



Oregon

Kate Brown, Governor

Public Utility Commission

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June 29, 2021



BY EMAIL

PacifiCorp

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RE: Advice No. 21-011

At the public meeting on June 29, 2021, the Commission adopted Staff's recommendation in this matter docketed as ADV 1266. The Staff Report and a receipted copy of the sheets in your advice filing are attached.

Nolan Moser

Chief Administrative Law Judge

Public Utility Commission of Oregon

(503) 378-3098

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: June 29, 2021**

REGULAR CONSENT EFFECTIVE DATE July 1, 2021

DATE: June 17, 2021

TO: Public Utility Commission

FROM: Brian Fjeldheim

THROUGH: Bryan Conway and John Crider **SIGNED**

SUBJECT: PACIFIC POWER:
(Docket No. ADV 1266/Advice No. 21-011)
Schedule 297 – Updated Energy Conservation Charge.

STAFF RECOMMENDATION:

Approve Pacific Power's (PacifiCorp or Company) Advice No. 21-011, which updates the Schedule 297 - Energy Conservation Charge (ECC) to accommodate the Energy Trust of Oregon's (ETO) updated 2021 budget and forecasted 2022 funding levels, resulting in a \$3.5 million annual increase to rates, effective for service rendered on and after July 1, 2021.

DISCUSSION:

Issue

Whether the Oregon Public Utility Commission (OPUC or Commission) should approve PacifiCorp's proposed revisions to the ECC.

Applicable Law

ORS 757.205 requires public utilities to file schedules showing all rates, tolls, and charges for service that have been established and are in force at the time.

ORS 757.210 (1)(a) states a utility must show that a proposed rate or schedule of rates is fair, just, and reasonable. The Commission may authorize a rate or schedule of rates only if it is deemed to be fair, just, and reasonable.

OAR 860-022-0015 states that energy utilities must provide the Commission with at least 30 days' notice prior to the effective date for any change in rates, tolls, charges, rules, or regulations.

OAR 860-022-0025 illustrates energy utility requirements for filing tariffs or changes to rate schedules.

Analysis

Background

Each year, and in collaboration with all affected utilities, ETO sets cost-effective energy efficiency targets and associated funding levels. The utilities must then set rates to collect their contribution share necessary to meet ETO's annual funding levels.

PacifiCorp's proposed rate reflects the May 21, 2021, Amended ETO budget, as well as additional funding requirements forecast for 2022. The function of the ECC is to produce revenues sufficient to meet PacifiCorp's required contribution to ETO's annual funding target.

The Company's overall energy savings target increased from 21.1 aMW in 2021 to 23.8 aMW in 2022. In ETO's amended 2021 budget, and again during their presentation at the May 4, 2021, public meeting, ETO cited a number of factors for their increased funding need in 2021. These include:

- Higher than forecast customer participation in energy efficiency projects in 2021 associated with increased project bonus incentives.
- Lower than projected unspent industrial and commercial project carryover funds from 2020 to 2021.
- An opportunity to pursue additional cost-effective energy savings in 2021.

As such, PacifiCorp requests the ECC be increased from \$33.8 million to \$37.3 million, approximately \$3.5 million annually. As part of this rate adjustment, PacifiCorp also proposes to increase the percentage of funds retained by the Company from 3.1 percent to 4.2 percent of annual collections. Per the Company's filing, the additional retained funds will be used to implement a new Home Energy Reports (HER) program for use with energy efficiency projects. These changes will maintain the funding level necessary to support ETO's activities for the remainder of 2021 and 2022.

This proposed rate change will affect approximately 628,000 customers and results in an overall rate increase of approximately \$3.5 million or 0.3 percent. A typical residential customer using 900 kilowatt-hours per month will see a monthly bill increase of \$0.33.

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Staff has reviewed the work papers provided by the Company and determined that the rate spread and price change calculations are consistent with the methods used in prior years.

Conclusion

After a review of PacifiCorp's filing and accompanying work papers, Staff finds that the Company's proposed rates are reasonable. As this filing meets the requirements of ORS 757.205, ORS 757.210, and OAR 860-022-0025, Staff recommends the Commission approve PacifiCorp's proposed tariff changes.

PROPOSED COMMISSION MOTION:

Approve PacifiCorp's proposed Advice No. 21-011, which updates Schedule 297- Energy Conservation Charge, effective for service rendered on and after July 1, 2021.

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ENERGY CONSERVATION CHARGE

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Purpose

To fund or implement cost-effective energy conservation measures pursuant to the Oregon Renewable Energy Act, SB 838 (2007), Section 46.

Applicable

To all consumers located within Company's service territory except as provided below under Exemptions. Exempted consumers will not be charged under this schedule nor directly benefit from energy conservation measures funded by this schedule.

Exemptions

A consumer with load greater than one average megawatt is exempted from this charge. A consumer shall be considered to have a load greater than one average megawatt if during a twelve month review period the consumer has registered usage for the period greater than or equal to 8,760 megawatt-hours. The Company will review accounts and identify exempt consumers annually in January.

Consumers that receive Oregon Department of Energy approval of a request for eligibility for self-direction for a specific site pursuant to OAR 330-140-0010 and 330-140-0030(6) are also exempted from this charge.

Disbursement of Funds

Funds collected under this schedule will be distributed as follows:

1. 95.8% of the funds collected for energy conservation - Energy Trust of Oregon. (C)
2. 4.2% of the funds collected for energy conservation - Pacific Power with the following provisions: (C)
 - a. Use of funds distributed under this provision shall be established collaboratively with the Energy Trust of Oregon prior to expenditure for a twelve (12) month period as defined in the supplemental energy efficiency funding agreement between the Energy Trust of Oregon and the Company.
 - b. Funds collected under this provision shall be included in the Energy Trust of Oregon's performance metrics as established by the Commission.
 - c. Use of funds distributed under this provision for advertising will not be used for advertising established as Class C or Class D under OAR 860-026-0022.

(continued)

Received
Filing Center
MAY 19 2021

P.U.C. OR No. 36

Issued May 19, 2021
Etta Lockey, Vice President, Regulation

Sixth Revision of Sheet No. 297-1
Canceling Fifth Revised Sheet No. 297-1
Effective for service on and after July 1, 2021
Advice No. 21-011

ENERGY CONSERVATION CHARGE
Energy Conservation Charge

The applicable adjustment rates are listed below by Delivery Service Schedule.

<u>Schedule</u>	<u>Adjustment Rate</u>	
4	0.382 cents per kWh	(I)
5	0.382 cents per kWh	
15	0.513 cents per kWh	
23, 723	0.389 cents per kWh	
28, 728	0.304 cents per kWh	
30, 730	0.273 cents per kWh	
41, 741	0.353 cents per kWh	
47, 747	0.220 cents per kWh	
48, 748	0.220 cents per kWh	(I)
51, 751	0.627 cents per kWh	(R)
53, 753	0.268 cents per kWh	(I)
54, 754	0.330 cents per kWh	(I)

 Received
 Filing Center
 MAY 19 2021

P.U.C. OR No. 36

 Issued May 19, 2021
 Etta Lockey, Vice President, Regulation

 Eleventh Revision of Sheet No. 297-2
 Canceling Tenth Revision of Sheet No. 297-2
Effective for service on and after July 1, 2021
 Advice No. 21-011