

**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.

PAC ADV 1266 /Advice No. 21-011