PACIFIC POWER.
A DIVISION OF PACIFICORP

2025 Washington Annual Report on Conservation Acquisition

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PacifiCorp
825 NE Multnomah St.
Portland, OR 97232

https://www.pacificorp.com/environment/demand-side-management.html

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EXECUTIVE SUMMARY

PacifiCorp, operating as Pacific Power & Light Company ("PacifiCorp" or "Company"), is a multi-jurisdictional electric utility serving customers in Washington, California, Idaho, Oregon, Utah, and Wyoming. In Washington, the Company serves approximately ~140,000 customers. PacifiCorp collaborates with its customers to minimize the need for investments in supply-side resources and infrastructure by reducing energy consumption and peak demand through a cost-effective energy efficiency program portfolio.

The Company complies with the Energy Independence Act (I-937),[1] codified in RCW 19.285 and WAC 480-109.[2] This report details the activities and expenditures related to pursuing conservation in accordance with the I-937 framework, including orders and administrative rules from the Washington Utilities and Transportation Commission ("Commission").

In 2025, PacifiCorp offered four energy efficiency programs in Washington and achieved energy savings and market transformation benefits through its affiliation with the Northwest Energy Efficiency Alliance (NEEA). Additionally, the Company invested in outreach and education[3] to promote efficient electricity use and enhance program performance. These expenditures recovered through the System Benefits Charge Adjustment, Schedule 191[4].

PacifiCorp employs outsourced program delivery implementers for its programs, with independent external evaluators[5] validating the energy savings achieved. The Company uses earned media, customer communications, education, outreach, advertising, and program-specific marketing to highlight the value of energy efficiency.

To meet the Clean Energy Transformation Act (CETA) equity objectives in 2025, PacifiCorp continued implementing Demand-side Utility Actions and integrating increasing Named Community participation into program delivery. The focus was on the updated Clean Energy Implementation Plan DSM Utility Actions outlined in the 2024-2025 DSM Business Plan (Appendix 2 to the 2024-2025 Biennial Conservation Plan in Docket UE-230904), which were also included in the 2025 Biennial Clean Energy Implementation Plan (Docket UE-250617, filed 10/1/2025).[6]

This report outlines the results, activities, expenditures, and System Benefits Charge (Schedule 191) revenue for the period from January 1, 2025, to December 31, 2025. PacifiCorp, on behalf of its customers, invested **$24 million** in energy efficiency and peak reduction resource acquisitions during the reporting period. The investment yielded approximately **57,653** Megawatt-hours ("MWh") in first-year energy savings at generation, and approximately **10.87** gross megawatts ("MW') of savings from 2025 energy efficiency acquisition.

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[1] The Washington Energy Independence Act (I-937) (https://www.commerce.wa.gov/energy-policy/electricity-policy/eia/) mandates that electric utilities serving at least 25,000 retail customers use renewable energy and implement energy conservation measures. This act requires utilities to pursue all cost-effective, reliable, and feasible conservation efforts, setting two-year targets based on a 10-year conservation potential. Additionally, the act sets renewable energy goals, which have progressively increased over time.

[2] https://www.commerce.wa.gov/energy-policy/electricity-policy/eia/

[3] For more information on marketing and outreach, please visit the company's website at: https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/environment/dsm/washington/Washington_Communications_Outreach_Education_24.pdf

[4] The Washington System Benefits Charge Adjustment, Schedule 191, is designed to recover costs associated with providing demand-side management services and programs to customers. This charge is applied to all bills calculated under the currently effective tariff schedules. The rates are determined based on the kilowatt-hours of use and vary by rate schedule.

[5] Program Evaluation information for each program can be found at the following address: https://www.pacificorp.com/environment/demand-side-management.html under the Reports and program evaluations by state section.

[6] https://apiproxy.utc.wa.gov/cases/GetDocument?docID=16&year=2025&docketNumber=250617. Docket UE-250617 is part of the Washington Utilities and Transportation Commission's (UTC) evaluation of PacifiCorp's compliance with the Clean Energy Transformation Act.

Table 1. 2025 Planned vs Actual Results Overview

Energy Efficiency Program	kWh Savings (at site) Plan	kWh Savings (at site) Actual	Plan versus Actual %	kWh Savings (at gen) Plan	kWh Savings (at gen) Actual	Plan versus Actual %	Systems Benefit Expenditures Plan	Systems Benefit Expenditures Actual	Plan versus Actual %
Total Residential Programs	**8,633,542**	**7,928,249**	-8%	**9,296,253**	**8,536,822**	-8%	**$ 8,056,348**	**$ 7,834,606**	-3%
Total Wattsmart Business Program	**32,482,488**	**39,784,047**	22%	**34,902,509**	**42,693,361**	22%	**$ 13,687,701**	**$ 14,068,816**	3%
Northwest Energy Efficiency Alliance	5,042,177	5,056,587	0%	5,479,287	5,444,058	-1%	$ 1,001,754	$ 724,728	-28%
Distribution Efficiency	**227,000**	243,993	**7%**	243,993	978,801	**301%**	$ -	$ -	**0%**
Production Efficiency	**630**	630	**0%**	630	0	**-100%**	$ -	$ -	**0%**
Total Other Conservation Initiatives	**5,269,807**	**5,967,219**	13%	**5,723,910**	6,422,860	12%	$ 1,001,754	$ 724,728	-28%
Total Portfolio-Level Expenses			**0%**			**0%**	**$ 653,234**	**$ 920,001**	41%
Total PacifiCorp Conservation	**41,343,660**	**48,622,928**	18%	**44,443,385**	**52,208,984**	17%	**$ 22,397,283**	**$ 22,823,422**	2%
Total System Benefits Charge Conservation	**46,385,837**	**53,679,515**	16%	**49,922,672**	**57,653,042**	15%	**$ 23,399,037**	**$ 23,548,151**	1%
Total Conservation	**46,385,837**	**53,679,515**	16%	**49,922,672**	**57,653,042**	15%	**$ 23,399,037**	**$ 23,548,151**	1%

The company achieved 116% of the energy savings (at site) projected for 2025 in the 2024-2025 DSM Business Plan, demonstrating considerable progress. PacifiCorp exceeded the plan by 16%, which reflects our commitment to energy conservation and achieving the 2024-2025 biennial conservation targets.

The Demand-side Management (DSM) portfolio demonstrated cost-effectiveness, with a PacifiCorp Total Resource Cost Test including NEEA and NEI's (PTRC)[7] benefit cost ratio of **2.24** and a Utility/Program Administrator Cost Test (UCT)[8] benefit cost ratio of **2.28.** These are the primary cost-effective tests utilized in Washington. Additional results are detailed in Table 13 and Appendix A.[9]

In 2025, PacifiCorp's portfolio included the following programs:

Energy Efficiency Programs:

- Home Energy Savings (Schedule 118)
- Home Energy Reports
- Low Income Weatherization (Schedule 114)
- Wattsmart Business (Schedule 140)

REGULATORY AND COMPLIANCE

The Company is required to maintain an external conservation advisory group of stakeholders to provide guidance on conservation issues, including program designs, incentive levels, third-party evaluations, programming, and pilot

[7] The Total Resource Cost Test (TRC) is a key metric used to evaluate the cost-effectiveness of energy efficiency programs. It compares the total lifetime benefits of a program to its total costs, resulting in a Benefit-Cost Ratio (BCR). A BCR greater than 1.0 indicates that the program's benefits exceed its costs, making it cost-effective. The PacifiCorp TRC (PTRC) includes a 10% conservation adder and is the primary TRC test in Washington.

[8] The Utility/Program Administrator Cost Test (UCT), also known as the Program Administrator Cost Test (PACT), is a key metric used to evaluate the cost-effectiveness of energy efficiency programs from the perspective of the utility or program administrator. It compares the costs incurred by the utility or administrator to the benefits received, primarily focusing on the avoided supply-side resource costs. A UCT ratio greater than 1.0 indicates that the program's benefits exceed its costs, making it cost-effective.

[9] For detailed information on the cost-effectiveness analysis, please refer to Table 6 in Appendix A.

programs. Requirements for the use of the advisory group are outlined in WAC 480-109-110[10]. The Company refers to this group as the Washington DSM Advisory Group. Below are the meeting dates and summaries of topics as well as links to the slides shared at the meetings.

In 2025, the Company discussed Demand Response programs with the DSM Advisory Group, in addition to conservation and energy efficiency topics. Demand Response is a resource included in the Clean Energy Implementation Plan filed in 2021 and subsequent filings, in compliance with the Washington Clean Energy Transformation Act (CETA). The annual report for Demand Response programs will be included in the Clean Energy Implementation Plan progress reports, which are due on July 1st each year.

In compliance with I-937, the Company continuously reviews and updates its conservation programs and portfolio to adapt to changing market conditions. The adaptive management steps for the conservation programs during 2025 are detailed in the program-specific sections of this report.

Pilot projects are implemented when appropriate, with the expectation of being cost-effective within the current or immediately subsequent biennium, provided the overall portfolio remains cost-effective. After consulting with its DSM Advisory Group, the Company offers pilot initiatives within two programs: Home Energy Savings and Wattsmart Business. This approach is administratively efficient and leverages existing program awareness, which is crucial in the Company's rural territory. To further enhance these efforts, the Company aligns its pilot projects with regional initiatives supported by NEEA whenever possible. Details of the pilot projects and 2025 results are outlined in the section, Pilot Projects.

Summary of DSM Advisory Group Meetings in 2025:

1. **March 21, 2025 – Joint Washington DSM and Equity Advisory Group Meeting**[11]

   Meeting Highlights:

   - Review of the 2024-2025 energy efficiency and demand response forecasts and the associated projected achievement of energy efficiency targets
   - Updates to Home Energy Savings and Wattsmart Business programs, including:
     - Adaptive management changes to achieve additional energy savings to meet efficiency targets
     - Opportunities to stack state and federal funding with program incentives
     - Vendor procurement and request for proposal (RFP) status updates
   - System Benefits Charge (Schedule 191) review and discussion of the planned rate increase with stakeholders
   - Status update on the 2025 Integrated Resource Plan (IRP) and a preview of 2026-2027 target setting based on the Conservation Potential Assessment (CPA) portion of the IRP
   - Status of recent and upcoming DSM regulatory filings
   - Updates on Low Income Weatherization program adding ducted heat pump offers into the program
   - Update on the adjudication of the Biennial Clean Energy Implementation Plan and a review of upcoming CETA-related regulatory filings and input opportunities

   Key Outcomes:

   - Stakeholders provided feedback on energy efficiency program design changes planned for mid-2025
   - Clarified timelines for DSM filings and opportunities for written comments

[10] WAC 480-109-110 outlines the requirements for utilities to maintain and use an external conservation advisory group of stakeholders. This group advises on various conservation issues, including program designs, incentive levels, third-party evaluations, program marketing, and pilot programs. The advisory group must meet at least four times per year, and utilities are required to provide reasonable advance notice of these meetings.

[11] https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/community/washington-ceip/WA_Joint-DSM-EAG_Meeting_2025-03_March_2025_Slides.pdf

- Reinforced alignment between DSM delivery and equity objectives under CETA

2. **June 18, 2025 – Washington DSM Advisory Group Meeting**[12]

Meeting Highlights:

- 2026-2027 conservation target setting, including a preview of draft ten-year conservation potential and two-year targets and the associated assumptions and methodologies, adjustments to targets addressing uncertainty, and the potential conservation savings from production efficiency
- Review of the 2024 Annual Conservation Report
- Review of the 2024-2025 DSM Forecast
- Adaptive management updates: Home Energy Savings to increase limited-time-offer campaigns and enhance retail and product strategies; Wattsmart Business launched a financing offer with interest rate buydown
- A guest speaker presentation on updated Non-energy Impacts (NEIs) research, including updated values for several NEIs associated with residential measures
- DSM components of the Clean Energy Implementation Plan (CEIP) Progress Report, including Customer Benefit Indicator (CBI) metrics and Utility Actions.
- Demand response program updates, including:
    - Review and discussion of the draft Demand Response Annual Report
    - Discussion of demand response targets in the CEIP with feedback from stakeholders
    - The planned or active 2025 launches of three new demand response programs: Wattsmart Battery, Wattsmart Drive, and Cool Keeper

Key Outcomes:

- Advisory Group feedback informed the development of conservation targets
- Clarified cost recovery treatment for production and distribution efficiency projects.
- Stakeholders provided feedback on adaptive management of conservation programs and demand response targets to achieve greater understanding and informed program development decisions
- Confirmed alignment of DSM targets with CETA interim requirements.

