

Appendix 1

2020-2021


Plan Condition Requirements and Compliance

Pacific Power

June 1, 2022, Final

2020-2021 Plan Condition Requirements and Compliance

DSM Advisory Group		
WAC 480-109-110 (1)		
A utility must maintain and use an external conservation advisory group of stakeholders to advise the utility on conservation issues, including those listed in the above-referenced section of the code.	A list of DSM Advisory Group meetings and topics covered is provided in the 2020 and 2021 Annual Reports on Conservation Acquisition.	✓
WAC 480-109-110 (2)		
A utility must meet with its conservation advisory group at least four times per year.	A list of DSM Advisory Group meetings and topics covered is provided in the 2020 and 2021 Annual Reports on Conservation Acquisition.	✓
WAC 480-109-110 (3)		
A utility must provide its conservation advisory group an electronic copy of all conservation filings that the utility intends to submit to the commission at least thirty days in advance of the filing.	<p>.Below is a list of 2020-2021 conservation filings and the dates the draft filing was provided to the DSM Advisory Group.</p> <ul style="list-style-type: none"> • 2021 Annual Conservation Plan <ul style="list-style-type: none"> 10/15/2020 draft filing provided to DSM Advisory Group 11/13/2020 filing made (ahead of due date) • 2020 Annual Report on Conservation Acquisition <ul style="list-style-type: none"> 4/30/2021 draft provided to DSM Advisory Group 5/20/2021 annual report filed (ahead of due date) • Motion to Amend Order 01 – in this case, given the due dates being amended and timing of the upcoming commission open meeting, the draft filing was provided less than 30 days prior to the filing, but the advisory group was consulted. <ul style="list-style-type: none"> 6/17/2021 discussed with DSM Advisory Group 6/28/2021 draft filing provided to DSM Advisory Group 7/2/2021 filing made • 2022-2023 Biennial Conservation Plan 	✓

	<p>10/1/2021 draft provided to DSM Advisory Group 11/1/2021 filing made</p> <ul style="list-style-type: none"> • Low Income Weatherization, Home Energy Savings and Wattsmart Business program tariff filing (Advice 21-13): 10/28/2021: draft provided to DSM Advisory Group 12/21/2021: filing made • 2021 Annual Report on Conservation Acquisition 5/2/2022 draft provided to DSM Advisory Group 6/1/2022 report filed • 2020-2021 Biennial Conservation Report 5/2/2022 draft provided to DSM Advisory Group 6/1/2022 report filed 	
Docket UE-190908 Order 01 Attachment A (3) (c)		
<p>Pacific Power must also coordinate a meeting with Advisory Group members and the entity conducting the conservation potential assessment (CPA) addressing the scope and design of the CPA. Such a meeting must address the assumptions and relevant information utilized in the development of Pacific Power’s integrated resource plan as they apply to development and/or modification of the ten-year conservation potential. This meeting must be held early enough in the integrated resource plan public process to incorporate the group’s advice.</p>	<p>CPA overview and DSM modeling presentation provided by AEG (the entity conducting the CPA) to Commission staff on January 10, 2020.</p> <p>Four CPA workshops were held in 2021 IRP public participation process. January 21, 2020, February 18, 2020, April 16, 2020, and August 28, 2020.</p> <p>The Company emailed copies of the draft 2023 CPA workplan to DSM Advisory Group members and offered to host a meeting if needed on January 12, 2020. . Pacific Power received and incorporated feedback from the advisory group in its finalized workplan and communicated responses to feedback in the February 28, 2022, DSM advisory group meeting.</p>	
Docket UE-190908 Order 01 Attachment A (3) (c)		

<p>Pacific Power must notify DSM Advisory Group members of IRP advisory group meetings that present the Company’s natural gas and energy price forecasts and generation resource cost assumptions used in the development of the Company’s integrated resource plan</p>	<p>DSM Advisory Group members are on the IRP listserv and receive direct notification of IRP meetings.</p>	<p>✓</p>
<p>Docket UE-190908 Order 01 Attachment A (3) (d)</p>		
<p>Pacific Power must consult with its DSM Advisory Groups starting no later than July 1, 2021, to begin to identify achievable conservation potential for 2022-2031 and to begin to set annual and biennial targets for the 2022-2023 biennium, including necessary revisions to program details.</p>	<p>6/17/2021: Pacific Power began discussing the development of its 2022-2031 conservation forecast and 2022-2023 biennial conservation target at the June 17, 2021, DSM Advisory Group meeting. Conversations continued leading up to the filing of the 2022-2023 Biennial Conservation Plan. 9/15/2021: Pacific Power sent draft program details and budgets in the September 15, 2021, Draft DSM Business Plan for 2022-2023. 10/21/2021: Pacific Power sent draft revisions to Home Energy Savings and Wattsmart Business program details for DSM Advisory Group review. Details included redlined incentive tables, explanation of changes, RTF alignment review. 10/28/2021: Pacific Power sent draft revisions to the Low-Income Weatherization, Home Energy Savings and Wattsmart Business program tariffs.</p>	<p>✓</p>
<p>Docket UE-190908 Order 01 Attachment A (3) (e)</p>		
<p>Pacific Power must inform the Advisory Group members when its projected expenditures indicate that Pacific Power will spend more than 120 percent or less than 80 percent of its annual conservation budget.</p>	<p>Pacific Power met this condition by providing updated forecasts at DSM Advisory Group meetings and in its filings. In 2020 and 2021 Pacific Power’s forecast did not exceed 120% or fall below 80% of the annual conservation budget. 2020 actual PacifiCorp Conservation expenditures did fall below 80% at 79% of plan.</p>	<p>✓</p>

