

PacifiCorp

2010 Annual Review of Energy Efficiency Programs - California

PacifiCorp Demand-Side Management Team
3/15/2011

Table of Contents

Introduction	2
2010 Performance and Activity	3
Stakeholder Meetings, Communications and Filings	5
Outreach and Communications	6
Residential Energy Efficiency Programs and Activity	8
Non-Residential Energy Efficiency Programs and Activity.....	12
Surcharge to Fund Public Purpose Programs Balancing Account Summary	16

Table of Tables

Table 1: 2010 Total Portfolio Performance	2
Table 2: 2010 Performance	3
Table 3: Low Income Weatherization Performance	8
Table 4: 2010 Home Energy Savings Program Performance.....	9
Table 5: 2010 Home Energy Savings Percentage by Measure Category	10
Table 6: 2010 Home Energy Savings Measure Performance.....	10
Table 7: Refrigerator & Freezer Recycling Measure Details.....	11
Table 8: 2010 FinAnswer Express Program Performance.....	12
Table 9: 2010 FinAnswer Express Savings by Measure Group	12
Table 10: 2010 Energy FinAnswer Program Performance	14
Table 11: 2010 Energy FinAnswer Savings by Measure Group	14
Table 12: 2010 Public Purpose Account Report.....	16

Introduction

PacifiCorp, d.b.a. Pacific Power, (“PacifiCorp” or the “Company”) works with its customers to reduce the need for investment in supply-side resources and associated infrastructure by reducing energy and peak consumption through cost-effective energy efficiency programs.

PacifiCorp currently offers four energy efficiency programs in California approved by the California Public Utilities Commission (“Commission”), with expenditures associated with these programs recovered through the Surcharge to Fund Public Purpose Programs, Schedule S-191.

This report provides details on program results and activities, expenditures and Schedule S-191 revenue for the performance period from January 1, 2010 through December 31, 2010. Program results are summarized in Table 1 below.

Table 1

2010 Total Portfolio Performance	
Total Revenues Collected	\$ 1,957,697
Expenditures	\$ 865,247
kWh/Yr Savings (Gross - At Generation)	3,237,153

As shown in Table 1 above, in 2010, PacifiCorp acquired energy efficiency savings through its energy efficiency program activity totaling 3,237,153 kWh/year in California (at generation).¹

¹ Please see Note 2 on following page for complete explanation of Net- to- Gross and Line Loss Assumptions.

2010 Performance and Activity

Table 2 below shows savings by program and by sector acquired by PacifiCorp's California energy efficiency programs in 2010.²

Table 2 – 2010 Performance

California Energy Efficiency Results by Program and Sector

Program	Units	kWh/Yr Savings (at site)	kWh/Yr Savings (at generator)	Public Purpose Charge Expenditures
Low Income Weatherization	427	172,194	187,862	\$ 306,199
Home Energy Savings (D-118)	4,365	1,834,610	2,001,541	\$ 301,671
Total Residential	4,792	2,006,804	2,189,403	\$ 607,870
Energy FinAnswer (A-125)	1	7,088	7,717	\$ 20,069
FinAnswer Express (A-115)	24	479,328	521,868	\$ 139,578
Total Commercial	25	486,416	529,585	\$ 159,647
Energy FinAnswer (A-125)	0	0	0	\$ 25,925
FinAnswer Express (A-115)	8	479,156	518,164	\$ 71,806
Total Industrial	8	479,156	518,164	\$ 97,731
Total		2,972,376	3,237,153	\$ 865,247
				\$ -
Total Public Purpose Charge expenditures				\$ 865,247

Major Trends and Activities

Overall, program participation and savings increased from 2009 levels. In 2009, the Company acquired savings of 2,752,831 kWh/year compared to the acquisition of 3,237,153 kWh/year in 2010. Total program expenditures also increased slightly, from \$816,551 in 2009 to \$865,247 in 2010.

² The savings values in this table are shown prior to any net-to-gross adjustment. The values at generation include line losses between the customer site and the generation source. The Company's assumed line losses by sector are 9.10% for residential, 8.88% for commercial and 8.14% for industrial. These values are based on the Company's 2007 Transmission and Distribution Loss Study by Management Applications Consulting published in October 2008.