3. **July 16, 2025 – Washington DSM Advisory Group Meeting**[13]

Meeting Highlights:

- Presentation describing Conservation Voltage Reduction and how its analytical study methodologies and infrastructure upgrade projects translate to Distribution Efficiency conservation savings, which are a portion of conservation targets
- A second presentation of 2026-2027 conservation target setting, including a preview of draft ten-year conservation potential and two-year targets and the associated assumptions and methodologies, and adjustments to targets addressing uncertainty
- Proposal to update the existing Competitive Procurement Framework, in consultation with the DSM Advisory Group
- Review of the 2024-2025 DSM Forecast and discussed several potential significant events which could affect the achievement of 2024-2025 savings targets, including economic disruptions to apple/agriculture industries, and tariff impacts
- Adaptive management updates: Wattsmart Business enhanced limited-time-offers as well as trade ally/vendor incentives and promotions
- Preview of the 2025 Clean Energy Implementation Plan Progress Report (on 2024 results and activities)
- Preview of the demand response components that will be included in the 2026-2029 Clean Energy Implementation Plan, including:
    - 2026-2029 demand response specific targets and specific actions

[12] https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/community/washington-ceip/WA_DSM-AG-Meeting_2025-06_June_2025_Slides.pdf

[13] https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/community/washington-ceip/WA_DSM-AG-Meeting_2025-07_July_2025_Slides.pdf

- Demand response contribution to CBIs

Key Outcomes:

- Clarified the analytical and infrastructure projects that lead to conservation savings from Distribution Efficiency
- Aligned the Company's target setting approach with the DSM Advisory Group stakeholders
- DSM Advisory Group members provided unique insights into additional impacts to conservation savings achievement that the Company should consider or investigate further, when discussing the DSM Forecast

4. **August 26, 2025 –Washington DSM Advisory Group Meeting**[14]

Meeting Highlights:

- Preview of the draft targets, portfolio-level forecast, energy efficiency program details, and program budgets that would be included in the Company's 2026-2027 Biennial Conservation Plan for feedback from stakeholders
- Preview of planned program changes to achieve Energy Independence Act (EIA) targets from the 2026-2027 Biennial Conservation Plan for feedback from stakeholders
- Preview of planned utility actions and associated incremental costs to achieve conservation-related CETA goals from the Company's 2026-2029 CEIP for feedback from stakeholders
- Previewed 2026-2027 conservation program pilots, including those being discontinued (e.g. on-bill financing), those continuing without changes (e.g. manufactured homes targeted delivery), and those continuing but with changes (e.g. non-residential lighting controls)
- Discussion of UTC Staff's proposed condition from Order 16 in Docket UE-210829, directing the Company to work with Advisory Groups on methods to designate a percentage of program benefits to flow to Named Communities
- Review of the 2024-2025 DSM Forecast and a discussion with stakeholders of reports from implementors and partners of impacts to the Low-Income Weatherization and Wattsmart Business programs that were projected to affect the programs' achievement of savings

Key Outcomes:

- Stakeholder feedback on the planned program details and changes, pilots, and utility actions provided insights for the Company to incorporate into its draft 2026-2027 Biennial Conservation Plan
- Aligned with Staff to plan for further advisory group engagement to develop considerations for designating the flow of program benefits to Named Communities

5. **September 18, 2025 –Washington DSM Advisory Group Meeting**[15]

Meeting Highlights:

- Followed up with stakeholders to receive any additional feedback on the planned program changes for 2026
- Further discussion of UTC Staff's proposed condition from Order 16 in Docket UE-210829, directing the Company to work with Advisory Groups on methods to designate a percentage of program benefits to flow to Named Communities
- Review of the 2024-2025 DSM Forecast and a discussion with stakeholders of reports from implementors and partners of impacts to the Wattsmart Homes and Wattsmart Business programs that were projected to affect the programs' achievement of savings

Key Outcomes:

- Aligned with UTC Staff and stakeholders on the Company's program design and reporting proposals to track the benefits that flow to Named Communities and stakeholders provided insights for the Company to consider in how to define and capture the totality of benefits that programs might provide to Named Communities

[14] https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/community/washington-ceip/WA_DSM-AG-Meeting_2025-08_August_2025_Slides.pdf

[15] https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/community/washington-ceip/WA_DSM-AG-Meeting_2025-09_September_2025_Slides.pdf

6. **December 11, 2025- Joint Washington DSM and Equity Advisory Group Meeting**[16]
   Meeting Highlights:
   - Recap of 2025 details and performance and preview of 2026 DSM Communications campaigns, including the Wattsmart Multicultural campaign, Wattsmart Communications campaign, and Energy Education in Schools program
   - Preview of the workplan for 2026-2027 for the Conservation Potential Assessment that will be a part of the 2027 IRP and inform future conservation target setting
   - 2025 review and 2026 preview of the demand response portfolio of programs, including select program updates, portfolio-level results and forecasts, and the demand response specific actions included in the Company's 2026-2029 CEIP
   - Presented a pilot proposal for the Low-Income Weatherization program to introduce funding for critical readiness repairs on homes, without which other weatherization measures would not be qualified for installation, thus preventing program participation
   - Review of the 2024-2025 DSM Forecast and a discussion with stakeholders of reports from implementors of impacts to the Wattsmart Homes and Wattsmart Business programs that were projected to affect the programs' achievement of savings

   Key Outcomes:
   - Received feedback from stakeholders to improve communications campaign advertising results through disaggregation of results by language
   - Received interest from stakeholders on whether the Company could increase the energy education in schools' program
   - Aligned with advisory group members and stakeholders on planned conservation and demand response program designs and forecasts for 2026

Summary of DSM Conservation filings in 2025:

1. **April 16, 2025 –** PacifiCorp filed revised Appendix 4 (Home Energy Savings program details) and Appendix 5 (Wattsmart Business program details) to the Company's 2025 Annual Conservation Plan (Docket UE-230904) to support adaptive management of key program offers, updating incentives, delivery models, and verification protocols to maintain cost-effectiveness and market responsiveness.[17]
2. **May 30, 2025** – PacifiCorp filed the 2024 Annual Conservation Report (Docket UE-230904), documenting verified energy savings and expenditures from residential, commercial and industrial energy efficiency programs, low-income weatherization, and distribution and production efficiency projects. This filing demonstrated compliance with Energy Independence Act conservation targets and explained variances between forecasted and actual savings, providing the performance foundation for both ongoing program adjustments and clean energy planning. On July 24, 2025, the filing was approved via the No Action Agenda. [18]
3. **May 30, 2025 –** PacifiCorp files a request to increase the System benefits Charge (SBC) collection rate (Docket UE-250420), which is administered through Schedule 191, to better align the Company's recovery of costs associated with acquiring and administering cost-effective conservation in its Washington service territory as well as to recover costs associated with approved demand response programs in Washington and the cost for full time equivalent labor to support Washington equity metrics. The filing revised Tariff WN U-76 Schedule 191 to increase revenue by approximately $5.6 million in annual revenue, representing an increase to a monthly bill for a residential customer using an average of 1,200 kWh by $1.79 (or 1.3 percent). On July 24, 2025, the filing was approved in a UTC Open Meeting. On August 1, 2025, the rate increase became effective for customers.[19]

[16] https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/community/washington-ceip/WA-EAG-DSM_Meeting_2025-12_December_2025_Slides.pdf
[17] https://www.utc.wa.gov/casedocket/2023/230904
[18] https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/environment/dsm/washington/WA_Annual_Conservation_Acquisition_24.pdf
[19] https://www.utc.wa.gov/casedocket/2025/250825

4. **October 31, 2025 –** PacifiCorp filed its 2026-2027 Biennial Conservation Plan (Docket UE-250825). On January 8, 2026, PacifiCorp filed a revised 2026-2027 Biennial Conservation Plan with revised Appendices 1 and 2 to remove adjustments to its conservation targets after consultation with, and at the request of, UTC Staff. The matter came before the Commission at a specially scheduled Recessed Open Meeting on January 14, 2026, and in its Order, the Commission accepted PacifiCorp's 2026-2035 Ten-Year Achievable Electric Conservation Potential of 416,069 MWh, 2026-2027 EIA target of 83,214 MWh (at customer meter), 2026-2027 EIA Penalty Threshold of 74,923 MWh (at customer meter), and 2026-2027 Decoupling Penalty Threshold of 4,161 MWh (at customer meter, subject to conditions. The 2026-2027 conservation expenditure forecast in Appendix 2, the 2026-2027 DSM Business Plan, is $51.3 million. [20]

In addition to the above DSM conservation regulatory activity, there was engagement regarding the energy efficiency portfolio with the Company's Equity Advisory Group, and other Clean Energy Transformation Act (CETA) regulatory and engagement activities in 2025 included activities from the energy efficiency portfolio.

In 2025, PacifiCorp collaborated extensively with its Equity Advisory Group, established in 2021 and comprising key local community members. This group provided valuable insights and advice to the company, meeting nine times throughout the year. Additionally, PacifiCorp conducted five public engagement meetings for the Clean Energy Implementation Plan and hosted two workshops focused on vulnerable populations, in compliance with Washington's regulations to ensure effective energy planning.[21]

PORTFOLIO OF PROGRAMS

The portfolio of Company programs (without NEEA and with Non-Energy Impacts) passed the Total Resource Cost test with 10% conservation adder (PTRC) with a benefit cost ratio of **1.80** and the Utility Cost Test (UCT) with a benefit cost ratio of **2.03**. Information by program is available below followed by pilot results, utility action results, a full set of tables and cost-effectiveness. [22]

RESIDENTIAL ENERGY EFFICIENCY PROGRAMS

PacifiCorp's residential programs include Wattsmart Homes (also referred to as Home Energy Savings), Home Energy Reports, and Low-Income Weatherization.

- **Wattsmart Homes** offers a variety of incentives or no cost installation of energy efficiency measures and resources to help customers reduce their energy consumption and save on their utility bills.
- **Home Energy Reports** is a behavioral program that offers customers information through mailed and/or emailed reports about energy efficiency, helping them reduce energy use and lower utility costs.
- **Low-Income Weatherization** provides energy efficiency services through a partnership between the Company and local non-profit agencies to residential customers who meet income-eligibility guidelines.

The Home Energy Reports program demonstrated its effectiveness by passing the Program Total Resource Cost (PTRC) test with a benefit-cost ratio of **4.84** and the Utility Cost Test (UCT) with a benefit-cost ratio of **4.40.** However, The Wattsmart Homes program did not pass the PacifiCorp Total Resource Test (PTRC) with a benefit cost ratio of **0.60** without NEIs or **0.70** with NEIs or Utility Cost Test (UCT) with a benefit cost ratio of **0.88**. For

[20] https://www.utc.wa.gov/casedocket/2025/250825

[21] A comprehensive list of 2025 DSM Advisory Group, Equity Advisory Group, Clean Energy Implementation Plan, and Public Input meetings can be found on PacifiCorp's Washington Clean Energy Transformation Act & Equitable Distribution of Benefits webpage (https://www.pacificpower.net/community/washington-clean-energy-transformation-act-equity.html) under the "***2025 Public Participation, Public Input and Advisory Group Meeting Details***" banner. The list includes links to meeting slides and notes for each respective meeting.

[22] For detailed information on the cost-effectiveness analysis, please refer to Table 6 in Appendix A.

Home Energy Savings, the Company prioritized participation over reducing the measure set for cost-effectiveness. Overall, the energy efficiency portfolio (excluding Low Income Weatherization) is cost-effective.

WATTSMART HOMES

Program Description

The Wattsmart Homes program is designed to provide access and incentives for more efficient products and services installed or received in the following residential dwelling types.[23]

- New Construction Homes
- Single Family Existing Homes
- Multi-family Housing Units
- Manufactured Homes

While the Wattsmart Homes program did not pass the PTRC or UCT screening thresholds, cost-effectiveness performance improved with the inclusion of Non-Energy Impacts, increasing the PTRC benefit-cost ratio from **0.60** to **0.70**. The UCT result of **0.88** indicates the program is approaching utility cost-effectiveness, highlighting the value of the energy and non-energy benefits delivered to participating households.[24],[25]

The Home Energy Savings program administered by a third-party implementer, Resource Innovations, which collaborates with subcontractors, retailers, and trade allies to deliver energy-efficient products and services to customers. Resource Innovations is responsible for the following functional areas and associated goals:

- **Savings Acquisition**: Achieving goals and metrics for vulnerable population customers and Highly Impacted Communities.
- **Outreach**: Engaging through various delivery channels, including trade allies, retail, direct-install, and direct-to-customer.
- **Marketing and Communications**: Developing and managing content and messaging for program collateral, website, mailings, social media, retail point-of-purchase displays, and presentations.
- **Project Inspection and Measure Verification**: Conducting post-inspection processes to verify measure installations.
- **Incentive Processing**: Managing application submissions through payment processing, ensuring complete and accurate information to expedite customer payments.
- **Program Design and Updates**: Providing program design and regulatory support, including measure research, technical design and analysis, review of statewide work papers and regulatory requirements (e.g., energy code/standard changes, Regional Technical Forum (RTF), cost-effectiveness inputs, administration of program and software tools, measure library updates, and tariff compliance.
- **Customer Satisfaction**: Ensuring a positive customer experience across outreach, marketing, operations, and customer support teams.
- **Continuous Improvement**: Analyzing and making recommendations based on new and emerging technologies, market and pricing trends, participation trends, and availability of high-efficiency equipment options.

[23] For further details on program administration, please visit the Company's website and navigate to the Program Administration section at: https://www.pacificorp.com/environment/demand-side-management.html

[24] While the Wattsmart Homes program does not meet cost-effectiveness criteria, the overall energy efficiency portfolio still meets the cost-effectiveness requirement. The primary challenges to achieving cost-effectiveness for Wattsmart Homes include increased costs to reach named communities in rural areas, higher incentives to support customers in Highly Impacted Communities and Vulnerable Populations, and the mix of available measures. For instance, HVAC is the program's largest savings category, yet the PTRC, TRC, and UCT are all below 1.0.

[25] For detailed information on the cost-effectiveness analysis, please refer to Table 6 in Appendix A

Program Performance and Major Achievements in 2025

Overall, the Wattsmart Homes program achieved **4,439 MWh** savings (at site) in 2025, underperforming the DSM Business Plan forecast for 2025 of **4,754 MWh** (93% of the forecast). Total incentives paid amounted to **$2.8 million**, which is under the **$3.7 million** forecast for 2025 in the DSM Business Plan.

In 2025, PacifiCorp's Wattsmart Homes program implemented updates and delivery strategies aimed at increasing residential energy savings and meeting the Energy Independence Act targets. Key program updates and achievements include:

- **Heat Pump Measure Updates**: The program updated several heat pump measures to expand eligibility and align with revised program requirements. Updates included allowing natural gas heating systems at the end of useful life to serve as an eligible baseline for certain heat pump conversion measures.
- **Weatherization Measure Updates**: Several insulation measures were updated to align baseline requirements with current Regional Technical Forum (RTF) measures. These updates ensure the program continues to reflect the most current technical assumptions for energy savings.
- **Limited Time Offers (LTOs)**: Targeted Limited Time Offers continued through the e-commerce platform to promote adoption of energy-efficient products such as smart thermostats, air purifiers, and heat pump water heaters.
- **Community-Based Distribution:** The program continued targeted LED bulb distribution initiatives serving highly impacted communities and vulnerable populations through partnerships with community-based organizations.
- **Trade Ally Engagement:** Ongoing contractor engagement activities included field visits, mandatory onboarding sessions, and technical training opportunities designed to strengthen trade ally participation and improve program delivery.
- **Retail Marketing Enhancements:** Updated point-of-purchase materials were introduced at retail locations to improve customer awareness of program offerings, including updated educational materials for heat pump water heaters.
- **Incentive Structure Clarification:** Certain program incentives were updated to include “up to” language to ensure incentive payments do not exceed total project costs when combined with other market funding sources. This clarification supports coordination with potential external funding sources while maintaining program compliance with cost caps.