		2020 Expenditures: PacifiCorp Conservation	% of plan
11/1/2019	2020-2021 Biennial Conservation Plan	\$ 12,512,200	
5/15/2020	DSM Advisory Group meeting	\$ 10,563,414	84%
9/21/2020	DSM Advisory Group meeting	\$ 10,982,199	88%
11/13/2020	2021 Annual Conservation Plan	\$ 10,982,199	88%
5/20/2021	2020 Annual Report on Conservation Acquisition	\$ 9,838,261	79%

		2021 Expenditures: PacifiCorp Conservation	% of plan
11/13/2020	2021 Annual Conservation Plan	\$ 13,800,398	
4/28/2021	DSM Advisory Group meeting	\$ 13,484,320	98%
7/22/2021	DSM Advisory Group meeting	\$ 13,550,606	98%
9/2/2021	DSM Advisory Group meeting	\$ 13,146,977	95%
6/1/2022	2021 Annual Report on Conservation Acquisition	\$ 11,241,933	81%

Docket UE-190908 Order 01 Attachment A (3) (f)

Prior to filing the Biennial Conservation Plan, Pacific Power must provide the following information to the Advisory Group: draft ten-year conservation potential and two-year target by August 2, 2021; draft program details, including budgets, by September 1, 2021; and draft program tariffs by October 1, 2021.





Amended Order 01 revised the draft ten-year conservation potential and two-year target to date to September 2, 2021, and draft program details and budgets to September 15, 2021. Target was shared at the September 2, 2020 DSM AG meeting. Draft budgets and program details were provided in draft September 15, 2021, DSM Business Plan provided to DSM AG on September 15, 2021.









Conservation Forecast and Target Development

WAC 480-109-100 (2) and (3)


<p>By January 1, 2010, and every two years thereafter, a utility must project its cumulative ten-year conservation potential and establish a biennial conservation target.</p>	<p>The 2022-2023 Biennial Conservation Plan provides the projection for the 2022-2031 period and the target for the 2022-2023 biennium.</p>	<p align="center">✓</p>
<p>This projection must consider all available conservation resources that are cost-effective, reliable and feasible.</p> <p>This projection must be derived from the utility's most recent IRP, including any information learned in its subsequent resource acquisition process, or the utility must document the reasons for any differences.</p>	<p>The process for identifying cost-effective, reliable, and feasible potential, beginning with the results of PacifiCorp's 2021 IRP process (including the use of CETA compliant portfolio and incorporating a non-energy impact adder), is described in the Conservation Potential and Conservation Targets section of the 2022-2023 Biennial Conservation Plan.</p>	<p align="center">✓</p>
<p>When developing this projection, utilities must use methodologies that are consistent with those used in the Northwest Conservation and Electric Power Plan.</p>	<p>The methodology used by the Company to develop its conservation forecast is detailed in Chapter 2 of Volume 2 of the 2021 CPA[1] and in the Conservation Potential and Conservation Targets section of the 2022-2023 Biennial Conservation Plan. During 2018, the utility members of the Statewide Advisory Group produced an updated matrix comparing their elements of the Total Resource Cost (TRC) test and the Northwest Power and Conservation Council. As described in the August 8th, 2019, open meeting staff memo, "each utility was similar enough to be considered consistent with the method used by the NWPCC". The matrix updated in 2018 was first developed in 2011 as part of the Methodology Sub-Committee of the Washington Collaborative Working group on Avoided Costs and Total Resource Cost Determinants. An in-depth review of methodologies was also provided as Appendix 3 of Pacific Power's 2016-2017 Biennial Conservation Plan.</p>	<p align="center">✓</p>
<p>The projection must include a list of each measure used in the potential, its unit energy savings value, and the source of that value.</p>	<p>A list of each measure used in the potential, including the required information, is provided as Appendix G of the 2021 Conservation Potential Assessment.</p>	<p align="center">✓</p>

