

October 31, 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: Joint Proposal for consistent approach to Northwest Energy Efficiency Alliance**

 **claimed conservation savings.**

 **Compliance with Order No. 03, UE-100170**

Dear Mr. Danner:

On September 13, 2012, the Washington Utilities and Transportation Commission (Commission) issued Order 03, in Docket No. UE-100170 regarding Pacific Power & Light Company’s (PacifiCorp or the Company) conservation achievement for the 2010-2011 biennium. The Commission required PacifiCorp, in collaboration with Avista Corporation (Avista) and Puget Sound Energy (PSE) (collectively, Joint Utilities), to develop a consistent approach to claiming conservation savings associated with Northwest Energy Efficiency Alliance (NEEA) and to provide a joint proposal of a consistent approach to the Commission no later than November 1, 2012.[[1]](#footnote-1) Further, the Company was directed to incorporate the modified approach into the development of the 2014-2015 Biennial Conservation Plan required by Order 01 in Docket No. UE-111880.[[2]](#footnote-2)

PacifiCorp met multiple times with PSE and Avista in September to discuss a consistent approach to reporting NEEA savings. The first meeting focused on becoming familiar with each utility’s individual approach to the treatment of NEEA savings in the establishment of the 2012-2013 biennium conservation forecasts. The objective was to seek acceptable compromises in order to arrive at a proposal for a consistent approach that would work for all three companies. As a result, some common objectives were identified as necessary in order to develop a consistent approach:

1. To maintain focus on NEEA investments and contributions; and
2. To minimize the short term performance risk associated with forecasting energy savings resulting from market changes not under the direct control of utilities.

At the next meeting a leading proposal had emerged and parties began to focus on a more detailed proposal such as moving beyond individual utility consistency to regional consistency, appropriate baselines, and consideration of NEEA’s role in the proposal.

In a final meeting held in early October, parties reviewed a draft proposal with representatives from NEEA. The objective of this meeting was to seek NEEA’s advice and support for the proposed approach. As a result of this meeting, further refinements were made to more accurately align with the approach taken by the Northwest Power and Conservation Council. The final result should simplify NEEA’s forecasting, tracking and reporting processes by reducing the number of utility requests and providing more uniformity to baseline tracking and reporting requirements.

Included as an attachment, please find a copy of a joint proposal for a consistent approach to claiming NEEA savings (Joint Utility Proposal).

Any questions related to the details of the Joint Utility Proposal should be directed to:

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| By email (preferred):By regular mail: | datarequest@pacificorp.comData Request Response CenterPacifiCorp825 NE Multnomah Street, Suite 2000Portland, OR 97232 |
| By fax: 503-813-7274 |  |
|  |  |

If you have any questions please contact Carla Bird at (503) 813-5269 or by email at carla.bird@pacificorp.com.

Sincerely,

Carol L. Hunter

Vice President, Services

Enclosures

Cc: Advisory Group

1. *See* ¶28, ordering paragraph (8) of Order 03, Docket UE-100170. [↑](#footnote-ref-1)
2. *See* ¶29, condition (8)(f) of Order 01, Docket UE-111880. [↑](#footnote-ref-2)