**AVISTA CORP.**

### RESPONSE TO REQUEST FOR INFORMATION

# JURISDICTION: WASHINGTON DATE PREPARED: 04/23/2015

# CASE NO.: UE-150204 & UG-150205 WITNESS: Don Kopczynski

# REQUESTER: UTC Staff - Nightingale RESPONDER: Larry La Bolle

# TYPE: Data Request DEPT: State & Federal Regulation

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**REQUEST:**

See page 15 - section III.J. Please provide the study demonstrating that the AMI project will result in $491,882 of reduced energy costs for its Washington customers. Please include all assumptions, worksheets and any other material relied upon by the study to determine the above-referenced cost savings.

**RESPONSE:** When customers have access to detailed and timely energy-use data they will be able to better understand their energy use. And, when coupled with utility-provided information and education on energy consumption, customers will have new, advanced tools to undertake the structural and behavioral changes necessary to achieve their own personal energy conservation objectives.

To estimate these energy savings, Avista evaluated both residential and commercial customers. Residential customers were further divided into three main groups for modeling, based on their monthly energy use. From Avista’s experience, for those customers who elected to install energy conservation measures, their average energy reduction was estimated to be 3%. This was a conservative estimate when compared to savings that have been reported by others in the region: 5-15 % and 0-10 % for direct and indirect feedback, respectively 1,2,3. The expected customer participation rate of up to 5 %, coupled with the expected energy savings of 3 %, was applied to Avista’s Washington electric customer base to yield an estimated energy savings of approximately 5,786 MWh (Expected participation is 1,170 commercial customers and 7,079 residential customers, for a total of 8,248 customers with varying degrees of installation of measures). The direct financial benefit to customers, on average, was estimated to be $491,882 (5,786,000 kWh X $0.085).

The computation, determination, or source of these values is provided in Excell format in Staff\_DR\_112 Attachment A, under the tab labeled “Energy Efficiency.” This worksheet, beginning on line 11, contains the financial and other information used to calculate the benefit value, and the source of each element of information is also provided. Where values are calculated in the worksheet, the particular computation, as well as the location of the data used, is provided by “mouse clicking” on the referenced cell.

1. BC Hydro SMART METERING & INFRASTRUCTURE PROGRAMBUSINESS CASE (4% reduction with 30% penetration) (<http://www.bchydro.com/content/dam/BCHydro/customer-portal/documents/projects/smart-metering/smi-program-business-case.pdf>)
2. Pike Research - Effective Customer Engagement Utilities Must Speak Customers’ Language (<http://opower.com/uploads/library/file/24/Opower_WP_Effective_Customer_Engagement.pdf.pdf>)
3. Behavioral approaches to energy conservation pay off – (intelligentutility.com /article/12/02/behavioral-approaches-energy-conservationpay&utm\_medium=eNL&utm\_campaign=IU\_DAILY2&utm\_term=Original-Member)