

June 18, 2014

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

Public Utility Commission of Oregon
3930 Fairview Industrial Drive SE
Salem, Oregon 97302-1166

Attn: Filing Center

Re: Docket UM 1696 – Energy Trust Filing for Cost Effectiveness Exceptions for Specific Electric Measures

Pursuant to the schedule proposed by Public Utility Commission of Oregon Staff on June 11, 2014, PacifiCorp, d/b/a Pacific Power (PacifiCorp or the Company) provides the following comments on the Energy Trust Filing for Cost Effectiveness Exceptions for Specific Electric Measures (cost effectiveness exceptions).

The Company appreciates the discipline and rigor the Energy Trust of Oregon (Energy Trust) has exercised in applying the options available under UM 551 to its current electric energy efficiency portfolio. Clear, well-documented exceptions with known time bounds help the Energy Trust and its trade allies effectively deliver a broad energy efficiency portfolio when avoided costs are lower. The Company also appreciates the foresight of prior stakeholders who were instrumental in developing the UM 551 framework being used in this proceeding.

As noted in UM 551, Condition A, one of the key additional conditions that may be used to justify including non-cost effective measures is “*the measure produces significant non-quantifiable non-energy benefits....*” Though the language specifically acknowledges the challenges of quantifying non-energy benefits by referring to them as “non-quantifiable,” the Company stands by the guidance around non-energy benefits as noted in the Company’s initial comments on the Energy Trust’s strategic plan (and provided again below).

“And while non-energy benefits are important drivers for participating customers, Pacific Power strongly encourages the Energy Trust to keep a “running tab” of the non-energy benefits in their portfolio along with an assessment of the rigor surrounding their quantification. Pacific Power strongly encourages the level of rigor around quantification on these important benefits increase as their value increases in the portfolio. Easily accessible data should be available to demonstrate how much of the portfolio is dependent on these benefits.”¹

The Energy Trust has taken an important first step in itemizing some of these benefits for weatherization, including thermal comfort, noise reduction, home durability, health benefits and

¹ PacifiCorp’s initial comments on the Energy Trust’s Strategic Plan – March 25, 2014.

property value increases.² The Company would encourage the Energy Trust to build on this work and consider a) if there are additional categories of benefits that are applicable and b) how any of these benefits might be quantified. This discipline helps all stakeholders understand how much of the portfolio depends on inclusion of these types of benefits.

In a similar vein, the Energy Trust routinely works with customers to quantify site-specific non-energy benefits.³ The Company appreciates this work when this data exists; however, again points to the guidance previously provided in the strategic plan comments regarding rigor and transparency in these calculations. Specifically, the Company recommends a list of categories that these benefits fall into that includes current information on valuation methodologies that are readily available.

Furthermore, the Company believes the work provided in this docket provides an opportunity to further reinforce the value of attributing project costs to energy savings features, which in some cases may be a subset of the larger project. This engagement should also help further categorize the types and possible values of many of the non-energy benefits cited in this exception request. Improved information on project costs and non-energy benefits has the potential to further refine (and hopefully improve) the total resource cost test results for these measures.

The Company believes customers and trade allies expect careful management (and possible reductions) of any administrative costs associated with these measures to achieve measurable improvements in benefit/cost ratio results.

In conclusion, PacifiCorp supports the Energy Trust Filing for Cost Effectiveness Exceptions for Specific Electric Measures and appreciates the opportunity to provide these comments as part of the continuous improvement of the overall Oregon energy efficiency delivery, which continues to provide least cost resources in the Company's Integrated Resource Plan.

Questions regarding these comments can be directed to Natasha Siores, Director Regulatory Affairs and Revenue Requirement, at (503) 813-6583.

Sincerely,

Handwritten signature of R. Bryce Dalley in cursive, with the initials "RBD" written at the end.

R. Bryce Dalley
Vice President, Regulation

cc: Service List - UM 1696

² Page 3 of the Energy Trust filing

³ Page 5 of the Energy Trust filing

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.

UM 1696

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Dated this 18th of June, 2014.



Amy Eissler
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