Other Highlights and Updates

- **Highly Impacted Community Support:** The program continued prioritizing participation among customers located in Highly Impacted Communities (HICs) through enhanced incentives for HVAC measures and no-cost direct installation offerings such as duct sealing. Approximately 1,259 projects in 2025 were completed in Highly Impacted Community territories through these channels. In addition, the program distributed LED bulb packs to 1,250 customers through community-based organizations serving Highly Impacted Communities and Vulnerable Populations.
- **Customer Education on Federal Tax Credits:** Customers and contractors continued to receive information about available tax credits for Energy Star measures through the Wattsmart Homes website, marketing collateral, and trade ally communications.
- **In-Person Retailer Engagement:** Program staff conducted monthly field visits to participating retail locations to review product placement, replace point-of-purchase materials, and educate retail staff about Wattsmart Homes incentives and eligible equipment.
- **Quality Assurance and Customer Experience:** The program conducted ongoing quality assurance inspections covering duct sealing, heat pump conversions, and other installations. These inspections help ensure installations meet program standards while supporting a positive customer experience and maintaining program integrity.
- **Community Partnerships:** The program strengthened partnerships with community-based organizations and local partners to expand outreach and increase program awareness. The program

engaged approximately 17 community-based organizations to promote program offerings and support outreach to underserved households.

- **Community-Based Outreach and Engagement:** Program staff participated in more than 20 community-hosted events including workshops, festivals, and partner-hosted events with local organizations such as schools, housing authorities, and food banks. These activities included bilingual outreach and targeted engagement to increase awareness of energy efficiency opportunities among Highly Impacted Communities and Vulnerable Populations.
- **Residential New Construction Engagement:** The program-maintained engagement with energy raters and builders to support participation in residential new construction offerings. Outreach included collaboration with organizations such as the Central Washington Home Builders Association and distribution of program materials promoting energy-efficiency construction practices. Continued supply chain challenges and evolving Washington State Code requirements remain factors affecting participation in the residential construction sector.

Adaptive Management

The Wattsmart Homes program applied adaptive management efforts to increase customer participation, trade ally engagement, equity engagement and support, and achieve savings targets. Adaptive management efforts focused on testing targeted outreach strategies, refining delivery channels, and implementing time-limited incentives to address participation barriers and expand program reach.

Key adaptive management activities implemented include:

- **Expanded Community Event Engagement:** The program increased participation in community events to directly engage customers and distribute energy-efficient products. Event-based outreach proved to be an effective channel for reaching customers and driving participation in measures such as air purifiers.
- **Retail Channel Enhancements:** Retail-focused initiatives were implemented to improve product visibility and customer engagement, including updated point-of-purchase materials, targeted direct mail campaigns, and increased collaboration with retail partners to support the promotion of qualifying products.
- **Trade Ally Engagement and SPIF Incentives:** The program implemented time-limited Sales Performance Incentive Funds (SPIFs) to encourage contractor participation and increase adoption of HVAC measures. These incentives supported trade ally engagement and helped drive participation in heat pump and ductless heat pump measures.
- **Limited Time Offers (LTOs):** The program expanded the use of Limited Time Offers to increase customer participation and support energy savings goals. The number of promotional campaigns increased from three to six targeted LTOs deployed during key seasonal periods. These promotions encouraged the adoption of energy-efficient products such as smart thermostats, air purifiers, and heat pump water heaters.
- **Targeted Outreach and Geographic Engagement:** Adaptive outreach strategies included targeted communications, expanded collaboration with community-based organizations, and geographically focused engagement designed to increase participation. The program also leveraged customer segmentation and data-driven strategies to prioritize outreach to customers with high energy savings potential, particularly with measures such as duct sealing, heat pumps, and heat pump water heaters.
- **Program Delivery Adjustments:** Operational adjustments were implemented to support program participation, including expanded outreach to contractors, onboarding additional delivery partners to support direct-install measures, and adjustments to application timelines to accommodate longer project cycles.
- **Heat Pump Gas Conversions:** The requirements for heat pump conversions and ductless heat pumps were updated to allow fuel switching from gas heating systems, allowing the program to serve more customers with HVAC offerings.
- **New Multifamily Offerings:** The program added new offerings for multifamily homes, including direct install door sweeps and packaged terminal heat pumps.

Program Performance Compared to the 2025 forecast in the 2025 Annual Conservation Plan (filed 11/2024)

Wattsmart Homes achieved 4,439 MWh savings (at site) representing 93% of the 2025 Annual Conservation Plan forecast of 4,754 MWh savings. Program expenditures were $6,698,045, representing 102% of the 2025 Annual Conservation Plan estimate of $6,555,468.

Key factors contributing to these results include:

- **Non-Lighting:** Non-lighting measures remained the primary source of energy savings in 2025, with HVAC measures representing the majority of total program savings. Heat pump installations and duct sealing projects continued to drive participation through the Trade Ally network and direct-install channels. However, savings levels were influenced by operational challenges early in the year, including contractor capacity constraints and slower project turnover within the duct sealing delivery channel.
- **Water Heating (Heat Pump Water Heaters):** Heat pump water heater participation was significantly lower than forecast, achieving approximately 30% of the planned savings for this measure category. Multiple tactics were implemented to support participation, including targeted direct mail campaigns, limited time offers, and promotions through the Product Advisor platform. Despite these efforts, participation remained limited due to market barriers including installation complexity, customer cost considerations, and competing marketing priorities that constrained promotional frequency.
- **Direct-Install and Community Engagement**: Community outreach and direct-install efforts remained an important component of program delivery. Program staff participated in community events and partnerships with community-based organizations to increase awareness and provide direct access to energy-efficient products. Event-based engagement proved particularly effective for certain measures, including air purifiers, which exceeded participation targets through direct sales and community distribution efforts.
- **New Single-Family Homes and Manufactured Homes:** Participation in new homes offerings remained limited in 2025 due to the time required for project development and construction completion. While participations levels were modest during the program year, the program continues to track building permits and engage builders and raters to support future project pipelines.
- **Multifamily New Construction:** No projects participated in the new multifamily construction offer. Like previous years, the Washington energy code requirement for energy modeling created additional project costs that often exceeded the available incentives. As a result, customers and contractors continued to pursue more streamlined prescriptive efficiency options outside of the program.

HOME ENERGY REPORTS

Program Description

The Home Energy Reports Program is a behavioral program that aims to reduce participants' energy usage by offering comparative energy usage data for comparable homes in the same geographical area. Additionally, the report provides participants with practical tips to help them decrease their energy consumption[26]

The Home Energy Reports program demonstrated its effectiveness by passing the Program Total Resource Cost (PTRC) test with a benefit-cost ratio of **4.84** and the Utility Cost Test (UCT) with a benefit-cost ratio of **4.40.**

[26] For further details on program administration, please visit the Company's website and navigate to the Program Administration section at: https://www.pacificorp.com/environment/demand-side-management.html

Program Performance and Achievements in 2025

Total pre-evaluation savings for 2025 were **3,410 MWh** savings (at site). Participants receive a monthly survey and report an annual average rate of 88% who responded positively to the program reports.

Program Performance Compared to the 2025 forecast in the 2025 Annual Conservation Plan (filed 11/2024)

2025 Program Savings and Expenditures:

In 2025, the Home Energy Reporting Program achieved energy savings of **3,410 MWh,** representing 91% of the 3,741 MWh forecasted in the 2025 Annual Conservation Plan. The program continues to demonstrate strong cost-effectiveness, passing the Program Total Resource Cost (PTRC) test with a benefit-cost ratio of **4.84** and the Utility Cost Test (UCT) with a benefit-cost ratio of **4.40**. However, the program has largely saturated the available customer population, limiting opportunities for participant replenishment that are necessary to maintain stable savings levels. As a result, under the current delivery model that relies on treatment and control groups, the program is expected to experience declining savings over time due to customer saturation.

A ~9 percent shortfall in Home Energy Reporting (HER) savings relative to the 2025 Annual Conservation Plan forecast is consistent with normal behavioral program variability and reflects a combination of the following factors:

- Natural variability in customer behavioral response to comparative energy use messaging,
- Differences between assumed and realized customer engagement levels, including open rates and persistence of behavior change,
- Weather and load interaction effects that can amplify behavioral savings in certain years, and
- Statistical variation inherent in treatment-control experimental designs used to measure behavioral program impacts.

LOW INCOME WEATHERIZATION

Program Description

The Low Income Weatherization Program offers energy efficiency services at no cost to eligible residential customers, through a partnership between the Company and local non-profit agencies.[27] The participating agencies include:

- **Blue Mountain Action Council** in Walla Walla,
- **Northwest Community Action Center** in Toppenish,
- **Opportunities Industrialization Center of Washington** in Yakima, and
- **Yakama Nation Housing Authority**, a tribally chartered public corporation of the Yakama Nation and its tribally designated housing entity.

The local partner agencies give priority for weatherization services to homes with elderly or disabled residents, children nineteen years of age or under, high residential energy users, and households with high energy burden. Households with high residential energy usage are those whose energy costs exceed $900, the median level of residential expenditures for all low-income households in the State of Washington. Households with a High Energy Burden are those households whose energy burden exceeds 6%, the median level of energy burden for a low-income household in the State of Washington.

[27] For further details on program administration, please visit the Company's website and navigate to the Program Administration section at: https://www.pacificorp.com/environment/demand-side-management.html

The Low-Income Program did not meet the Program Total Resource Cost (PTRC) threshold in this reporting period. The calculated benefit-cost ratio was **0.85** when including Non-Energy Impacts (NEIs) and **0.11** excluding NEIs. These results are consistent with expectations for programs designed to serve hard-to-reach, vulnerable populations, where societal and equity objectives are primary drivers rather than strict cost-effectiveness outcomes under traditional screening metrics.[28]

Program Performance and Major Achievements in 2025

In 2025, the Low-Income Program achieved **79 MWh** in energy savings, reaching 57% of the DSM Business Plan forecast of 138 MWh. The program served **60** customers, underscoring our ongoing dedication to advancing energy efficiency in underserved communities.

Additional highlights to the program include:

- **Long-standing, community-based delivery model**: PacifiCorp's Washington Low Income program is built on **long-term partnerships with trusted local agencies**, not direct utility delivery. The program has operated since the **mid-1980s** and relies on nonprofit community action agencies that handle intake, income verification, audits, installation, and inspections. This model improves access, trust, and equity, especially in rural and tribal communities.
- **No-cost, comprehensive weatherization for eligible households**: The program provides **100% free energy efficiency upgrades** to income-qualified renters and homeowners. Installed measures are based on home-specific energy audits using DOE-approved tools and must meet a Savings-to-Investment Ratio (SIR) > 1.0, ensuring cost-effectiveness while addressing health and safety needs.
- **Strong leveraging of state and federal funding**: A major highlight of PacifiCorp's Washington Low Income program is its ability to **braid utility funds with external sources**, most notably the Weatherization Plus Health Program, formally known as the **Washington Match Maker Program** administered by the Department of Commerce.
- **Equity-focused program enhancements approved by settlement:** As part of Washington regulatory settlements, PacifiCorp committed to **enhancing the Low-Income Weatherization program** to address known participation barriers. Key enhancements include pilot programs to address deferred maintenance and repair barriers. Progress payments to community agencies to improve cash flow and delivery capacity. Increased coordination with advisory groups (DSM and Equity Groups).
- **Focus on deeper, higher-impact interventions:** Rather than maximizing participant counts alone, the Washington Low Income program increasingly emphasizes deeper per-home savings, health, safety, and housing durability, electrification readiness and long-term affordability. This approach reduces the number of completed homes each year but increases total benefits per participant, including non-energy benefits such as improved indoor air quality and safety.
- **Strong quality control and accountability:** Program delivery includes robust verification requirements, such as 100% post-installation inspections by agencies. 5-10% independent inspections by PacifiCorp. Required documentation and billing withing 90 days of job completion. These controls ensure program integrity and verify savings, which is critical for regulatory confidence.

[28] Although the Low-Income Program did not meet traditional cost-effectiveness thresholds, it delivers significant benefits that extend beyond those captured in the Program Total Resource Cost test. The program reduces household energy burden, improves health and safety conditions, and enhances thermal comfort for income-qualified customers, many of whom face heightened vulnerability to extreme weather and housing deficiencies. Additionally, the program supports system-level benefits such as reduced arrearages, lower collection and service costs, improved grid reliability during peak conditions, and preservation of aging housing stock. These outcomes advance Commission-recognized equity, affordability, and public interest objectives and underscore the importance of evaluating low-income energy efficiency programs within a broader policy and societal context.

- **Demonstrated cost-effectiveness and non-energy benefits:** Independent evaluations of PacifiCorp's Washington Low Income Weatherization program show positive cost-effectiveness, meaningful, persistent energy savings, and significant non-energy benefits, including comfort, safety, and reduced energy burden.
- **Alignment with Washington policy goals:** The program directly supports Clean Energy Transformation Act (CETA) equity requirements, highly impacted community (HIC) engagement, energy burden reduction, tribal coordination and rural access.

NON-RESIDENTIAL ENERGY EFFICIENCY PROGRAM

WATTSMART BUSINESS

Program Description

Non-Residential Energy Efficiency Program (Wattsmart Business)[29]: The commercial, industrial, and irrigation energy efficiency program consolidated into a Non-Residential Energy Efficiency program, Schedule 140[30], marketed to customers as Wattsmart Business. This program aims to encourage both new and existing non-residential customers to enhance their electricity usage efficiency through the installation of energy efficiency measures and the adoption of improved energy management protocols. Qualifying measures are those that, when implemented in an eligible facility, result in verifiable electric energy efficiency improvements.[31]

Wattsmart Business Incentives and Services:

- **Upgrades Included in Incentive Lists:**
  - **Lighting and Controls**: Incentives for upgrades to LED lighting, occupancy sensors, and advanced lighting controls.
  - **HVAC Systems**: Incentives for high-efficiency heating, ventilation, and air conditioning systems.
  - **Motors and Drives**: Upgrades to electronically commutated motors and variable frequency drives.
  - **Food Service Equipment**: Energy-efficient commercial kitchen appliances and equipment.
  - **Compressed Air Systems**: Improvements to compressed air systems for better efficiency.
  - **Building Envelope**: Enhancements like better insulation, energy-efficient windows, and cool roofs.
  - **Agricultural Equipment**: Energy-saving upgrades for farms and dairies.
  - **Wastewater and other Refrigeration:** wastewater low power mixers, adaptive refrigeration control, and fast acting doors.

