

Appendix 1

2018-2019
Plan Condition Requirements and Compliance





Pacific Power


June 1, 2020

2018 - 2019 Plan Condition Requirements and Compliance

Docket UE-171092 Order 01 (3) (a)		
The Company shall continue to use its Demand-Side Management Advisory Group.	A list of 2018 and 2019 Advisory Group meetings, is provided in the Company's 2018 and 2019 Annual Reports on Conservation Acquisition. Information is also provided on Statewide Advisory Group meetings and resultant work products	✓
Docket UE-171092 Order 01 (3) (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 need to be considered and reviewed by the Low Income Advisory Group.	There wasn't a commission order for 2018-2019 for the low income weatherization program. And the Low Income Advisory Group did not meet in 2018 or 2019.	✓
Docket UE-171092 Order 01 (3) (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.	DSM Advisory group list and emails provided to IRP team and added to IRP email list at beginning of biennial period.	✓
Docket UE-171092 Order 01 (3) (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.	The contract for the 2019 CPA included a provision for the selected firm (AEG) to provide similar services for the 2021 period. A new RFP was not issued for this work. Information on the scope and design of the 2021 CPA will be provided to the DSM Advisory Group for review and comment prior to the end of 2019, at the December 18, 2019 DSM Advisory Group meeting, in advance of beginning the work.	✓
Docket UE-171092 Order 01 (3) (e)		
Pacific Power must consult with its DSM Advisory Group no later than July 1, 2019 to identify achievable conservation potential for 2020 -2029 and to begin to set the annual and biennial targets for 2020-2021 biennium, including necessary revisions to program details.	Company began these discussions at the June 27, 2019 DSM Advisory Group meeting.	✓

Docket UE-171092 Order 01 (4) (5)		
<p>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.</p> <p>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.</p>	<p>Copies of the Company's annual budgets, conservation tariffs and/or program descriptions, including details on specific measures, incentives and eligibility are contained in Appendix 7, the Company's Demand-Side Management Business Plan for 2018-2019 filed in Docket UE-171092. Updated information for 2019 was provided in the Company's 2019 Annual Conservation Plan filed on November 15, 2018.</p>	✓
Docket UE-171092 Order 01 (6) (a)		
<p>Pacific Power has identified a number of potential conservation resource types as set forth on page 11 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.</p>	<p>Cost effectiveness of programs and the portfolio is provided as an appendix to the Annual Report (s) on Conservation Acquisition for 2018 and 2019.</p>	✓
Docket UE-171092 Order 01 (6) (b)		
<p>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</p>	<p>Copies of the Company's annual budgets, conservation tariffs and/or program descriptions, including details on specific measures, incentives and eligibility are contained in Appendix 2, the Company's Demand-Side Management Business Plan for 2018-2019 filed in Docket UE-171092. This information was updated in the Company's 2019 Annual Conservation Plan filed on November 15, 2018.</p>	✓
Docket UE-171092 Order 01 (6) (c)		
<p>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</p>	<p>As documented in the Company's 2018-2019 Biennial Conservation Report, the Company spent \$500,822 on third-party evaluation, measurement and verification (process and impact evaluations, verification of savings) of its conservation program results over the two year period. This represents 2.9% of the Company's \$17,128,294 in conservation program expenditures (excluding NEEA) over the same period. NEEA expenditures are excluded since the Company is not evaluating NEEA.</p>	✓

