

January 24, 2014

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Public Utility Commission of Oregon
3930 Fairview Industrial Dr. S.E.
Salem, OR 97302-1166

Attn: Filing Center

Re: Docket UM 1158—Recommendations for Performance Measures for the Energy Trust of Oregon

As requested by the January 16, 2014 email from Public Utility Commission of Oregon (Commission) staff member Juliet Johnson, PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) provides the following comments on the 2014 Draft Performance Measures (the 2014 Performance Measures) for the Energy Trust of Oregon (Energy Trust). Current and well-defined metrics help all parties, including PacifiCorp, assess the performance of the Energy Trust's delivery of energy efficiency which is a key component of the Company's Integrated Resource Plan (IRP).

PacifiCorp supports the 2014 Performance Measure's approach of establishing minimum yearly electric savings performance targets tied to a single number derived from the individual utility IRP targets. Utilization of a single variance value—plus or minus 15 percent—to calculate the minimum savings achievements and maximum program administrator levelized delivery costs helps improve clarity and usefulness of these metrics.

PacifiCorp is similarly supportive of establishing minimum electric savings targets and maximum levelized costs for each electric utility instead of the combined electric utility level and is pleased to see this approach incorporated into the 2014 Performance Measures. Utility-specific metrics better align Energy Trust performance with differences in opportunities and delivery costs between the utility service territories. These differences are reflected in resource assessments, budgets and action plans and it is a natural step to incorporate them into the metrics.

PacifiCorp continues to suggest adding a Total Resource Cost (TRC) metric to the current program administrator (PA) cost metric. PacifiCorp envisions the TRC metric would be similar to the current PA metric (expressed on a \$/kWh basis) and incorporate total costs instead of just Energy Trust costs. All other assumptions in the TRC levelizing calculation would remain the same as those used in the PA calculation, with results expressed on the same basis(\$/kWh). Both PA and TRC results could be compared to levelized costs of other resources, including generation. PacifiCorp provides both TRC and PA levelized cost information in annual reports in other states and it has proven to be a useful metric to assess performance. PacifiCorp does not

have a proposed \$/kWh to be included in the 2014 metrics, but suggest it could be developed this year and included in the 2015 performance metric update.

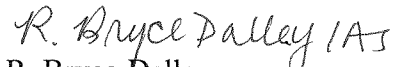
PacifiCorp recommends reviewing the program delivery efficiency metric of 9 percent of annual revenues during 2014 in light of the fact that actual program delivery efficiency for 2012 was only 5.4 percent. The 9 percent metric proposed for 2014 was utilized for 2012 and 2013 and reflects downward adjustment from the 11 percent utilized for the 2006-2011 period. PacifiCorp does not have an alternate percentage to propose for measuring 2014 performance, but would support a collaborative effort during 2014 to determine the appropriate percentage for 2015.

As for Energy Trust's metrics for renewable resources, PacifiCorp believes these provide certainty to renewable developers and a measure against which cost effectiveness may be tested. PacifiCorp supports a declining average incentive for renewable projects. Continuing to measure against a declining average will help ensure the most cost-effective and ready-to-develop projects are supported, which in turn ensures more renewable energy is developed.

In conclusion, PacifiCorp supports the annual review of the Energy Trust's performance metrics and appreciates the opportunity to provide these comments as part of the continuous improvement of the overall Oregon energy efficiency infrastructure. PacifiCorp also appreciates Staff's efforts to incorporate elements of the Company's prior comments into the 2014 Performance Measures.

All inquiries may be directed to Gary Tawwater, Manager, Regulatory Affairs, at (503) 813-6805.

Sincerely,


R. Bryce Dalley
Vice President, Regulation

cc: Service List—UM 1158

CERTIFICATE OF SERVICE

I certify that I served a true and correct copy of PacifiCorp's Comments on the parties listed below via electronic mail and/or US mail in compliance with OAR 860-001-0180.

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Dated this 24th day of January 2014.

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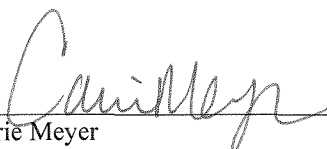
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