[29] The current Wattsmart Business overview and brochures are available online at:
https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/savings-energy-choices/wattsmart-business/washington/WA_wattsmartBusiness_Overview.pdf
Brochure (English): https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/savings-energy-choices/wattsmart-business/washington/WA_WattsmartBusiness_Brochure.pdf
Brochure (Spanish): https://www.pacificpower.net/content/dam/pcorp/documents/es/pacificpower/wattsmart-business/WA_wattsmartBusiness_Brochure_Spanish.pdf

[30] Current program details (in addition to the program tariff, Schedule 140) are maintained on the Company website at https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/savings-energy-choices/wattsmart-business/washington/WA_wattsmartBusiness_Incentive_tables_information.pdf.
Current program detail on Midstream/Lighting Instant Incentives is available at https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/savings-energy-choices/wattsmart-business/washington/WA_wattsmartBusiness_Lighting_Instant_Incentives_1-1-2024.pdf
Current program detail on Small Business Non-lighting incentives is available at https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/savings-energy-choices/wattsmart-business/washington/ExhibitA-3_Changes_to_WA_NonLighting_Incentive_Offer_1-2023.pdf

[31] For further details on program administration, please visit the Company's website and navigate to the Program Administration section at: https://www.pacificorp.com/environment/demand-side-management.html

    - **Appliances and other:** Energy-efficient clothes washers and dryers, water heaters, engine block heater controls for vehicles.
- **Custom Analysis:**
    - **Energy Analysis Studies**: The program offers detailed energy analysis studies to help businesses identify potential energy-saving opportunities.
    - **Incentives**: Businesses can receive incentives for verified first-year energy savings resulting from the installation of qualifying capital equipment upgrades and energy management measures.
    - **Expert Support**: A team of energy experts is available to help evaluate options, estimate savings, and guide businesses through the process of making energy-efficient choices.
    - **Custom Projects**: This part of the program tailored for projects not covered by the standard incentive lists, providing a more personalized approach to energy management.
- **Energy Management:**
    - Provides expert facility and process analysis and incentives to help lower energy costs by optimizing the customer's energy use.
- **Enhanced Incentives for Small Businesses[32]:**
    - **Higher Incentives**: Small businesses are eligible for enhanced incentives to adopt energy-efficient lighting, HVAC systems, and other energy-saving technologies. These incentives make it more affordable to implement upgrades. **As part of PacifiCorp's Clean Energy Implementation Plan, enhanced incentives are being offered to small businesses situated within Highly Impacted Communities to boost participation among Named Community customers.**
    - **Simplified Application Process:** The application process for incentives has been streamlined, facilitating quicker and easier access for small businesses to apply and receive rebates.
    - **Vendor Partnerships:** PacifiCorp collaborates closely with approved vendors to ensure small businesses have access to high-quality products and services. These vendors apply the customer incentive as a credit on their invoice, thereby reducing the customer's out-of-pocket expenses. Additionally, vendors are incentivized to propose and complete more projects for small businesses, **with higher incentives for projects completed in Highly Impacted Communities. This initiative also serves as a Utility Action to increase participation among Named Community customers.**
    - **Technical Support:** Small businesses can access technical support and resources through the outreach team and vendor network to identify and implement the most effective energy-saving measures. Bilingual outreach representatives assist customers in Spanish and conduct joint customer calls with vendors.
    - **Community Outreach:** PacifiCorp is partnering with local business associations and chambers of commerce to raise awareness about enhanced incentives and encourage participation.
- **Midstream/Lighting Instant Incentive:**
    - **Instant Incentives:** The program offers immediate point-of-purchase incentives for qualifying LED lighting sold through participating distributors. Customers receive the incentive at the time of purchase, ensuring instant savings.
    - **Post-Purchase Incentives:** Customers who purchase qualifying LED lighting from non-participating suppliers can apply for incentives after the purchase.
- **HVAC Checkup:**

[32] The current small business lighting handout is available in both English and Spanish at: https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/savings-energy-choices/wattsmart-business/washington/WA_wattsmartSmallBusiness_Lighting_Handout.pdf (English) and https://www.pacificpower.net/content/dam/pcorp/documents/es/pacificpower/wattsmart-business/WA_wattsmartSmallBusiness_Lighting_Handout_Spanish.pdf (Spanish)

    - **Post-Purchase Incentives:** HVAC Check-up incentives are available to customers who make qualifying improvements to their rooftop units (RTUs) through approved vendors. These incentives cover maintenance agreements, connected thermostats, economizer repairs, economizer replacements, and proper refrigerant charges. Only approved vendors can offer HVAC check-up incentives.
- **Energy Project Manager Co-funding:**
    - The co-funding is available to customers who commit to completing energy projects that result in at least 1,000,000 kWh/year in energy savings.
    - **Co-funding Support**: PacifiCorp provides financial support to co-fund an energy project manager within the customers' facilities. This manager is responsible for identifying and implementing energy-saving projects.
    - **Project Scope**: The energy project manager can oversee a range of projects, from small tune-ups to more comprehensive strategic energy management initiatives.
    - **Application Process**: Interested businesses should contact PacifiCorp to discuss their energy savings goals and apply for the co-funding program. PacifiCorp will work with the business to develop a plan and provide the necessary support.
- **Clean Buildings Accelerator:**
    - A Clean Buildings Accelerator offer was added in 2022 to help building owners comply with the Clean Buildings Performance Standard and connect them with the energy management and capital upgrade incentives and energy analysis services in the program.
- **Project Financing:**
    - Through a partnership with the National Energy Improvement Fund (NEIF), PacifiCorp provides customers access to third-party financing options for situations where internal funding for energy efficiency projects is limited or unavailable. PacifiCorp also teams with Verdant Commercial Capital to offer business customers an affordable solution to make paying for energy efficiency upgrades easy with low-cost financing (interest rate is bought down by PacifiCorp) for select lighting projects.

The Wattsmart Business Program delivered strong results in 2025, exceeding key performance benchmarks. It successfully passed the Program Total Resource Cost (PTRC) test with an impressive cost-benefit ratio of **2.94**, and the Utility Cost Test (UCT) with a ratio of **2.59**, both inclusive of Non-Energy Impacts (NEIs). Even when excluding NEIs, the program maintained its high performance, achieving a PTRC ratio of **2.63** and a UCT ratio of **2.59.**

Program Performance and Major Achievements in 2025

The Wattsmart Business program achieved **39,784 MWh** in gross savings at the customer sites, representing 122% of the planned target of **32,482 MWh**. Total incentives reached **$8.3 million**, contributing significantly to our energy efficiency goals, and coming in slightly below the **$8.8 million** forecast outlined in the 2025 Annual Conservation Plan**.**

In 2025, PacifiCorp's Wattsmart Business program introduced several changes to enhance energy efficiency and support businesses in Washington. The program changes effective January 1, 2025, intended to:

- **Alignment with updated RTF values:** Incentive levels and eligibility were updated to reflect the RTF Unit Energy Savings (UES) and protocols effective October 1, 2024.[33]
- **New eligible measures added:** commercial connected thermostats were added as a new eligible non-residential measure, aligned with RTF definitions.

[33] https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/savings-energy-choices/wattsmart-business/washington/WA_WSB_Planned_Modifications_1-1-2025.pdf

- **Measures removed:** green motor rewinds, electric insulated holding cabinets, electric combination ovens, and electric convention ovens. These removals were driven by RTF discontinuation or loss of third-party accreditation.

The second set of changes were effective May 17, 2025. This second set of changes was introduced mid-year to accelerate participation and close projects before the end of the biennium.

- **Introduction of limited-time Customer Bonus Incentives:** Additional bonus incentives were offered for select lighting and non-lighting measures; bonus incentives applied on top of base incentives. The eligibility criteria were the incentive offer had to be issued on or after April 2, 2025. Project installation and final application submitted by November 30, 2025.[34]
    - **Interior lighting bonus:** Interior lighting full-fixture replacements and retrofit received approximately a 10% bonus applied before project incentive caps.
    - **HVAC bonus:** Select HVAC measures received approximately a 20% bonus applied before project incentive caps.
- **HVAC thermostat changes:** Thermostats were removed from HVAC check-up offerings. Thermostat incentive amounts were reduced in listed HVAC incentives, and Small Business non-lighting incentives. Thermostat incentives remained higher in the Small Business offer than in standard listed incentives.
- **Limited time revised customer eligibility for the Small Business Offer:** From March 4th, through November 30th, 2025, the maximum electric annual usage eligibility criteria for Small Business and Named Community Small Business was increased from 200,000 kWh to 300,000 kWh. Projects must be completed by November 30th, 2025. After this limited time offer, the threshold will revert to 200,000 kWh. This limited-time offer was designed to help these larger small businesses overcome cost challenges by providing enhanced incentives to increase participation.
- **Addition of a new limited time financing offer with interest rate buydown.** Addition of this offer was intended to help close more lighting projects and increase participation in 2025.

These changes are part of the adaptive management to achieve the target and designed to make it easier for businesses to improve their energy efficiency, reduce operating costs, and be part of achieving Washington's clean energy goals.

Adaptive Management

For Wattsmart Business, adaptive management refers to mid-biennium program adjustments to:

- Address participation gaps,
- Respond to market and vendor feedback,
- Improve equity outcomes under CETA, and
- Ensure the program meets 2024-2025 savings and participation objectives.

In 2025, PacifiCorp implemented **targeted adaptive management** directly tied to increasing participation, including among businesses located in **Highly Impacted Communities**:

- **Enhanced Small Business Incentives (Named Community focus):** PacifiCorp maintained higher incentive levels for small business lighting and non-lighting measures compared to standard offers. The highest incentive levels applied for small businesses in Named Communities and very small businesses. 489 small businesses completed small business lighting and non-lighting projects totaling 8.7 million kWh in energy savings. Of the 489 small businesses, 345 were in a Highly Impacted Community. As mentioned above, the maximum usage threshold was increased for a limited time in 2025 from 200,000 kWh/yr to 300,000 kWh/yr, making more businesses eligible for the small business offers. Twenty-five small businesses with annual usage between 200,000 and 300,000 kWh completed small business projects totaling 1.9 million kWh in energy savings of the 8.7 million total for small business.

[34] https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/savings-energy-choices/wattsmart-business/washington/WA_WSB_Planned_Modifications_5-17-2025.pdf

- **PacifiCorp introduced additional time-limited customer bonus incentives for select lighting and non-lighting measures:** The key design features include bonus incentives are stacked on top of base incentives, applied before incentive caps, and required project completion by November 30, 2025. This helped customers by reducing upfront cost barriers, improved simple payback, and encouraged businesses with limited capital to move forward. Ten projects totaling 472,850 kWh in savings qualified for bonuses totaling $11,300 in 2025.
- **Vendor incentives and vendor-focused adaptive management:** PacifiCorp paired customer incentives with vendor incentives to actively steer vendors towards Named Community projects and increasing adoption of lighting controls. Vendor incentive enhancements in 2025 were lighting vendor incentives up to $35,000 per vendor location. HVAC vendor incentives up to $10,000 per vendor location. Removed vendor incentive caps for Advanced Networked Lighting Controls (ANLC) vendor incentives. This is important for equity because vendors are willing to pursue smaller projects, remote locations, and customers with limited internal capacity. Vendors actively market to small businesses in Named Communities when incentives are higher. This shifted vendor behavior, not just customer behavior. Lighting vendor incentives totaled $275K and non-lighting vendor incentives totaled $47.6K.
- **Focused effort to increase non-lighting listed measure participation resulted in 314 projects and 2 million kWh (a significant increase compared to 2024)**:
    - Engine Block Heater Controllers (EBHC) became a strong and growing component of the Wattsmart Business program in 2025. Building on the foundational outreach efforts from the prior year, vendors were actively engaged and supported in delivering this measure, resulting in 51 completed projects and 1.5 million kWh in energy savings. The Outreach team continued working with school districts, municipalities, and customers with vehicle fleets, helping to expand adoption and demonstrate the value of this measure. EBHC has proven to be a valuable addition to the program and is well positioned for continued growth.
    - Smart thermostats were a key Small Business focus in 2025. By leveraging existing vendor relationships, outreach staff successfully promoted this measure and supported vendors in completing projects throughout the year. Connected Thermostat savings were 396,801 kWh savings from a total of 229 projects. This outreach has also generated additional leads for other Wattsmart Business offerings, including lighting projects, Engine Block Heater Control (EBHC), and HVAC measures, with these partnerships expected to remain strong and continue expanding into 2026.

Additional Highlights

Program-Specific Field Outreach Summary

- PacifiCorp held Wattsmart Business Vendor events in early 2025 (notably in Walla Walla and Yakima). These events communicated the 2025 program changes, trained vendors on updated incentives and measures. Emphasize opportunities in Named and Highly Impacted Communities. These events included “What’s New in Washington for 2025” sessions, detailed walkthroughs of incentive changes, provided guidance on identifying eligible Named Community customers. This was important because vendors are the primary drivers of business participation.
- Program outreach staff continued to strengthen and grow the Wattsmart Business vendor network: 25 new vendors were added to the PacifiCorp Wattsmart program in Washington. Three existing vendors increased participation significantly – one saw 60% growth in kWh, another saw a 75% increase in small business kWh, and a third (a new vendor) brought in 1.4 million kWh in non-lighting savings. The team continues to work diligently to build the vendor network by adding new contractors and fostering relationships with existing vendors to help them expand their services. This ongoing effort ensures that the program can provide a wider range of energy-efficient solutions to customers, improving access and support.

- Small Business and Named Community Outreach, Wattsmart Business continued small-business outreach including promotion of enhanced small business incentives, simplified messaging around prescriptive measures. Emphasized low disruption to reduce perceived complexity and lower participation barriers. Spanish speaking program outreach representatives and trade allies conducted joint sales calls to reduce language barriers.
- Named Community and Highly Impacted Community targeting, PacifiCorp's outreach in 2025 increasingly incorporated location-based eligibility screening tools, vendor guidance on identifying Named Community customers, messaging highlighted higher incentive availability in those communities. This ensured that eligible customers were correctly identified and enhanced incentives reached intended populations.
- Dedicated program webpages and updates, PacifiCorp and Wattsmart Business maintained up-to-date Washington-specific webpages in 2025 that list current incentives, flagged program changes which are linked to planned modification documents. These pages serve as the authoritative source for customers and vendors navigating 2025 changes.
- Vendor network communications, PacifiCorp used outreach staff, vendor portals, email alerts and incentive announcements to notify the Wattsmart Business Vendor Network about funding availability, incentive caps, deadlines, and bonus eligibility.
- Program staff also conducted recurring reviews of Washington State Labor and Industries electrical permit records to identify potential lighting upgrades, engaging contractors when projects were not already enrolled in the program. This proactive approach not only increased project participation but also resulted in the onboarding of new vendors. Throughout the year, the Outreach team remained focused on identifying customers with fluorescent, high-pressure sodium, and metal halide lighting, where the opportunity for substantial kWh savings remains highest.
- Program outreach staff delivered presentations and workshops with partners such as the Walla Walla Chamber of Commerce, Yakima County Development Association, and the Washington State Office of Minority & Women's Business Enterprises (OMWBE).
- Program outreach staff actively participated in the Resilient City of Yakima Committee, supporting sustainable community development and equitable resource distribution.
- Outreach through Advisory and Stakeholder Channels (Supporting Role) while not customer-facing marketing, PacifiCorp also used Equity Advisory Group discussions to share outreach strategies, receive feedback on Named Community participation gaps, and inform subsequent outreach adjustments. This ensured outreach remained aligned with Washington CETA equity expectations.