<p>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.</p>	<p>Information on completed evaluations is provided in the annual reports. Completed evaluations are available on https://www.pacificorp.com/environment/demand-side-management.html</p>	
<p>Docket UE-171092 Order 01 (6) (d) (i) (ii)</p>		
<p>An independent third-party review of portfolio-level electric energy savings reported by Pacific Power for the 2016-2017 biennial period, from existing conservation programs operated during that period, shall be conducted, per WAC 480-109-120(4)(b)(v).</p>	<p>Attached in the 2018-2019 Conservation Report as Appendix 2 is the Washington Savings Verification and Reporting Process 2018-2019 Review. AEG, Inc. the reviewer was selected through a proposal request process.</p>	
<p>Docket UE-171092 Order 01 (7) (a)</p>		
<p>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.</p>	<p>Copies of the Company’s annual budgets, conservation tariffs and/or program descriptions, including details on specific measures, incentives and eligibility are contained in Appendix 2, the Company’s Demand-Side Management Business Plan for 2018–2019 filed in Docket UE-171092. This information was refreshed in the Company’s 2019 Annual Conservation Plan filed on November 15, 2018.</p>	
<p>Docket UE-171092 Order 01 (7) (c)</p>		
<p>Conservation Efforts without Approved EM&V Protocol — Pacific Power may spend up to ten (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 Council. These programs may include information-only, behavior change, and pilot projects. Pacific Power may ask the Commission to modify this spending limit following full DSM Advisory Group consultation.</p>	<p>PacifiCorp spent approximately 3% of its conservation budget (excluding NEEA) during the 2018-2019 biennial period on the Be Wattsmart, and Begin at Home (energy education in schools) initiatives. Savings impact from these initiatives was not measured or reported. .</p>	
<p>Docket UE-171092 Order 01 (8) (a) - (c)</p>		
<p>(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.</p>	<p>Information on cost effectiveness calculation and consistency with the Council is provided in 2018-2019 Washington Savings Verification Report prepared by AEG and included as Appendix 2 in the Biennial Conservation Report. See also, Plan Compliance Information in PacifiCorp’s 2018 - 2019 Biennial Conservation Plan for its Washington Service Area and “Comparison of Regional Methodologies” filed in Docket UE-152072, UE-132047 and UE-111880. These appendices provide information on how the Company’s Total Resource Cost calculation complies with the cost-effectiveness definition (RCW 80.52.030(8)), incorporating the 10 percent conservation benefit and a risk adder consistent with the Council’s approach. Cost effectiveness assessments for the</p>	

<p>(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.”</p> <p>(c) Conservation-related administrative costs must be included in portfolio level analysis.</p>	<p>programs as well as portfolio cost effectiveness assessments are provided in Appendix 2 of PacifiCorp’s 2018 - 2019 Biennial Conservation Plan for its Washington Service Area. Program and portfolio level cost effectiveness was provided in the 2018 and 2019 annual reports and also included quantifiable non-energy benefits. The 2017 potential study update was used to inform the IRP selections which forms the basis for the target in this biennial period. The 2017 potential study included the effects of non-energy benefits as a reduction to energy efficiency measure costs.</p>	
<p>WAC-480-109-100 (a) (iv) (c)</p>		
<p>Adaptively manage. Continuously review and update as appropriate the conservation portfolio to manage changing market conditions and developing technologies. A utility must research emerging conservation technologies and assess the potential of such technologies for implementation in its service territory.</p> <p>Pilots. A utility must implement pilot projects when appropriate and expected to produce cost-effective savings within the current or immediately subsequent biennium as long as the overall portfolio remains cost effective.</p>	<p>The steps to adaptively manage programs is included in the 2018 and 2019 Annual Report(s) on Conservation Acquisition.</p> <p>Information on emerging conservation technologies used to inform the 2018-2019 targets is available in Volume 2 of the 2017 conservation potential assessment available on the company web site.</p> <p>Annual reports on Conservation Acquisition also provide information on pilot efforts undertaken by the Company and their program administrators during the period.</p>	
<p>WAC-480-109-110 (1) (h)</p>		
<p>(1) Scope of issues. A utility must maintain and use external conservation advisory group of stakeholders to advise the utility on conservation issues including, but not limited to:</p> <p>(h) The need for tariff modifications or mid-biennium program corrections.</p>	<p>Program changes made during the biennial period are presented to the DSM Advisory Group, typically on email for review and comments prior to beginning the noticing period of the prescribed change process included in the program tariff(s). A description of changes and the effective date for each program are provided in the Annual Report(s) on Conservation Acquisition.</p>	