<p>The biennial conservation target must identify, and quantify in megawatt-hours, all available conservation that is cost-effective, reliable and feasible and (b) The biennial conservation target must be no lower than a pro rata share of the utility's ten-year conservation potential.</p>	<p>The process for developing the 2022-2023 biennial conservation target is detailed in the Conservation Potential and Conservation Targets section of the 2022-2023 Biennial Conservation Plan. The identified target, before adjusting for NEEA and decoupling, is the pro-rata share of the ten-year forecast.</p>	
<p>Program Implementation, Management and Evaluation</p>		
<p>WAC 480-109-110 (4)</p>		
<p>A utility must notify its conservation advisory group of company and commission public meetings scheduled to address its conservation programs, its conservation tariffs, or the development of its conservation potential assessment.</p>	<p>“Stakeholder Engagement” section in the 2022-2023 Biennial Conservation Plan provides the list of meetings where information relevant to the development of the ten-year conservation potential and/or conservation program information was presented. In a prior biennial period, Company confirmed that members of the Company’s DSM Advisory Group were included on the Company’s IRP stakeholder contact/email list. The IRP list was updated in April 2022 to reflect the current DSM Advisory Group members. Communications to the DSM Advisory group are also sent to UTCenerg@utc.wa.gov.</p>	
<p>Docket UE-190908 Order 01 Attachment A (4)</p>		
<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>Copies of the Company’s proposed annual budgets and energy savings by program are in the 2020-2021 Biennial Conservation Plan (in the 2020-2021 Demand-Side Management Business Plan appendix). The backup workbook for the Demand-Side Management Business Plan contains further detail for each program and line item shown in the summary.</p>	
<p>Docket UE-190908 Order 01 Attachment A (5)</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 the Company DSM Business Plan.</p>	<p>Copies of the Company’s conservation tariffs and/or program descriptions, including details on specific measures, incentives and eligibility are contained in the Company’s Demand-Side Management Business Plan for 2020-2021.</p> <p>Updated information for 2021 was provided in the Company’s 2021 Annual Conservation Plan.</p>	
<p>WAC 480-109-100 (5) (a) & (b)</p>		

<p>A utility must use RTF deemed savings or other reliable and relevant source data that has verified savings levels and been presented to the Advisory Group for comment.</p>	<p>For Home Energy Savings and Wattsmart Business, prior to program changes taking effect, the Company provides documentation on the proposed changes to the DSM Advisory Group for review. Included in the documentation is a review of RTF alignment by measure for listed measures. The review of RTF alignment indicates if an RTF measure exists, and if so, if the program is aligned. In cases where there is an RTF measure and the program is not fully aligned, an explanation is provided.</p> <p>Once the program changes are effective, the Company updates the deemed values in the measure library. The version of a measure from the measure library that is used for a specific customer application for savings reporting is project specific and is based on equipment purchase/invoice dates or incentive offer issue dates.</p>	
<p>Docket UE-190908 Order 01 Attachment A (6) (c)</p>		
<p>Pacific Power must spend a reasonable amount of its conservation budget on EM&V.</p>	<p>As documented in the Company's 2020-2021 Biennial Conservation Report, the Company spent \$668,999 on third-party evaluation, measurement, and verification (process and impact evaluations, verification of savings) of its conservation program expenditures over the two-year period. This represents 3.2% of the Company's \$21,080,194 in conservation program expenditures (excluding NEEA) over the same period. NEEA expenditures are excluded since the Company is not evaluating NEEA. Information on completed evaluations is provided in the 2020 and 2021 annual reports. Completed evaluations are available on https://www.pacificorp.com/environment/demand-side-management.html.</p>	
<p>WAC 480-109-100 (7)</p>		
<p>A utility must offer a mix of conservation programs to ensure it is serving each customer sector, including programs targeted to the low-income subset of residential customers.</p>	<p>The comprehensive portfolio of programs, available services and incentives described in the 2020 and 2021 Annual Reports on Conservation Acquisition are relevant to all customer sectors, including limited income customers.</p>	
<p>WAC 480-109-100 (10)</p>		