Program Performance Compared to the 2025 forecast in the 2025 Annual Conservation Plan (filed 11/2024)

Overall Performance: Achieved 39,784 MWh savings (at site), 122% of the planned energy savings (7,302 MWh higher than plan).

- **Top Measure Categories**:
  - Energy Management (achieving 14,737 MWh, 37% of the overall energy savings)
  - Lighting (achieving 12,454 MWh, 31% of the overall energy savings)
  - Refrigeration (achieving 7,062 MWh, 18% of the overall energy savings)
- **Incentives**:
  - Total incentives were 94% of plan.
  - Average incentives per kWh were $0.21, compared to $0.27 in the plan. Energy management incentives are $0.025/kWh, so the significant energy management savings brought down the average incentive per kWh.

Contributing Factors to 2025 Performance:

- **Energy management:** There were nine business customers who completed energy management projects in 2025, and a single large project accounted for approximately 70% of the energy management savings.

This very large project contributed significantly to 2025 savings results. Note – this type of project is rare and is not expected to re-occur for some time.

- **Lighting:** Lighting savings were strong, driven in part by attractive customer incentives (especially for small business located in Named Communities), increased adoption of lighting controls, the presence of vendor incentives, and the limited time customer bonus incentives.
- **Tree Fruit Industry**: The tree fruit industry continues to be a key part of the local economy in our Washington service area, and therefore participation from this sector contributed to a significant portion of the kWh savings delivery. However, the low profits from 2023 and 2024 still limited customers' available capital to invest in energy efficiency projects, and kWh savings from this industry sector were lower in 2025 than both 2023 and 2024. Savings for this industry come primarily from projects at refrigerated warehouses; Energy Management efforts were also a significant contributor.

DISTRIBUTION EFFICIENCY

Distribution efficiency is one of the six types of conservation in the WAC 480-109-100 Energy Efficiency Resource Standard. Initiatives are designed to optimize the distribution network, reduce energy losses, and support Washington's broader goals of sustainability and energy efficiency.

Distribution Efficiency Performance Compared to the 2025 forecast in the 2025 Annual Conservation Plan (filed 11/2024)

In the 2024-2025 BCP, PacifiCorp forecast a total target of 227 MWh at site for distribution efficiency savings via a project that carried over from the prior biennium at the Wiley Substation feeder 5Y164 to undertake reconductoring and voltage optimization. The voltage optimization project was completed in 2024, and the reconductoring project was completed in May 2025. The Distribution System Planning team analyzed Supervisory Control and Data Acquisition (SCADA) data at the Wiley Substation to determine the amount of distribution efficiency that resulted from the reconductoring and voltage optimization projects. Combined, the projects yielded higher than projected efficiency, at a total of 910.6 MWh at site in first-year savings, or 978.8 MWh at generation.

Distribution grid conditions have a high degree of variability which makes it very difficult to run comparisons between different grid states. Changes in local load patterns, weather, and overall atmospheric conditions can create major shifts in both power flow and line loss models between two different times of measurement. This is particularly pertinent to distribution efficiency projects, where the expectation is for relatively small changes in overall loading. Given the inherent variability, these changes may be statistically difficult to distinguish from the 'noise' of the distribution grid as its power flows naturally change over the course of months and years. These figures represent PacifiCorp's best attempts to quantify and estimate power savings from distribution efficiency, but the estimation process may contain a degree of error.

PRODUCTION EFFICIENCY

WAC 480-109-100, the Energy Efficiency Resource Standard, identifies and describes six types of conservation, including production efficiency. These standards outline the process for utilities to pursue all available conservation that is cost-effective, reliable, and feasible.[35]

[35] https://app.leg.wa.gov/WAC/default.aspx?cite=480-109-100

Production Efficiency Performance Compared to the 2025 forecast in the 2025 Annual Conservation Plan (filed 11/2024)

Production Efficiency Savings Report

In the 2024-2025 BCP, PacifiCorp projected the following production efficiency savings for 2025. These reflect *total annual* savings values of the projects identified and included in the BCP target:

- **Thermal:** No projected savings for thermal generation in 2025.
- **Wind:** 630 kWh/yr savings at site and generator. This reflects half of the 1,260 kWh total for the 2024-2025 BCP.

Production Efficiency: Thermal Generation

In the 2024-2025 BCP, PacifiCorp did not forecast any cost-effective, reliable, and feasible production efficiency from thermal plants. While some production efficiency projects from the prior BCP period (2022-2023) at the Hermiston plant did carry over into 2024 and were completed and reported in the 2024 annual report, there were no further carry-over projects or new ones completed in 2025, in line with the original 2024-2025 BCP. So, production efficiency (thermal) savings were 0 MWh in 2025.

Production Efficiency: Wind Generation

The 2024-2025 BCP included production efficiency (wind) savings from lighting projects at Wyoming-sited wind generation facilities, at an estimated total of 1,260 kWh for the two years. In the Plan, that total was split evenly across 2024 and 2025 since exact timing of the completion of the projects across the sites was unknown. In the end, PacifiCorp completed all the lighting upgrades in 2024 and included the savings in the 2024 annual report. This left no remaining production efficiency (wind) projects to complete in 2025. Therefore, production efficiency (thermal) savings were 0 MWh in 2025.

NORTHWEST ENERGY EFFICIENCY ALLIANCE

Description

The Northwest Energy Efficiency Alliance (NEEA) is a non-profit corporation that collaborates with its funders and strategic market partners to accelerate the innovation and adoption of energy-efficient products, services, and practices. NEEA is supported by BPA, Energy Trust of Oregon, and over 100 Northwest utilities, including PacifiCorp.

2025 Program Performance:

- **Reported Savings**: **5,057 MWh** (at site) for PacifiCorp.
- **Reporting Convention**: Savings represent PacifiCorp's portion of Total Regional Savings, less the Company's local program savings, as approved in Docket UE 132047.
- **Further Information**: Refer to Appendix B for more details on NEEA's collaboration with its funding utilities and other market actors in 2025.
- **Company Representation**: In 2025, PacifiCorp had representatives on the following committees:
  - Regional Portfolio Advisory Committee (RPAC)
  - Commercial/Industrial and Residential Coordinating Committees
  - Special Project Committees (Strategic Energy Management, Commercial Building Stock Assessment, End Use Load Research, and Residential Building Stock Assessment)

Program Performance Compared to the 2025 forecast in the 2025 Annual Conservation Plan (filed 11/2024)

In 2025, NEEA achieved 100% of the planned savings achieving **5,057** MWh in performance, in line with the DSM Business Plan forecast of 5,042 MWh. Program expenditure was 28% below forecast. PacifiCorp's Washington

savings attributable to NEEA initiatives were consistent with forecasted expectations for the reporting period. Actual savings aligned with established targets, reflecting normal market transformation variability and continued coordination with NEEA to ensure long-term, cost-effective energy efficiency acquisition. See Appendix B for the detailed reporting.

PILOT PROJECTS

The Company's pilots in 2024-2025 are initiatives within two programs: Wattsmart Homes and Wattsmart Business. Pilot descriptions from the 2025 Annual Conservation Plan are included below followed by 2025 activities and results.

On-Bill Financing for residential customers including owned manufactured homes located on rented space and homes on tribal trust lands (Wattsmart Homes program)

Pilot Description (copied from 2025 Annual Conservation Plan filed November 2024):

Purpose: Reduce the upfront cost barrier to participation in residential energy efficiency programs by offering on-bill financing, including for manufactured homes on rented space and homes on tribal trust lands. This offer further complements the third-party financing for residential and business customers currently being offered Craft3. Craft3 is available to offer this funding through a grant award from the Energy Revolving Loan Fund administered by the Washinton State Department of Commerce.

Costs: No additional start-up costs in 2024-2025 or per application costs for secured loans. For unsecured loans, Craft3 will receive $200 per funded loan application, and $300 per application underwriting fee (regardless of loan funding). Craft3 reports that unsecured lending in manufactured home parks tends to be higher touch, requiring additional due diligence on the part of the lender, and this is the reason for application fees. Costs will be included as a residential program expense and recovered through the System Benefits Charge and are included in the expenditure forecast for Home Energy Savings. PacifiCorp internal on-going loan administration costs will also be included as a program expense and recovered through the tariff rider. PacifiCorp is not loaning its own funds and will not be receiving any interest income from loan payments.

Size: The company expects between 100-200 complete loans over the two-year period.

History: Builds on work from pilot in prior biennial periods.

Implementation: Build upon current experience utilizing Craft3, to operate as funder and loan administrator for on-bill financing for residential customers who participate in the Home Energy Savings program. Financing will be available for the net (after incentives) cost of equipment eligible for Home Energy Savings incentives (including critical repair costs).

Marketing: Home must be in good condition and built after June 15, 1976 (the first HUD standard). The offer will be marketed through installing contractors and the program administrator. Craft3 will work jointly to identify and train contractors. Marketing and screening will be in place to help ensure customers eligible for low-income services are directed at the community action agencies instead of participating in the loan offer. Individual loan offers are subject to both customer and home park screening by Craft3.

2024 Update: Prior to Craft3 discontinuing their loan program 46 customers received loans in the amount of $705,000 to assist with their efficiency upgrades. 22 Trade Allys leveraged these financing options to support their customers' ability to purchase high efficiency measures. Craft3 announced on May 31, 2024, that they were discontinuing the on-bill financing for home efficiency improvements effective June 30, 2024. Other residential efficiency financing options for 2025 are being explored with lending firms. PacifiCorp is interested in partnering with multiple lenders providing customers with financing options.

2025 Update: PacifiCorp's on-bill financing partner, Craft3, concluded their financing offer in Q2 2024, leading to the discontinuation of this pilot program. PacifiCorp has not been able to find another lending institution to provide

on-bill financing. As a result, the program informs customers and trade allies that are interested in efficiency loans with information on lending firms that provide efficiency loans.

Manufactured Homes Targeted Delivery (Wattsmart Homes program)

Pilot Description (copied from 2025 Annual Conservation Plan filed November 2024):

Purpose: Increase installation of energy efficiency measures within new and existing manufactured homes.

Costs: Costs are included in the existing program delivery and incentive budgets for the biennial period.

Size: The Program Administrator expects 500-1,000 manufactured home projects over a two-year period.

History: Builds on work from pilot in prior biennial periods**.**

Implementation: Build awareness and utilization of available customer incentives for manufactured home measures, including new manufactured homes and existing manufactured home duct sealing, direct install lighting, heat pumps, evaporative coolers, central air, windows, and insulation.

Marketing: Utilize geo-targeted analysis, marketing, outreach and lead sharing methods to optimally reach customers, including customers in underserved areas or non-participating areas.

2024 Update: As of September 2024, the Home Energy Savings program served 710 manufactured homes including 393 manufactured homes with direct installation offers, all of which are located in Highly Impacted Communities. The program implementor and its duct sealing initiative has shifted to single family homes in Highly Impacted Communities. Outreach efforts continue to support manufactured homes with follow-up marketing to customers that participated in a direct-install offer. This includes sending notices about limited time offers for smart thermostats and air purifiers as well as standard measures including heat pumps of which 36 customers in manufactured homes have received rebates.

2025 Update: Wattsmart Homes served ~700 manufactured home customers in 2025 through eligible program measures including duct sealing, heat pumps, and insulation improvements. Program staff also coordinated with local manufactured home dealers to provide information on available program offerings and support participation for new manufactured homes that meet eligibility requirements.

Geo-Targeted Energy Efficiency (Wattsmart Homes and Wattsmart Business programs)

Pilot Description (copied from 2025 Annual Conservation Plan filed November 2024):

Purpose: Focus on increasing participation in specific areas where additional value such as preventing or deferring possible infrastructure investments has been identified.

Costs: Costs are included in the existing program delivery and incentive budgets for the biennial period.

Size: to be determined.

History: Builds on work from pilot in prior biennial periods. Two circuits (5Y164 and 5Y380) in the Yakima area were identified for geo-targeting for the 2022-2023 biennium. The work in 2022-2023 targeting 5Y380, while successful, did not occur fast enough to defer distribution investment, and this circuit is no longer a good candidate for targeting. 5Y164 is the same feeder identified for distribution efficiency investments that are scheduled, so it most likely is too late to defer this investment.

Implementation: For 5Y164, work with distribution planning to confirm if continuing the geo-targeting for this circuit makes sense or not. Two more circuits served from Grandview substation, 5Y302 and 5Y304, have been identified and are currently being reviewed for possible targeting in 2024-2025.

2024 Update: Distribution System Planning determined the possible Grandview feeders were not appropriate for targeting and identified two feeders on the Naches substation for targeting in 2024-2025 (5Y131 and 5Y132). Outreach to customers on these Naches feeders began in 2024 and will continue in 2025.

2025 Activity and Results:

- Wattsmart Homes served 53 customers totaling 59,000 kWh in savings.
- Reached out to 96 business customers on the Naches feeders via a combination of phone, email, and site visit. Four business customers on the Naches feeders completed a total of 7 projects in 2025 with total energy savings of 369,358 kWh/year (22.8 KW).

- No homes on the targeted feeders received services from the Low-Income Weatherization program.