Program Changes

The Company proposed changes to the Home Energy Savings residential customer energy efficiency program, which is offered through Schedule D-118. Details of the changes are provided in the Stakeholder Meetings, Communications and Filings section below.

Stakeholder Meetings, Communications and Filings

The Company collaborates with stakeholders in California, including the Commission's Energy Division and the Division of Ratepayer Advocates ("DRA"), regarding the Company's California energy efficiency programs. The primary communications, meetings and filings occurring in 2010 are listed below with brief descriptions.

On January 12, 2010, PacifiCorp provided the Energy Division and DRA with information concerning planned changes to the Home Energy Savings program. The program changes were designed to increase overall participation and energy savings acquired through the program, increase the comprehensiveness of the program and incorporate modifications to federal and state energy codes and standards. The Company's original intention was for the changes to become effective on March 18, 2010. The Company, Energy Division and DRA subsequently engaged in discussions regarding the proposed changes. In response to these discussions, PacifiCorp adjusted some of the planned program changes. The agreed upon program modifications were posted to PacifiCorp's web site on February 26, 2010 and the changes became effective on April 12, 2010.³

On March 15, 2010, PacifiCorp filed its *Annual Review of Energy Efficiency Programs in California for 2009* with the Commission.

³ This process is consistent with provision of service no. 5 in the Home Energy Savings Program tariff, Schedule D-118.

Outreach and Communications

The following outreach, communications and promotional activities occurred to support PacifiCorp's energy efficiency programs in California during 2010. Public Purpose funds were used to support most of these efforts.

Events

Business Energy Efficiency Breakfasts

June 8, 2010 Crescent City, California

June 9, 2010 Yreka, California

Trade allies and customers were invited to learn about the resources available to help them save energy and money for themselves and their clients. The focus of these events was the FinAnswer Express business customer energy efficiency program.

"It's a Green Day" Event

October 23, 2010 Crescent City, California

The Company and energy efficiency program delivery contractors staffed a booth at this event to increase awareness of the Company's energy efficiency programs. The focus was residential programs with business customer program materials available as well.

Home Energy Savings *Save Green, Win Big!* Envelope promotion

This promotion was a joint effort with retailers in December 2010. Customers were encouraged by sales associates of participating retailers to purchase qualifying energy efficient appliances and enter for a chance to win a \$500 VISA[®] gift card. A \$500 gift card was also given away to the retail sales associate.

Advertising

To help increase program awareness and participation, the following informational advertisements were placed:

- Ads for the *See ya later, refrigerator*[®] program ran on cable TV, in newspapers and online from late-August through November 2010.
- Energy FinAnswer and FinAnswer Express programs were featured in newspaper ads in April and October 2010.
- Newspaper ads for the Home Energy Savings program promoting compact fluorescent light bulbs and energy efficient appliances ran in late December 2010.

Bill Inserts

The following inserts were delivered to California residential customers in bills in 2010:

- Home Energy Savings program (lighting), February
- Home Energy Savings (appliances)/*See ya later, refrigerator*[®] joint insert, May
- Home Energy Savings (room A/C & ceiling fan), July
- *See ya later, refrigerator*[®], July
- *See ya later, refrigerator*[®], September
- Home Energy Savings (lighting), October

Direct Mail

Residential customers in California received a mailing with a magnet for the *See ya later, refrigerator*[®] program in late August 2010.

In addition to these program specific communications and outreach activities, PacifiCorp also included energy efficiency messages and customer stories in several Company sponsored communications during 2010.

No public purpose funds were used to support the following activities:

Advertising

PacifiCorp included energy efficiency messages in radio and print ads as part of its customer awareness campaign that ran throughout 2010.

Newsletters

Residential customers in California received the Voices newsletter in bills in January, March, April, May, July, September, October and November 2010. Each issue covers energy efficiency issues among other topics.

Other newsletters such as Energy Insights, Energy Connections and Energy Update reach community, business and government audiences located within the Company's service territory on a quarterly or monthly basis. Each issue includes information on energy efficiency topics and provides examples of customer projects supported by the Company's energy efficiency programs.

