPMPV.² This lack of information makes it difficult to fully understand PacifiCorp's existing EM&V approach and what improvements or changes might be beneficial in the future.

We recognize that PacifiCorp has done some evaluation work, to their credit, but it is our understanding that the evaluation work is currently performed on a program-by-program basis, and it is unclear currently whether the work is guided by a comprehensive EM&V framework or protocols specific to the Company. We believe that an over-arching framework for PacifiCorp's EM&V work is essential, particularly given the conditions proposed by Staff and agreed to by the parties on this issue. Staff's proposed conditions would require PacifiCorp to spend certain amounts of its conservation budget on evaluation, measurement and verification and would also require PacifiCorp to perform EM&V annually on a multi-year schedule of selected programs such that, over the EM&V cycle all major programs are covered.³

As the scope and funding of EM&V increases, a comprehensive EM&V framework to guide PacifiCorp's efforts would be beneficial. Condition 3(a)(i) in the Staff conditions list requires that the Company seek the advice of its advisory group on "modifications or developments of protocols based on PacifiCorp's current evaluation, measurement and verification approach used to determine energy savings." Accordingly, we respectfully recommend that the Commission's

¹ See page 36, PacifiCorp's Revised Report on its Ten-Year Achievable Conservation Potential and its Biennial Conservation Target for 2010 and 2011, Docket No. UE-100170.

² IPMVP refers to the International Performance Measurement and Verification Protocols. IPMVP provides an overview of current best practice techniques available for verifying results of energy efficiency, water efficiency, and renewable energy projects. Please see: www.evo-world.org.

³ Condition 6(f) also provides that PacifiCorp may ask the Commission to modify this spending band following full advisory group consultation.

To: David Danner
Re: Docket No. UE-100170
July 9, 2010
Page 3

Order approving PacifiCorp's Revised Compliance Report should direct the Company to engage its advisory group in discussions regarding PacifiCorp's EM&V approach in order to better understand the process that currently guides PacifiCorp's evaluation work, and to determine whether modifications or development of EM&V protocols for PacifiCorp are necessary. The Company's next biennial conservation filing should include an explanation of the results of these discussions as well as an explanation and schedule of past, current, and future EM&V work.

Public Counsel respectfully recommends the Commission provide the following guidance to PacifiCorp regarding future compliance filings:

A. Evaluation, Measurement and Verification

We direct PacifiCorp to engage its DSM Advisory Group in discussions regarding PacifiCorp's current EM&V approach to determine whether modifications or development of EM&V protocols for PacifiCorp are necessary. The Company's next biennial compliance filing should include an explanation of the results of these discussions as well as an explanation and schedule of past, current, and future EM&V work.

Public Counsel appreciates the opportunity to comment on PacifiCorp's Revised Compliance Report and recommends it be approved subject to the conditions proposed by Commission Staff. We believe these conditions provide clarity surrounding the expectations of related activities, filings, and public involvement associated with PacifiCorp's ten-year conservation potential and biennial targets and will also help enable the Company to file quality and complete compliance reports in the future. Lea Daeschel will attend the July 15, 2010, Open Meeting for Public Counsel.

Sincerely,

LEA DAESCHEL
Policy Analyst
(206) 464-6380

cc: Anne Solwick (E-mail)
Mike Parvinen (E-mail)
Dave Nightingale (E-mail)
Deborah Reynolds (E-mail)
Cathie Allen (E-mail)