<p>A utility may fully fund low-income conservation measures that are determined by the implementing agency to be cost-effective consistent with the <i>Weatherization Manual</i> maintained by the department.</p> <p>A utility may exclude low-income conservation from portfolio-level cost-effectiveness calculations.</p> <p>A utility must count savings from low-income conservation toward meeting its biennial conservation target.</p>	<p>In 2020-2021 the Company continued to fully fund low-income conservation measures through its Low-Income Weatherization program. Projected savings from these efforts were included in the 2020-2021 Biennial Conservation Target but excluded from portfolio-level cost-effectiveness analysis. Savings from the Low-Income Weatherization program is included in the 2020 and 2021 Annual Reports on Conservation Acquisition.</p>	
<p>Docket UE-190908 Order 01 Attachment A (7) (c)</p>		
<p>PacifiCorp may spend up to 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 Advisory Group consultation.</p>	<p>As described in the 2020-2021 DSM Business Plan, the only conservation effort without EM&V is the “Be Wattsmart, Begin at Home” school initiative. Expenditures for this effort during the 2020-2021 biennial period were \$113,198 and represent 0.5% of the PacifiCorp conservation expenditures of \$21,080,194.</p>	
<p>Docket UE-190908 Order 01 Attachment A (8) (a-c) & WAC 480-109-100 (8) & (10)</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>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>Pacific Power uses the Total Resource Cost test, as modified by the Council, to screen Washington energy efficiency resources in its IRP. Program and portfolio-level cost-effectiveness results for the 2020-2021 biennial period, showing that the portfolio is cost-effective from the TRC perspective (including conservation-related administrative costs) and Utility Cost Test results are provided in the 2020 and 2021 Annual Reports on Conservation Acquisition.</p>	

c) Conservation-related administrative costs must be included in portfolio level analysis		
Docket UE-190908 Order 01 Attachment A (9) (a)		
<ul style="list-style-type: none"> • Pacific Power must develop a plan and conduct the research necessary to achieve sustained energy burden reductions for low-income households, with advice and review provided by the Advisory Group(s) outlined in 3(b). • Low-income savings potential must be included in the 2022-2023 Biennial Conservation Plan. • Description of how the plan prioritizes energy assistance to low-income households with the highest energy burden and future actions under consideration to improve this prioritization. 	<p>Company expanded low-income bill assistance as outlined in UE-210533. Changes were approved by Commission and took effect on August 1, 2021.</p> <p>See Appendix G of Conservation Potential Assessment showing low income is a segment.</p> <p>See filing and staff review of UE-210533.</p> <p>The 2022-2023 DSM Business Plan includes proposed changes to Schedule 114 to increase repair budget and permit installation of efficient electric heat in an expanded set of baseline conditions. These changes were filed in Advice 21-13, which was approved in 2022. Both changes should help increase homes treated and the scope of project within homes.</p>	✓
Docket UE-190908 Order 01 Attachment A (9) (b)		
Pacific Power must design and implement pilot programs that serve some highly impacted communities and vulnerable populations.	<p>COVID-19 and managing attendant safety concerns dominated 2020-2021 program delivery.</p> <p>Identification of highly impacted communities (HIC) and vulnerable populations occurred in collaboration with the Equity Advisory Group in 2021 and was included in the Clean Energy Implementation Plan. HIC information was available to the program implementation team and used to inform pilots and offers described in the 2022-2023 DSM Business Plan.</p>	✓
Docket UE-190908 Order 01 Attachment A (9) (c)		

<p>Pacific Power must evaluate opportunities for location-targeted programs that provide non-wires alternatives to eliminate or delay the need for distribution system investments</p>	<p>Location targeted efforts were impacted by COVID-19 during 2020-2021 biennial period as the Company and their implementation contractors focused on a) safety, and b) achieving the overall targets. Circuits with potential for deferral of capital projects are listed in the 2022-2023 DSM Business Plan under the pilot's section.</p>	
<p>Docket UE-190908 Order 01 Attachment A (10) (a-c)</p>		
<p>a) During this biennium, Pacific Power must demonstrate progress towards identifying, researching, and developing a plan to properly value nonenergy impacts that have not previously been quantified. The nonenergy impacts considered must include the costs and risks of long-term and short-term public health benefits, environmental benefits, energy security, and other applicable nonenergy impacts.</p> <p>b) Pacific Power must identify the discrete nonenergy impacts and the monetized value used in cost-effectiveness testing for each electric conservation program. This must be provided in a detailed format with a summary page and subsequent supporting spreadsheets, in native format with formulas intact, providing further detail for each program and line item shown in the summary sheet in annual plans and reports.</p> <p>c) To the extent practicable, Pacific Power must begin to identify the distribution of energy and nonenergy benefits in annual plans and reports. This reporting must use currently quantified nonenergy impacts as well as values and estimates of additional impacts as they become available.</p>	<p>Pacific Power in conjunction with the other investor-owned utilities contracted with DNV to assess and quantify additional non-energy impacts. Work scope, preliminary findings their application to the 2022-2023 planning process were shared with the DSM Advisory Group. The final DNV report is included as Appendix 4 in the 2022-2023 Biennial Conservation Plan.</p> <p>Non-energy impacts by measure included in AEG cost effectiveness memos included with the 2020 and 2021 Annual Reports on Conservation Acquisition.</p> <p>Non-energy impacts by measure included in cost effectiveness memo provided in the 2020 and 2021 Annual Reports on Conservation Acquisition.</p>	