Website

The Company's website, www.pacificpower.net, includes information on energy efficiency incentive programs, tips and other resources for customers to save energy and money.

Residential Energy Efficiency Programs and Activity

Low Income Weatherization

PacifiCorp partners with local non-profit agencies to provide weatherization services through the Low Income Energy Efficiency (“LIEE”) Program to income-eligible households at no cost to the service recipient. Details of the LIEE program and the California Alternate Rates for Energy (“CARE”) program are included in the Annual Low Income Assistance Programs Progress Report that PacifiCorp submits to the Commission each year on or before May 1.

Results for 2010 are provided in Table 3 below.

Table 3

Low Income Weatherization Performance - California	
kWh/Yr Savings (at Site)	172,194
kWh/Yr Savings (at Gen)	187,862
Expenditures - Total	\$ 306,199
Participation - Total # of Completed/Treated Homes	427
Count of Measures installed	
Ceiling Insulation	5
Weather-stripping	57
Replacement Windows	189
Duct Insulation/Sealing	18
Insulated Doors	38
Infiltration	70
Water Pipe Insulation and Sealing	152
Water Heater Repair/Replacement	18
Faucet Aerators	477
Showerheads	275
Programmable Thermostats	12
Furnace Repair/Tune-up/Filters	29
Furnace Replacement	12
Compact Fluorescent Light bulbs (CFL)	3,170
Replacement Refrigerators	27
Home Repairs	1
Microwaves	19
Dehumidifiers	4
Outlet Gaskets	65

Home Energy Savings Incentive Program (Schedule D-118)

The Home Energy Savings program has been available since 2008. The program offers incentives for the following broad categories of equipment and services:

Appliances and Lighting

- Appliances—washing machines, refrigerators, dishwashers, water heaters, room air conditioners
- Lighting—both compact fluorescent lamps (“CFLs”) and fixtures
- Ceiling fans
- Services—refrigerator/freezer and clothes washer recycling

Heating Ventilating and Air Conditioning (“HVAC”) Equipment and Services

- High-efficiency central air conditioning equipment
- Air conditioning equipment tune-ups
- Evaporative coolers
- Heat Pump equipment, tune-ups, conversions, and upgrades
- Ductless heat pumps
- Duct sealing

New Homes

- Windows and insulation
- Appliances
- Heating and cooling systems, duct sealing

The Home Energy Savings program is designed to leverage the marketing and delivery of energy efficient equipment and services through local business and service providers. Program delivery methods vary based on the type of equipment or service and include the following:

- 1) Manufacturer buy-down for CFLs resulting in the retailer offering a lower price to the retail customer;
- 2) Scheduled refrigerator/freezer pickup at customer’s home with incentive payment after unit is recycled; and
- 3) Post-purchase application and incentive payment for other types of equipment and services.

Program expenditures (including incentives), kWh savings and incentives paid are outlined in the table below. Expenditures include costs of recycling and incentives paid to retailers, contractors and manufacturers. Incentives paid reflect only payments to end-use customers.

Table 4

2010 Home Energy Savings Program Performance	
kWh/Yr Savings 2010(Gross - At Gen)	2,001,541
Expenditures	\$ 301,671
Incentives Paid	\$ 107,169

