



# Citizens' Utility Board of Oregon

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September 15, 2014

Public Utility Commission

Attn: Filing Center

550 Capitol St. NE #215

P.O. Box 2148

Salem, OR 97308-2148

**Re: UM 1622 - CUB Comments Errata Filing**

Dear Filing Center:

Please find enclosed an original and five copies of **Errata to Opening Comments of the Citizens' Utility Board of Oregon**. CUB inadvertently switched two terms on page 4, line 19 of CUB's Comments filed earlier today. CUB apologizes for the error.

Sincerely,

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1 understanding these criteria in the current context could be helpful. For example, later in  
2 these comments, we will discuss Criteria G above and how it relates to SB 844.

3 **III. CUB's Concerns with Cost-Effectiveness Criteria.**

4 CUB has several concerns with the current cost-effectiveness approach:

5 **A. Total Resource Cost Test (TRC) versus Utility Cost Test (UCT)**

6 Somewhere I have a certificate that shows that in the early 1990s, I went through  
7 a DSM Training Program. This training occurred around the same time as the UM 551  
8 proceeding that gave rise to OPUC Order No. 94-590. In the training program, both the  
9 TRC and the UCT were discussed. In theory, the TRC looks at the total benefit ratio,  
10 including all costs and quantifiable benefits, whether those costs and benefits fall on the  
11 utility or the consumer or some third party. At the time, low flow showerheads were a  
12 popular DSM measure and under the TRC, there were both energy benefits from reduced  
13 energy to heat water as well as water conservation benefits. The same was true for front-  
14 loaded washing machines, which were just beginning to make a dent in the market at that  
15 time. The TRC allowed the water conservation benefits to be counted.

16 The UCT, in contrast, looks at only the costs and benefits to the utility. As I  
17 recall from my training, there was a concern that focusing too much on the UCT could  
18 lead us to incentivizing actions that were not in the economic interest of the customer.  
19 According to this theory, if a measure passes the ~~TRC~~ UTC but fails the ~~UCT~~ TRC, it  
20 means that the benefits to the utility in terms of lower gas or electric costs were greater  
21 than the cost of any incentives offered and the cost of the program, but the cost to the  
22 customer was less than the economic benefits to the customer. Incentivizing customers to  
23 take uneconomic actions was considered to be poor public policy.

## UM 1622 – CERTIFICATE OF SERVICE

I hereby certify that, on this 15<sup>th</sup> day of July, 2014, I served the foregoing **ERRATA TO COMMENTS OF THE CITIZENS' UTILITY BOARD OF OREGON** in docket UM 1622 upon each party listed in the UM 1622 PUC Service List by email and, where paper service is not waived, by U.S. mail, postage prepaid, and upon the Commission by email and by sending one original and five copies by U.S. mail, postage prepaid, to the Commission's Salem offices.

**(W denotes waiver of paper service)**

**(C denotes service of Confidential material authorized)**

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