Non-Residential Lighting Controls (Wattsmart Business program)

Pilot Description (copied from 2025 Annual Conservation Plan filed November 2024):
Purpose: Increase installation of lighting controls as part business customer lighting retrofit projects.
Costs: Included in existing delivery budgets.
Size: Up to 160 projects (approximately 80 per year)
History: Continuation of a pilot from the last biennial periods as part of an overall effort in the region to build momentum and market support for advanced lighting controls.
Implementation: Leverage NEEA's Luminaire Level Lighting Control (LLLC) initiative including vendor training support. Customer Incentives are structured so that lighting upgrades combined with advanced networked lighting controls provide the highest incentive for lighting projects. Continue and evolve vendor incentives for lighting controls.
Marketing: NXT Level training and good/better/best communications, continuing and improving lighting controls training for vendors, and providing outreach coordinator feedback to approved Wattsmart Business Vendors on lighting control opportunities in their projects.
2024 Update:
Continued to encourage savvy vendors that promote lighting controls to participate in the program.
During meetings with customers and vendors and project pre-inspections, the Outreach Team recommends the use of lighting controls where applicable.
Highlighted lighting controls benefits during presentations at the March 2024 in-person vendor training.
Advanced lighting controls videos from NEEA will be posted on the vendor portal, promoted in vendor newsletters and shared with vendors by the outreach team during in-office trainings.
Customer Incentives: Continue to offer the highest customer incentives for projects with Advanced Network Lighting Controls.
Vendor Incentives: Vendor incentives for Advanced Network Lighting Controls increased from $30 per fixture to $50 per fixture in July 2023, continued at this level in 2024 and will continue at this level in 2025.

2025 Activity and Results:

- Continued to offer the highest customer incentives for projects incorporating Advanced Networked Lighting Controls.
- Vendor incentives for Advanced Networked Lighting controls increased from $30 per fixture to $50 in July 2023, continued at this level in 2024, and remained at this level in 2025.
- Annual vendor training in March 2025 included training on advanced lighting controls with support from Northwest Energy Efficiency Alliance.
- In the past, the team scheduled a "hands-on" Advanced Network Lighting Controls (ANLC) and Advanced Exterior Dim (AED) training during the summer. In 2025, the team took a different approach and scheduled in-office controls trainings with vendors to educate them on the value of proposing lighting controls for applicable locations. This resulted in an increase in completed projects and savings in Washington.
- In 2025, there were combined 80 projects, 54 Small Business and 26 listed incentive projects, completed with controls incorporated for a total of 2.5 million kWh savings. In 2024, there were 32 projects completed with controls for a total of 1.64 million kWh. This is a 150% growth in projects and 54% growth in savings from 2024. This momentum is expected to continue as vendors realize the potential in upselling these options, and end customers are increasingly requesting them in their lighting proposals.

Clean Buildings Accelerator (Wattsmart Business program)

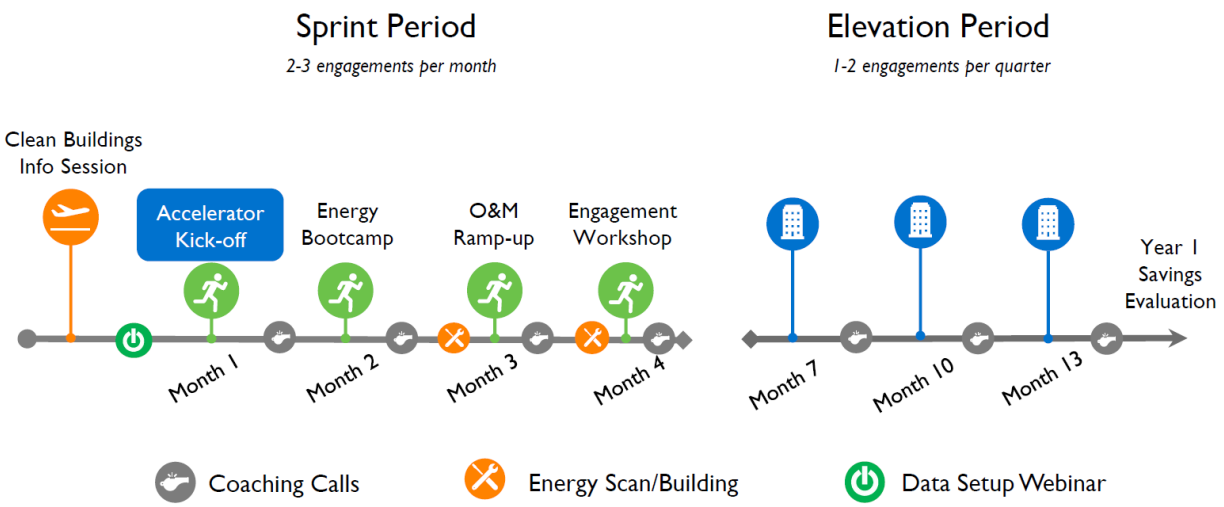
Pilot Description (copied from 2025 Annual Conservation Plan filed November 2024):

Purpose: Help building owners who must comply with the Clean Buildings law (House Bill 1257 – Tier 1, buildings greater than 50,000 square feet, Senate Bill 5722 – Tier 2, buildings 20,000 – 50,000 square feet) get a jump start while also identifying savings opportunities and achieving savings results (reported in the Wattsmart Business Program)
Costs: Costs are included in the Wattsmart Business program delivery and incentive budgets for the biennial period.
Size: Up to 40 buildings (approximately 10-20 buildings per year in 2024 and 2025)
History: Builds on work from pilot in prior biennial period.
Implementation: Continue to leverage Puget Sound Energy development work that led to Clean Buildings Accelerator offer in Wattsmart Business for buildings located in PacifiCorp's service area. Outreach for the offer will include customers in Highly Impacted Communities and other customers who may lack resources to get started with Clean Buildings. Services and incentives will be offered as part of the Wattsmart Business Strategic Energy Management offer. Services may include:

- Coffee chats to provide general information and enroll customers.
- Springs including monthly virtual workshops for 4 months.
- Virtual energy scans to identify energy savings opportunities.
- Cohort elevation workshops (quarterly for Sprint Period graduates)
- Coaching calls
- Energy Star Portfolio Manager training.

2024 Update:

- Clean Buildings Accelerator efforts continuing (from 2022-2023) in 2024-2025 include recruiting for and implementing a third Clean Buildings Accelerator cohort.
    - Below is the timeline for the business customers who choose to be in the cohort.



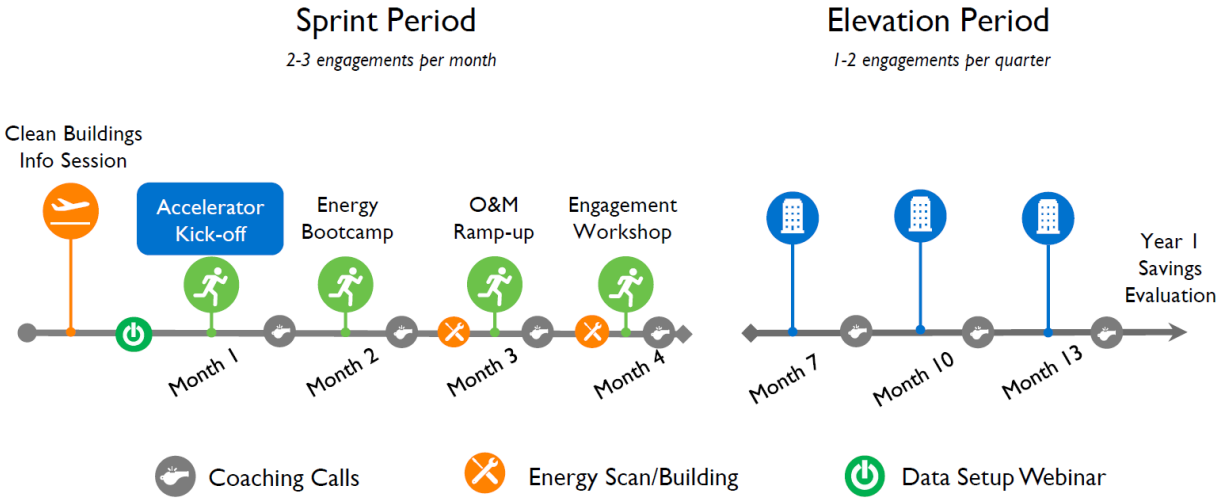
- Info. Sessions – these are introductory/informational meetings for customers considering joining the Accelerator Dates for the virtual info sessions held in 2024 were: 7/10, 8/7 And 8/28.
- Workshops – there will be four workshops as part of the Sprint Period for customers who join a cohort. The four workshops will begin in September 2024 and will continue into January 2025 with a break in Nov/Dec for the holidays. These will be followed by elevation seminars.
- Also included – individual coaching calls, energy scans, and data setup webinar dedicated to helping customers get familiar with Energy Star Portfolio Manager and Resource Advisor.
- In 2024-2025 the pilot will include two new elements in addition to the cohort:
    - Clean Buildings Open House
        - PacifiCorp will host an in-person open house for commercial customers at Yakima Valley College on November 12, 2025. Customers will be able to attend

either a morning or afternoon session which will provide an overview of the Clean Buildings law and strategies for our customer to achieve compliance with energy efficiency strategies. PacifiCorp sent email invites to the Company's commercial customers in late summer/early fall 2024 and more information is posted on the Company's Washington Clean Buildings website.[36]

- Clean Buildings Help Line
  - PacifiCorp's implementor Stillwater Energy will host a "help line" including a phone number and email that commercial customers can use to get specialized assistance with their Clean Buildings questions. The number will go to a voicemail that indicates staff will respond to their inquiry within 2 business days. The phone number and email address are posted on the Company's Washington Clean Buildings website.[37]

2025 Activity:

The Clean Buildings Accelerator efforts included the completion of the third cohort that began in 2024. Below is the timeline for business customers who choose to join the cohort:



Workshops: Four workshops were conducted as part of the Sprint Period for customers who joined cohort 3. These workshops began in September 2024 and continued into January 2025, with a break in November and December for the holidays. Following these workshops, elevation seminars were held in 2025 with the final elevation workshop associated with cohort 3 on August 7th.

Summary of Cohort 3 Information Sessions and Workshops, Including the Open House:

- **July 10, 2024**: Clean Buildings Accelerator Information Session 1
- **August 7, 2024**: Clean Buildings Accelerator Information Session 2
- **August 28, 2024**: Clean Buildings Accelerator Information Session 3
- **September 18, 2024**: Clean Buildings Accelerator - Third Cohort, Workshop 1: Accelerator Kick-off
- **October 23, 2024**: Clean Buildings Accelerator - Third Cohort, Workshop 2: Energy Bootcamp
- **November 12, 2024**: Clean Buildings Open House at Yakima Valley College
- **November 20, 2024**: Clean Buildings Accelerator - Third Cohort, Workshop 3: O&M Strategies
- **January 23, 2025**: Clean Buildings Accelerator - Third Cohort, Workshop 4: Engagement

[36] https://www.pacificpower.net/savings-energy-choices/business/benchmarking/wa-clean-buildings.html
[37] https://www.pacificpower.net/savings-energy-choices/business/benchmarking/wa-clean-buildings.html

- **August 7, 2025**: Clean Buildings Accelerator - Third Cohort, Elevation Workshop

Info Sessions: Introductory and informative meetings for customers considering joining the Accelerator. The virtual info sessions held in 2025 were on the following dates: June 17th and August 5th. Another info session was scheduled for July 17th but had zero registrants and therefore was cancelled.

One purpose of the info sessions was recruitment of those interested to join cohort 4. In 2025 WA Commerce sent letters to tier 2 building owners. We expected new interest from tier 2 building owners but learned that given the smaller size and quantity of buildings owned, the cohort system demanded more time and commitment than building owners were interested in making. Therefore, the final months of 2025 were instead focused on more individual support including:

- **Individual Coaching Calls**: Personalized guidance and support.
- **Energy Scans:** Identifying energy savings opportunities.
- **Data Setup Webinar:** Helping customers become familiar with Energy Star Portfolio Manager and Resource Advisor.

CLEAN ENERGY IMPLEMENTATION PLAN – UTILITY ACTIONS

For the 2024-2025 biennial period, PacifiCorp's Clean Energy Implementation Plan (CEIP) in Washington includes several key utility actions intended to increase focus and delivery of energy efficiency program services to Named Communities, increase participation for customers located in Highly Impacted Communities[38] and improve participation for Vulnerable Populations.

Communications:

Utility Actions from 2025 Annual Conservation Plan (Filed November 2024)

Continue to support programs with an increased equity focus using effective communication strategies to reach Named Communities.

- Continue to increase culturally and linguistically responsive outreach and marketing to increase awareness of energy and conservation programs.
- Continue to expand in-language services across written, spoken, and visual communications.
    - As appropriate, include Spanish versions of collateral at community events that PacifiCorp is sponsoring. Have interpreters and translated materials at public meetings.
    - Promote energy efficiency programs on appropriate Spanish-language media, directing customers to Spanish-language web pages. Where possible, use local, trusted messengers**.**

2025 Update:

PacifiCorp made significant strides in clean energy implementation in Washington by advancing culturally responsive outreach, strengthening partnerships, and expanding multilingual engagement.

The company adapted messaging to reflect cultural values, community needs, and specific barriers to participation. PacifiCorp distributed its annual Language Access Plan to the Equity Advisory Group, Low-Income Advisory Group, and Demand-Side Management Advisory Group, and shared it with other Washington interested parties upon request.

PacifiCorp continued to build partnerships with trusted local organizations to disseminate program information through familiar and accessible channels. Outreach efforts leveraged local radio, newspapers, and community newsletters to broaden reach among residents with limited internet access.

[38] The results to be reflected in the energy efficiency Customer Benefit Indicator Metrics reported in the Clean Energy Transformation Act Compliance Report (due July 1, 2026).

For residential customers, PacifiCorp's multicultural campaign ran from April through September, and included Spanish-language radio interviews, influencer posts, television, print, and digital advertising focused on energy efficiency.

Table 2: Multicultural Outreach – Residential Customers

Category	Metric	Result
Media	Media Mentions	358
Native Content	Impressions	24.8K
Social media	Views	13,402

For business customers, PacifiCorp's multicultural campaign ran from February through July, and included Spanish-language radio interviews, influencer posts, television, print, and digital advertising focused on energy efficiency.

Table 3: Multicultural Outreach – Business Customers

Category		Metric	Result
Media		Media Mentions	436
Native Content		Impressions	50K
Social media		Views	18,268

Residential:

Wattsmart Homes:

Utility Actions from the 2025 Annual Conservation Plan (Filed November 2024)

Home Energy Savings program implementation and delivery will focus effort on increasing CBI metrics through enhanced incentives, new and continuing program offerings and support to increase participation in energy efficiency options for customers living in Highly Impacted Communities. In addition, Home Energy Savings will continue to provide services and support for customers in Vulnerable Populations.