Table 5
2010 Home Energy Savings Program Percent Savings by Measure Category

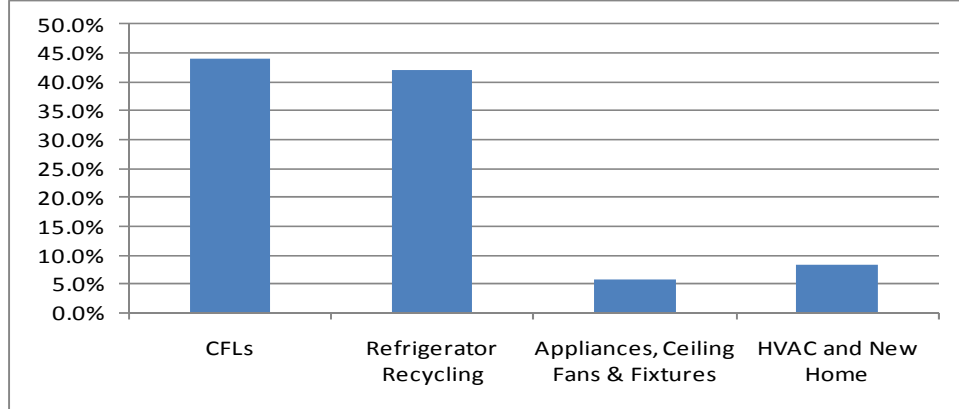


Table 6
2010 Home Energy Savings Measure Performance

Home Energy Savings Measures	Unit Measure		Participants	kWh/Yr Savings (Gross - At Site)
	ment	# of Units		
Ceiling Fans	Units	3	3	315
Clothes Washer-Tier One (1.72 - 1.99 MEF)	Units	12	12	3,433
Clothes Washer-Tier Two (2.0 + MEF)	Units	132	132	26,761
Clothes Washer-Tier One (2.0 - 2.19 MEF)	Units	4	4	520
Clothes Washer-Tier Two (2.2 + MEF)	Units	229	229	39,292
Clothes Washer Recycling	Units	0	0	0
Dishwasher	Units	71	71	4,468
Electric Water Heater	Units	28	28	3,771
Refrigerator	Units	220	220	23,471
Fixtures	Fixtures	21	10	1,932
Total Appliances, Ceiling Fans and Fixtures		720	709	103,962
Room AC	Units	10	10	830
Evaporative Cooler	Units	0	0	0
Central Air-Conditioning Tune up	Projects	2	2	164
Heat Pump Tune-Up	Projects	0	0	0
Heat Pump Conversion	Projects	7	7	25,494
Heat Pump Upgrade	Projects	17	17	32,685
Ductless Heat Pump - Single Head	Units	17	17	69,568
Ductless Heat Pump - Multi Head	Units	4	4	24,000
Central A/C Equipment (15 SEER)	Units	0	0	0
Duct Sealing	Projects	0	0	0
New Homes-Electric	Homes	0	0	0
New Homes-Gas	Homes	0	0	0
Total HVAC, Evaporative Cooling & New Home		57	57	152,741
Refrigerator & Freezer Recycling	Units	577	520	769,479
CFLs	Bulbs	30,221	3,022	808,428
Totals		31,575	4,308	1,834,610
kWh/Yr Savings at Generation				2,001,541

Note: CFL Participation based on 10 bulbs per participant

Table 7
Refrigerator & Freezer Recycling Measure Details - 2010

Refrigerator Recycling Measure	Unit Count	Per Unit Savings (kWh/Yr)	Gross Savings (kWh/Yr) at Site
Refrigerator	431	1,149	495,219
Freezer	146	1,590	232,140
Total Units Recycled	577		727,359
Energy Savings Kits	520	81	42,120
		Total	769,479

The refrigerator & freezer recycling portion of the program includes pick up and recycling of up to two working refrigerator/freezer units and delivery of an energy savings kit that includes two CFLs, a refrigerator thermometer and a brochure with energy saving tips.

Program Changes

As previously noted, changes to the Home Energy Savings program were proposed by PacifiCorp in January 2010. The changes were posted for notification on the Company's website February 26, 2010 and became effective on April 12, 2010. The primary changes include:

- Addition of new measures to existing categories (Room Air Conditioner, Portable Evaporative Cooler, Heat Pump Upgrade, Heat Pump Conversion, Ductless Heat Pump – Single Head, Ductless Heat Pump – Multi-Head,)
- Modifications to existing measures (Clothes Washers, Clothes Washer Recycling, Dishwashers, Electric Water Heaters, CFLs, Central Air Conditioner and Heat Pump Tune-Up, Duct Sealing, Evaporative Coolers and New Homes.)

In 2011, the Home Energy Savings program will expand outreach and marketing to retailers, contractors and homeowners to improve participation in the program. Use of targeted point of purchase displays at retailers for CFLs and appliances will be expanded. Successful events like the Siskiyou Fair will continue to be part of the outreach strategy for the program.

