

September 12, 2012

## *VIA ELECTRONIC FILING AND OVERNIGHT DELIVERY*

Washington Utilities and Transportation Commission 1300 S. Evergreen Park Drive SW P.O. Box 47250 Olympia, WA 98504-7250

Attention:

David W. Danner

Executive Director and Secretary

RE: PacifiCorp's Progress Report on the Investigation into Conservation Program

**Design for Large Industrial Customers** 

**UE-111880** 

Dear Mr. Danner:

On May 15, 2012, PacifiCorp d.b.a. Pacific Power and Light Company (PacifiCorp or Company) submitted to the Washington Utilities and Transportation Commission (Commission) revisions to Schedule 191, System Benefits Charge Adjustment, in Docket UE-120700. On June 4, 2012, PacifiCorp submitted to the Commission an updated 2012 Demand-Side Management (DSM) Business Plan in Docket No. UE-111880. During the July 12, 2012 open meeting, at which both filings were on the regular agenda, Boise White Paper, LLC (Boise White Paper) raised concerns related to the design of PacifiCorp's industrial demand-side management programs (Industrial DSM programs) and requested that the Commission suspend the revisions to the System Benefits Charge Adjustment filing to allow for time to investigate solutions by which Boise, and other industrial customers, might better benefit from the Company's Industrial DSM programs.

At the July 12, 2012 open meeting, the Commission approved the Company's revisions to the System Benefits Charge Adjustment in Docket UE-120700. However, in light of Boise White Paper's concerns related to the Industrial DSM programs, the Commission issued Order 02, in Docket UE-111880 (Order 02) directing the Company to work with interested stakeholders to investigate its Industrial DSM programs for possible design improvements that would assist industrial customers like Boise White Paper in better leveraging the Company's conservation programs. The Company was to report back to the Commission by September 12, 2012, on its progress. The Company was further directed to implement the identified program changes no later than November 1, 2012, by including the changes either in a second revision to its 2012 Business Plan or within the November 1, 2012 filing of the Company's 2013 DSM Business Plan update.

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During the month of August, PacifiCorp met with Boise White Paper and engaged in discussions about Industrial DSM program design pursuant to Order 02. The Company worked with the Energy Engineer for Boise White Paper to identify barriers and needs in regards to conservation program participation and requirements and to identify the magnitude of likely opportunities at the mill. During the discussions it was determined that the biggest barrier at Boise White Paper was having the resource availability to dedicate to conservation projects.

The proposed solution is to provide program funding to support Boise White Paper in procuring the services of an Energy Project Manager. The Energy Project Manager would be dedicated to the completion of energy projects at the Boise facility. The level of funding would be contingent on Boise White Paper's commitment to an energy savings goal over a prescribed timeframe; typically 12-24 months. On September 10, 2012, PacifiCorp and Boise White Paper presented details of the Energy Project Manager funding concept to the Company's Demand Side Management Advisory Group. Initial response to the proposal was positive, and the Company is moving forward to flesh out the remaining design aspects required to implement the program change. Pending final program design, the Company is proposing this program benefit be extended to other industrial customers who are in need of project management support and can commit to the delivery of electric energy savings commensurate with their project support funding requirement.

The Company plans to implement the program design change to its Industrial DSM program in the November 1, 2012 filing of the Company's 2013 DSM Business Plan. Any questions related to the details of the program should be directed to:

By email (preferred): <u>datarequest@pacificorp.com</u>

By regular mail: Data Request Response Center

PacifiCorp

825 NE Multnomah Street, Suite 2000

Portland, OR 97232

By fax: 503-813-6060

Informal questions should be directed to Carla Bird at (503) 813-5269.

Sincerely,

Carol L. Hunter

Vice President, Services

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**Enclosures**