Actions to serve Highly Impacted Communities

- Expand and focus on direct-install, duct sealing, smart thermostats, and lighting with focused effort on single family homes in Highly Impacted communities.
- Maintain increase for the smart thermostat per unit cost paid to direct install contractors to address higher labor and product costs so they remain motivated to install as many units as possible.
- Continue offering Low-E storm windows with an emphasis on promoting to customers in Highly Impacted Communities during direct install visits.
- Continue enhanced incentives for customers in Highly Impacted Communities for all heat pumps.
- Continue the Community Based Distribution offering that provides LED bulbs to Highly Impacted Community Tribal customers at no cost. This program offering replaced the "value retailer" bulb buy-down that was discontinued in 2023.
- Customers in Highly Impacted Communities and contractors are able to confirm HIC status and eligibility for an enhanced incentive through a web-based confirmation screening application.

Actions to serve Vulnerable Populations (renters, language)

- Continue to offer enhanced incentives for windows in multifamily units on residential rate schedules.
- Continue to provide no-cost direct install residential lighting to renters living in multifamily units.

- Continue direct-install lighting and smart thermostats for multifamily homes. Increase the smart thermostat per unit cost paid to direct-install contractors to address higher labor and product costs so they remain motivated to install as many multifamily units as possible.
- Continue the Community Based Distribution offering that provides LED bulbs to Vulnerable Population customers at no cost. This program offering replaced the "value retailer" bulb buy-down.
- Continue efforts to reach Spanish speaking customers through all aspects of program delivery including:
    - Customer facing staff fluent in Spanish
    - PacifiCorp representation at cultural events, associations, community groups, and media
    - Provide communications, marketing, web, and program materials in Spanish

2025 Update:

The above actions incorporated into the program design are intended to ensure improvement in the equitable distribution of energy and non-energy impacts to the Named Communities identified in PacifiCorp's Clean Energy Implementation Plan. Customer Benefit Indicator Metric Results for 2025 to be reported in the Clean Energy Implementation Plan compliance report, due July 1, 2026. The 2025 data will be added to the Report Card.[39]

Actions to Serve Highly Impacted Communities:

- **Enhanced incentives for HVAC Measures:** Continued enhanced incentives for ductless heat pumps and heat pump conversions serving customers in Highly Impacted Communities.
- **Direct Install Delivery:** Direct-install offerings such as duct sealing installations continued to provide accessible participation pathways for customers.
- **Community-Based LED Distribution:** Continued collaboration with community-based organizations to distribute LED bulb packs to customers located in Highly Impacted Communities and Vulnerable Populations.
- **Community Engagement Activities:** Program staff participated in more than 20 community-hosted events and partner-led outreach activities designed to increase awareness of energy efficiency opportunities among Highly Impacted Communities.
- **Tree Planting:** Partnered with a local nonprofit to implement a tree planning initiative, providing 121 shade trees to households in Yakima County.

Actions to Serve Vulnerable Populations (Renters, Spanish Language):

- **Multifamily Incentives:** Continued offering incentives for energy efficiency measures serving renters in multifamily housing units.
- **Direct Install Access for Renters:** Direct install measures such as duct sealing and door sweeps provided accessible participation opportunities for renters and customers with limited ability to make major energy-efficient upgrades.
- **Community-Based LED Distribution:** Continued targeted LED bulb distribution efforts through community-based organizations serving vulnerable populations.
- **Spanish-Language Outreach:** Continued program-wide efforts to improve engagement with Spanish-speaking customers through bilingual outreach and Spanish language program materials.
- **Community Event Participation:** Bilingual program staff participated in community-hosted events, workshops, and partner-led outreach activities to increase awareness of energy efficiency incentives among underserved households.

[39] https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/community/washington-ceip/CEIP_CBIs_Report_Card.xlsx

Low-Income Weatherization:

Utility Actions copied from the 2025 Annual Conservation Plan (filed November 2024)
Actions to Serve Vulnerable Populations (Low Income):

- Continuing to allow reimbursement for repairs up to 30 percent of the annual reimbursement on energy efficient measures received (increased from 15% in 2022).
- Continue to allow installation of electric heat to replace permanently installed electric heat, space heaters or any fuel source except natural gas with adequate combustion air as determined by the Agency. This is designed to promote the installation of electric heat and minimize the use of wood heat, solid fuels, or natural draft equipment in specific applications where combustion safety (and indoor air quality) cannot be maintained.

2025 Update:

In 2025, the combined total annual reimbursement on repair cost was 9 percent of the annual reimbursement on energy efficient measures installed by the four weatherization partner agencies, though this varied by agencies between 1.1% to 28.3%. There were no installations of ductless heat pumps to replace any non-electric fuel source.

Under Docket UE-230172, PacifiCorp was directed to work with its DSM Advisory Group to develop enhancements to its low-income weatherization program including 1) Pilot program to overcome inability to weatherize homes because of deferred maintenance or large repairs and 2) progress payments to weatherization agencies.

In 2025, PacifiCorp consulted with its partner Weatherization Community Action Agencies to identify the top reasons for weatherization deferrals and determine estimated costs to mitigate issues to make the home ready for weatherization services. The Company presented a draft pilot program proposal to the DSM Advisory Group on December 11, 2025, and the Equity Advisory Group (EAG) on January 8, 2026. The Company sought feedback and guidance to determine if stakeholders had any concerns or suggested additions that could be incorporated. The pilot proposal included the following:

- PacifiCorp proposed a 1-year Readiness Pilot Program to reduce weatherization deferrals by funding critical home repairs before weatherization work can proceed.
    - **Goal**: Address common barriers (electrical, roofing, plumbing, HVAC, asbestos) that prevent homes from qualifying for weatherization.
    - **Funding**: Costs recovered through the Systems Benefit Charge (Schedule 191), similar to existing weatherization programs.
    - **Budget Caps**:
        - Up to **$15,000 per customer** for readiness repairs.
        - Up to **$100,000 per agency** during the pilot year.
    - **Billing Process**: Agencies can bill PacifiCorp after readiness repairs are completed, without waiting for weatherization.
    - **Customer Requirement**: Those receiving repairs must also participate in weatherization services.
    - **Duration**: 1-year pilot with evaluation at the end to decide continuation.

The Company intends to submit a broader filing for this pilot and on low-income activities in 2026. PacifiCorp will continue to coordinate with the Commission and stakeholders regarding next steps, as applicable.

Non-residential:

Wattsmart Business:

Utility Actions copied from the 2025 Annual Conservation Plan (filed November 2024)

- Continue to increase the number of businesses in Highly Impacted Communities and small businesses participating; 2024-2025 results will be reflected in the energy efficiency Customer Benefit Indicator metrics.

- Enhanced customer incentives for Small Businesses in Highly Impacted Communities and Very Small Businesses.
    - Continuing the small business enhanced incentive lighting and non-lighting offers targeting Named Small Business (located in Highly Impacted Communities) and the smallest business using less than 30,000 kilowatt-hours per year (very small businesses) on Schedule 24.
    - Continue to offer higher incentives than the regular small business offer with incentives capped at 100% of the project costs for lighting to reduce the customer out-of-pocket cost barrier.
- Enhanced vendor incentives – Continue to offer approved small business lighting vendors a higher vendor incentive for completed lighting retrofit projects with Small Businesses in Highly Impacted Communities and Very Small Businesses
- Targeted Outreach
    - Continue to target a portion of companies initiated proactive outreach to Small Businesses in Highly Impacted Communities and Very Small Businesses; continue to tie proactive outreach to approved small business vendor capacity to respond to customer inquiries.
    - Target a portion of companies initiated proactive outreach to business customers located on Tribal land.
- Continue development of program materials in Spanish; continue and increase outreach to Latine business customers, vendors, and community groups.

2025 Update:

The enhanced customer incentives and higher vendor incentives for completing projects with small businesses in Highly Impacted Communities facilitated project closures and engagement with these businesses, including those where Spanish is the primary language spoken on site. These actions incorporated into the program design are intended to ensure improvement in the equitable distribution of energy and non-energy impacts to the Named Communities identified in PacifiCorp's Clean Energy Implementation Plan*. Additionally, updates on targeted outreach and engagement with Latine business customers and community groups are provided below.

- **Outreach to Small Businesses in Highly Impacted Communities**: The team focused on outreach efforts, successfully completing small business lighting and non-lighting projects with 345 customers located in Highly Impacted Communities.
- **Partnered with Community and Tribal Entities:** Executed significant lighting projects for small businesses within Highly Impacted Communities, including 76 small businesses located on Tribal Lands.
- **Enhanced Outreach through Culturally Responsive Services**: Implemented Spanish-language initiatives, marketing campaigns, and updates to the Spanish website to enhance service to diverse communities.
- **Collaborated with Approved Wattsmart Small Business Lighting Vendors:** Conducted joint bilingual customer visits. Vendors recognized the value of having a PacifiCorp representative translate opportunities for Spanish-speaking customers, which proved to be extremely helpful.
- **Yakama Nation Case Study:** The case study [40]highlights Yakama Nation's multiple successful Wattsmart® Business lighting projects to improve energy efficiency, reduce electricity costs and provide a safer and more welcoming environment.

*Customer Benefit Indicator Metric Results for 2025 to be reported in the Clean Energy Implementation Plan compliance report, due July 1, 2026. The 2025 data will be added to the Report Card.[41]

Participation Tracking and Reporting:

Utility Actions copied from the 2025 Annual Conservation Plan (filed November 2024):

[40] https://www.pacificpower.net/savings-energy-choices/business/success-stories.html

[41] https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/community/washington-ceip/CEIP_CBIs_Report_Card.xlsx

Continue to track program participation for the following and include in annual reports. Refined questions starting in 2024 related to spoken language and rent/lease to better align with the data needed on these Vulnerable Populations for Clean Energy Implementation Plan progress reporting.

- **Low Income Weatherization**
    - Participants located in Highly Impacted Community
    - Vulnerable Populations:
        - Language – Participants where the primary language spoken in the household is other than English.
        - Renters – Participants who rent or lease rather than own (identify and track participation for rental properties.
        - Low income – all participants
    - Participants living in a manufactured home
- **Wattsmart Homes**
    - Participants located in a Highly Impacted Community
    - Vulnerable Populations:
        - Language – Participants where the primary language spoken in the household is other than English.
        - Renters – Participants that rent or lease rather than own (identify and track participation for rental properties)
    - Participants living in manufactured homes
- **Wattsmart Business (except midstream)**
    - Participants located in a Highly Impacted Community
    - Participants where the primary language spoken at the project site is other than English
    - Participants who rent or lease rather than own.
    - Participants that are smaller businesses (e.g. Account associated with project receive electric service on Schedule 24).

2025 Update:

Tracked the above data in 2025.

EXPENDITURE AND SAVINGS RESULTS:

TOTAL PORTFOLIO BUDGET AND EXPENDITURES

Table 4: DSM Balancing Account[42]

Month	Expenditure	S-191 Revenue[43]	Cash Basis Accumulative Balance[44]	Net Cost Accrual[45]	Accrual Basis Accumulative Balance[46]
24-Dec			$618,957		
25-Jan	$1,648,586	$(2,328,983)	$(33,764)	$(388,999)	$872,793
25-Feb	$1,550,003	$(2,304,045)	$(705,417)	$560,365	$761,504
25-Mar	$1,687,247	$(1,928,038)	$(913,597)	$43,099	$596,424
25-Apr	$1,069,947	$(1,614,921)	$(1,411,579)	$(143,482)	$(45,039)
25-May	$1,725,546	$(1,472,216)	$(1,129,618)	$(52,429)	$184,492
25-Jun	$2,429,078	$(1,737,715)	$(360,864)	$(95,261)	$857,986
25-Jul	$1,440,983	$(2,034,007)	$(786,895)	$(86,006)	$345,948
25-Aug	$2,242,733	$(2,300,266)	$ (883,109)	$(78,639)	$171,096
25-Sep	$2,085,910	$ (2,508,261)	$(1,232,368)	$130,952	$(47,211)
25-Oct	$1,753,415	$ (2,098,645)	$(1,568,117)	$(15,232)	$(398,192)
25-Nov	$2,533,940	$(2,142,996)	$(1,093,057)	$ (32,340)	$44,528
25-Dec	$2,756,511	$ (2,566,869)	$(834,450)	$816,375	$1,119,510
2025 Total	$22,923,899	$(25,036,962)		$658,404	

[42] The DSM balancing account serves as the mechanism for managing the revenues from the DSM Tariff Rider and the actual expenditures incurred for DSM activities.
[43] The revenue collected through the DSM Tariff Rider used to fund energy efficiency programs and manage the associated expenditures. This mechanism ensures that the costs of these programs are recovered efficiently and transparently.
[44] The current balance of the account represents a running total of account activities, excluding accrued costs. A positive balance indicates that cumulative expenditures exceed cumulative revenue, while a negative balance indicates that cumulative revenue exceeds cumulative expenditures.
[45] Two accrual entries are made each month for the expenditures of energy efficiency programs. One entry estimates the incurred costs not yet processed, while the other reverses the estimate from the previous month. The amount shown here represents the net of these two entries. This accounting principle is applied to the balancing account but not included when calculating the carrying charges.
[46] The current balance of the account, including accrued costs, represents a running total of account activities. A positive balance indicates that cumulative expenditures exceed cumulative revenue, while a negative balance indicates that cumulative revenue exceeds cumulative expenditures.

Table 5: Washington Results January 1, 2025 – December 31, 2025[47]

Energy Efficiency Program	kWh Savings (at site)	kWh Savings (at gen)	Estimated Systems Benefit Expenditures
Low Income Weatherization (114)	79,364	85,456	$826,219
Wattsmart Homes (118)	4,439,330	4,780,093	$6,698,045
Home Energy Reports (N/A)	3,409,556	3,671,274	$310,342
Total Residential Programs	**7,928,249**	**8,536,822**	**$7,834,606**
Wattsmart Business (140) - Commercial	24,983,754	26,883,019	$8,834,995
Wattsmart Business (140) - Industrial	14,636,693	15,634,183	$5,175,967
Wattsmart Business (140) – Irrigation	163,600	176,158	$57,854
Total Wattsmart Business Program	**39,784,047**	**42,693,361**	**$14,068,816**
Northwest Energy Efficiency Alliance	5,056,587	5,444,058	$724,728
Distribution Efficiency	910,632	978,801	$-
Production Efficiency	0	0	$ -
Total Other Conservation Initiatives	**5,967,219**	**6,422,860**	**$724,728**
Be wattsmart, Begin at Home			$58,638
Customer outreach/communication			$432,188
Program Evaluations (& savings verification)			$224,246
Potential study update/analysis			$170,530
System Support			$23,562
End use load research			$10,836
Regional Technical Forum (RTF) funding			
Total Portfolio-Level Expenses			**$920,001**
Total PacifiCorp Conservation	**48,622,928**	**52,208,984**	**$22,823,422**
Total System Benefits Charge Conservation	**53,679,515**	**57,653,042**	**$23,548,151**
Total Conservation	**53,679,515**	**57,653,042**	**$23,548,151**

[47] **Gross savings** in energy efficiency programs refer to the total reduction in energy consumption and demand directly attributable to the program, without accounting for any external factors or adjustments. These savings calculated by comparing the actual energy use after the implementation of the program to a baseline scenario where the program was not implemented. Gross savings are an important metric for evaluating the effectiveness of energy efficiency programs, as they provide a clear measure of the energy reductions achieved through program activities.