Non-Residential Energy Efficiency Programs and Activity

FinAnswer Express (Schedule A-115)

This program is for typical lighting, HVAC, motor and other retrofits or new installations which increase energy efficiency. The program offering includes an expedited energy analysis and pre-calculated incentives based on the equipment installed (\$/fixture, \$/ton, \$/horsepower, etc.). The program is marketed primarily through trade allies, PacifiCorp staff, the program website (<http://www.pacificpower.net/wattsmart>), and other outreach efforts including print advertising.

Program expenditures (including incentives), kWh/year savings and incentives paid are outlined in the table below. Expenditures include support provided to equipment suppliers and contractors. Incentives paid reflect payments to end-use customers.

Table 8

2010 FinAnswer Express Program Performance	
kWh/Yr Savings 2010 (Gross - At Gen)	1,040,032
Expenditures	\$ 211,384
Incentives Paid	\$ 71,879

Details of program savings by measure type are provided in the table below. KWh savings in Table 9 reflect line losses. The percentage of savings attributable to each measure group is not affected by line losses.

Table 9

Measure Group	2010 Savings by Measure Group	
	Savings (kWh/Yr) at Site	% of Total
Lighting	931,664	97%
Non-Lighting	26,820	3%
	<u>958,484</u>	

Major Trends and Activities

During 2010, the Company continued to support the Pacific Power Energy Efficiency Alliance, a trade ally network which provides support to lighting, motor, and HVAC distributors and contractors who participate in offering the Company's energy efficiency programs. Distributors, contractors and others are recruited, approved and trained on the Company's programs. Upon approval, trade allies

can promote the programs and are listed on the Company's program website as a participating vendor. In June 2010, PacifiCorp held vendor meetings to review the FinAnswer Express program and the support available for participating vendors. As of the end of 2010, 20 unique⁴ vendors serving the Company's California service territory are approved and trained on the program and are listed on the program website.

The Company reached out to irrigation trade allies in 2010. Field outreach specialists targeted irrigators in the California area in 2009 and 2010 to provide information on available incentives and recruit additional trade allies. PacifiCorp also hosted a booth at the Klamath Falls Agriculture Expo in Oct. 2010 and developed a one-page marketing piece detailing the available irrigation incentives for California customers.

Compressed air outreach specialists contacted and met with key compressed air vendors that service customers in California. Meetings with compressed air vendors in Yreka, CA lead to a number of project leads focused on Variable Frequency Drives (VFD)-controlled compressors and zero-loss condensate drains. Identification and recruitment of compressed air vendors in California is ongoing.

Program Changes

Several program changes became effective on January 1, 2010. The primary changes included:

- Addition of new measure categories (Food service, Dairy and Farm Equipment, and Compressed Air)
- Addition of new measures to existing categories (Lighting and Lighting Controls, Motors, HVAC, Building Envelope, Appliances, Irrigation and Network PC Power Management)
- Incentives for NEMA (National Electrical Manufacturers Association) Premium Efficiency Motors ended December 19, 2010
- Green Motor Rewind incentives became available as of January 1, 2010.
- Modifications to certain measures (Lighting, Motors, HVAC, Refrigeration, Irrigation and Custom Measures)

Energy FinAnswer (Schedule A-125)

This program is for more complex retrofits and new construction. The program offering includes:

- a vendor-neutral, investment-grade energy analysis to identify energy efficiency opportunities, and

⁴ Several vendors participate in more than one technology category.

- cash incentives equal to \$0.12 per kWh annual energy savings plus \$50 per kW average monthly demand savings (up to 50% of project costs)

Incentives offered through this program are subject to a cap that prevents the incentive from bringing the payback period for a project below one year. Lighting energy savings per project are capped because lighting-only projects are handled through the FinAnswer Express program. The program includes a commissioning requirement and a post-installation verification to document the energy savings and measure costs for installed measures.

For comprehensive new construction and major renovation projects where the whole building exceeds energy code by at least 10%, the following services and incentives are available: design assistance, design team incentives, and a sliding scale incentive formula that provides a higher incentive rate for projects based on the percentage that a project exceeds energy code.

The program is marketed primarily via PacifiCorp account managers, trade allies, the program website (<http://www.pacificpower.net/wattsmart>), Energy FinAnswer consultants and project staff. Other leads come via word-of-mouth, past participants and other company outreach efforts.

Program expenditures (including incentives), kWh savings and incentives paid are outlined in Table 10 below. Expenditures include expenses related to site-specific energy engineering work, program design, marketing and administration. Incentives paid reflect payments to end-use customers.

Table 10

2010 Energy FinAnswer Program Performance		
kWh/Yr Savings 2010 (Gross - At Gen)		7,717
Expenditures	\$	45,994
Incentives Paid	\$	995

Details of program savings by measure type are provided in Table 11 below. KWh savings in Table 11 reflect line losses. The percentage of savings attributable to each measure group is not affected by line losses.

Table 11

2010 Savings by Measure Group		
Measure Group	Savings (kWh/Yr) at	
	Site	% of Total
Pump	7,088	100%
	<hr/> 7,088	

Major Trends and Activities

During 2010 several projects were started that incurred expense, but were not completed, resulting in the Company not recognizing savings for the partially completed projects. A large industrial project is currently underway and scheduled for completion in 2011.

The Company provided training programs in Crescent City and Yreka to vendors, trade allies, and customers. To promote the Energy FinAnswer program, a presentation was given to the Crescent City Chamber of Commerce.

Surcharge to Fund Public Purpose Programs Balancing Account Summary

Table 12 below shows 2010 Public Purpose Surcharge (S-191) monthly expenditures and revenues and the balance in the balancing account by month.

Table 12

2010 Public Purpose Account Report

Month	Expenditures	S-191 Revenue	Net Accrual	Balance
Dec-09				\$ 2,099,141
Jan-10	\$ (35,821)	\$ 186,528	\$ 37,000	\$ 2,286,848
Feb-10	\$ (35,664)	\$ 193,479	\$ (10,000)	\$ 2,434,663
Mar-10	\$ (80,732)	\$ 160,381	\$ 5,000	\$ 2,519,312
Apr-10	\$ (59,886)	\$ 161,466	\$ (25,000)	\$ 2,595,891
May-10	\$ (26,573)	\$ 147,679	\$ (5,000)	\$ 2,711,997
Jun-10	\$ (52,894)	\$ 163,198	\$ 10,000	\$ 2,832,302
Jul-10	\$ (88,579)	\$ 154,819	\$ 2,000	\$ 2,900,542
Aug-10	\$ (119,095)	\$ 178,884	\$ 18,000	\$ 2,978,330
Sep-10	\$ (110,607)	\$ 175,530	\$ (10,000)	\$ 3,033,254
Oct-10	\$ (51,894)	\$ 156,180	\$ (9,000)	\$ 3,128,540
Nov-10	\$ (82,111)	\$ 134,440	\$ (26,000)	\$ 3,154,869
Dec-10	\$ (121,392)	\$ 145,113	\$ 15,000	\$ 3,193,591
2010 Total	\$ (865,247)	\$ 1,957,697	\$ 2,000	\$ 3,193,591

Column Explanations:

Expenditures: Monthly expenditures for approved energy efficiency programs

S-191 Revenue: Revenue collected through Schedule S-191, Public Purpose Charge.

Net Accrual: Two accrual entries are made each month. The first estimates revenues to be received that month, and the second reverses the estimate from the previous month. The amount shown here is the net of the two entries

Balance: Current balance of the account; a running total of account activities. If more is collected in revenue than is spent in monthly program costs for a given month, then the balance will be increased by the net amount. A positive balance means cumulative revenue exceeds cumulative expenditures; a negative balance means cumulative expenditures exceed cumulative revenue.

During calendar year 2010, the balance in the Public Purpose account increased by \$1,094,450. Therefore, PacifiCorp collected approximately \$1.09 million more than was spent on program delivery during the year. PacifiCorp intends to address the balancing account surplus with the Commission in 2011. Program expenditures increased slightly by \$49,000, or 6%, from 2009 to 2010; further enhancements designed to increase program participation are planned.