Table 6: DSM Business Plan Forecast and Actual Results for 2025 [48]

	2025 from 2024-2025 PacifiCorp Washington DSM Business Plan			2025 PacifiCorp Washington DSM Actual		
Energy Efficiency Program	**kWh Savings (at site)**	**kWh Savings (at gen)**	**Estimated Systems Benefit Expenditures**	**kWh Savings (at site)**	**kWh Savings (at gen)**	**Estimated Systems Benefit Expenditures**
Low Income Weatherization (114)	138,210	148,819	$1,145,873	79,364	85,456	$826,219
Wattsmart Homes (118)	4,754,332	5,119,275	$6,555,468	4,439,330	4,780,093	$6,698,045
Home Energy Reports (N/A)	3,741,000	4,028,159	$355,007	3,409,556	3,671,274	$310,342
Total Residential Programs	**8,633,542**	**9,296,253**	**$8,056,348**	**7,928,249**	**8,536,822**	**$7,834,606**
Wattsmart Business (140) - Commercial	24,870,175	26,760,805	$10,579,771	24,983,754	26,883,019	$8,834,995
Wattsmart Business (140) - Industrial	6,379,815	6,814,599	$2,577,269	14,636,693	15,634,183	$5,175,967
Wattsmart Business (140) - Irrigation	1,232,498	1,327,105	$530,661	163,600	176,158	$57,854
Total Wattsmart Business Program	**32,482,488**	**34,902,509**	**$13,687,701**	**39,784,047**	**42,693,361**	**$14,068,816**
Northwest Energy Efficiency Alliance	5,042,177	5,479,287	$1,001,754	5,056,587	5,444,058	$724,728
Distribution Efficiency	227,000	243,993		910,632	978,801	$ -
Production Efficiency	630	630		0	0	$ -
Total Other Conservation Initiatives	**5,269,807**	**5,723,910**	**$1,001,754**	**5,967,219**	**6,422,860**	**$724,728**
Be wattsmart, Begin at Home			$73,552			$58,638
Customer outreach/communication			$250,000			$432,188
Program Evaluations (& savings verification)			$159,503			$224,246
Potential study update/analysis			$25,000			$170,530
System Support			$68,416			$23,562
End use load research			$33,363			$10,836
Regional Technical Forum (RTF) funding			$43,400			**$ -**
Total Portfolio-Level Expenses			**$653,234**			**$920,001**
Total PacifiCorp Conservation	**41,343,660**	**44,443,385**	**$22,397,283**	**48,622,928**	**52,208,984**	**$22,823,422**
Total System Benefits Charge Conservation	**46,385,837**	**49,922,672**	**$23,399,037**	**53,679,515**	**57,653,042**	**$23,548,151**
Total Conservation	**46,385,837**	**49,922,672**	**$23,399,037**	**53,679,515**	**57,653,042**	**$23,548,151**

Table 7: Estimated Peak Contribution

Description	Value @site	Value @generator
First Year Energy Efficiency Program MWh Savings Acquired During 2025	53,680	57,653
Conversion factor: Coincident MW/MWh	0.000188538	0.000188538
Estimated Coincident Peak MW Contribution of 2025 Energy Efficiency Acquisitions	10.12	10.87
Estimated Lifecycle Energy Efficiency Program MWh Savings from Savings Acquired in 2025	500,516	537,759

[48] Consistent with the requirements under WAC 480-109-120 (3)(b)(ii) and (iii), this section provides a comparison of the Company's business plan to actual program performance.

Table 8: Direct Incentives to Customers[49]

Program or Initiative	Expenditures	Direct Incentives to Customers	% Direct Incentives to Customers
Low Income Weatherization (114)[50]	$826,219	$684,498	83%
Wattsmart Homes (118)[51]	$6,698,045	$2,753,953	41%
Home Energy Reports (N/A)[52]	$310,342	$-	0%
Total Residential Programs	**$7,834,606**	**$3,438,451**	**44%**
Wattsmart Business (140) - Commercial	$8,834,995	$8,041,281	
Wattsmart Business (140) - Industrial	$5,175,967	$1,919,206	
Wattsmart Business (140) - Irrigation	$57,854	$ 41,110	
Total Wattsmart Business Program[53]	**$14,068,816**	**$10,001,597**	71%
Northwest Energy Efficiency Alliance (NEEA)[54]	**$724,728**	**$499,724**	69%
Be Wattsmart, Begin at Home	$58,638		
Customer outreach/communication	$432,188		
Program Evaluations (& savings verification)	$224,246		
Potential study update/analysis	$170,530		
System Support	$23,562		
End use load research	$10,836		
Regional Technical Forum (RTF) funding	$-		
Total Portfolio-Level Expenses[55]	**$920,001**		
Total PacifiCorp Conservation	$22,823,422		
Total System Benefits Charge Conservation	**$23,548,151**		
Total Conservation	**$23,548,151**	**$13,939,772**	**59%**

[49] This additional metric to assess program impacts aligns with discussions between Commission Staff and the Company during the preparation of prior conservation plans and reports. Direct incentives are in addition to the benefits all customers receive through the implementation of cost-effective energy efficiency resources, lower energy costs.
[50] Low Income Weatherization: Payments to community action agencies for measure installation classified as incentives.
[51] Wattsmart Homes: Customer and partner incentives included in the direct incentives to customer calculation.
[52] Home Energy Reports: No incentives paid to customers participating in the Home Energy Reports program. This is a behavioral program that informs customers on energy reduction solutions to lower their utility bills.
[53] Wattsmart Business: Customer and vendor incentives ($8,298,396), along with estimated expenditures for customer site-specific energy engineering ($1,703,201) included in the direct incentive to customer calculation.
[54] NEEA: The Company subtracted for NEEA program administration. The calculation utilized the assumption provided by WUTC staff that 70% of the NEEA expenditures are a direct incentive to customers.
[55] Portfolio expenses do not result in direct customer incentives since they are associated with supporting the program portfolio overall and do not include incentive payments or other direct customer benefits.

GROSS SAVINGS BY MEASURE CATEGORY

Table 9: 2025 Annual Savings by Wattsmart Homes

Measure Category	Total kWh (at Site)	Total Incentive	Total Measure Quantity
Appliances	12,540	$14,170	51
Building Shell	276,637	$296,870	456,119
Electronics	662,617	$193,180	4,971
HVAC	3,348,408	$2,148,716	4,606
Lighting	1,674	$270	45
Water Heating	108,494	$65,997	71
Whole Home	28,958	$34,750	12
Grand Total	**4,439,330**	**$2,753,953**	

Table 10: Participation by Manufactured Home Residents

Program	2021	2022	2023	2024	2025
Low Income Weatherization Homes	8	12	86	69	60
Home Energy Savings Participants	813	781	1,950	3,867	5,395
Appliances	6	2	3	10	1
Building Shell	0	0	0	2,450	312
Cooling	0	0	1	1	32
Duct Sealing	618	433	1,356	816	590
Direct Install	0	0	0	0	0
Heat Pump	121	114	146	89	171
Heat Pump Water Heater	0	1	1	0	0
Smart Thermostat	0	4	12	13	6
Kits	0	0	0	0	0
Lighting	244	222	426	479	6,891
Lighting Buy Down	0	0	0	0	0
Weatherization [FK3]	2	0	1	0	0
Whole Home	10	5	4	8	15

Table 11: Low Income Homes Served and Measures Installed

Measure Type	Installed
Air Sealed/Infiltration	53
Insulation	163
Attic Ventilation	28
Lighting LED	395
Weather Strip Doors	32
Duct Sealing and/or Insulation	37
Ductless Heat Pump	9
Thermal Doors and/or Window Replacement	35
Water Heating	12
Low Flow Shower Heads and Faucet Aerators	51
Ground Cover	46
Thermostat	2
Refrigerator Replacement	2
Total Number of Homes Served	**60**
Total kWh Savings @ Site	**79,364**

Table 12: Wattsmart Business Savings by Sector

Sector	Total kWh (at Site)	Total Incentives
Agricultural	163,600	$41,110
Commercial	24,983,754	$7,420,002
Industrial	14,636,693	$837,284
Grand Total	**39,784,047**	**$8,298,396**

Table 13: 2025 Wattsmart Business

Measure Category	Total kWh (at Site)	Total Incentives	Total Projects
Additional Measures	761,057	$234,976	49
Building Shell	18,220	$6,608	6
Compressed Air	533,954	$117,265	4
Energy Management	14,737,238	$368,431	13
HVAC	894,209	$372,653	262
Irrigation	188,831	$47,531	15
Lighting	12,453,695	$4,878,958	374
Motors	1,663,278	$349,489	6
Refrigeration	7,061,999	$1,809,445	27
Transportation	1,471,566	$113,040	51
Grand Total	**39,784,047**	**$8,298,396**	**807**

COST EFFECTIVENESS

Program cost effectiveness is evaluated using a company-specific modeling tool developed by a third-party consultant. This tool incorporates PacifiCorp data and values, such as avoided costs, and follows the methodology specified in California's Standard Practice Manual. The analysis assesses costs and benefits from various stakeholder perspectives using five tests: PTRC, TRC, UCT, PCT, and RIM.

Cost-Effectiveness Tests:

- **PacifiCorp Total Resource Test (PTRC):** Total Resource Test with 10% added to the net benefit side of the benefit/cost formula to account for non-quantified environmental and non-energy benefits of conservation resources over supply side alternatives.
- **Total Resource Cost (TRC) Test:** Considers benefits and costs from the perspective of all utility customers, comparing the total costs and benefits from both the utility and utility customer perspectives.
- **Utility Cost (UCT) Test:** Also called the program administrator cost test, provides a benefit to cost perspective from the utility only. The test compares the total utility cost incurred to the benefit/value of the energy and capacity saved and contains no customer costs or benefits in calculation of the ratio.
- **Participant Cost Test (PCT):** Compares the portion of the resource paid directly by participants to the savings realized by the participants.
- **Ratepayer Impact Cost Test (RIM):** Examines the impact of energy efficiency expenditures on non-participating ratepayers overall. Unlike supply-side investments, energy efficiency programs reduce energy sales. Reduced sales typically lower revenue requirements while putting near-term upward pressure on the rates remaining fixed costs are spread over fewer kilowatt-hours.

All calculations assume a net-to-gross (NTG) ratio of 1.0. Portfolio level cost effectiveness includes portfolio costs such as the Process and Impact Evaluations, Class 2 demand-side management (DSM) Potential Assessment, End Use Load Research, and the DSM system database. Consistent with the Northwest Power and Conservation Council's methodology, the Company includes quantifiable non-energy benefits at the portfolio and program level. Low Income Weatherization is excluded from the portfolio or sector-level analysis per WAC 480-109-100(10)(c). Appendix A provides cost effectiveness performance in 2025.

Table 14: 2025 Cost-Effectiveness Results by Program

Program	Benefit/Cost Test				
	PTRC	TRC	UCT	PCT	RIM
Total Portfolio (not inc. NEI or NEEA)	1.80	1.64	2.03	2.60	0.83
Total Portfolio (inc. NEI and NEEA)	2.24	2.06	2.28	3.46	0.83
Residential	0.72	0.65	1.03	1.31	0.55
Residential (inc. NEEA)	1.24	1.12	1.73	2.20	0.66
Residential (inc. NEIs)	0.81	0.75	1.03	1.48	0.55
Residential (inc. NEEA and NEIs)	1.33	1.22	1.73	2.38	0.66
Wattsmart Homes	0.60	0.54	0.88	1.25	0.47
Wattsmart Homes (inc. NEI)	0.70	0.64	0.88	1.43	0.47
Home Energy Reports	4.84	4.40	4.40	N/A	1.98
Low Income Weatherization (not inc. NEI)	0.11	0.10	0.08	N/A	0.08
Low Income Weatherization (inc. NEI)	0.85	0.84	0.08	N/A	0.08
Wattsmart Business	2.63	2.40	2.59	3.53	0.93
Wattsmart Business (inc. NEIs)	2.94	2.70	2.59	4.12	0.93

EVALUATIONS

Evaluations are performed by independent external evaluators to validate energy and demand savings derived from the Company's energy efficiency programs. Industry best practices are adopted by the Company with regard to principles of operation, methodologies, evaluation methods, and protocols including those outlined in the National Action Plan for Energy Efficiency Program Impact Evaluation and the California Evaluation Framework guides.

A component of the overall evaluation efforts aimed at the reasonable verification of installations of energy efficient measures and associated documentation through review of documentation, surveys, and/or on-site inspections.

Verification of the potential to achieve savings involves regular inspection and commissioning of equipment. The Company engages in programmatic verification activities, including inspections, quality assurance reviews, and tracking checks and balances as part of routine program implementation and may rely upon these practices in the verification of installation information for the purposes of savings verifications in advance of more formal impact evaluation results.

Evaluation, measurement, and verification tasks segregated within the Company organization to ensure they are performed and managed by personnel who are not solely responsible for program management.

Information on completed or in-progress evaluation activities is summarized in the chart below[56].

Table 15: 2025 Evaluation Activities

Evaluation	Responsible Consultant	Status	Published
2023-2024 Home Energy Savings Evaluation	ADM	Complete	2025
2022-2023 Wattsmart Business Evaluation	ADM	Complete	2025
2020-2021 Low Income Evaluation	Opinion	Complete	2025
2024-2025 Wattsmart Business Evaluation	QualusCorp	In-Progress	TBD - 2026
2022-2023 Low Income Evaluation	Opinion	In Progress	TBD - 2026
2024-2025 HER Evaluation	QualusCorp	In-Progress	TBD - 2026

APPENDIX A: COST-EFFECTIVENESS

APPENDIX B: NEEA 2025 SAVINGS REPORT MEMO

[56] Evaluation results can be found at the companies' website in the Reports and program evaluations by state section at: https://www.pacificorp/com/envoiroment/demand-side-management.html.