

@Pacific Power's Responses to Energy Trust of Oregon's Comments on the Draft Filing for the Oregon Commercial & Industrial Demand Response Program

October 17, 2022

Background

On September 23, 2022, the Company provided a revised draft filing for the Oregon Commercial & Industrial (C&I) Demand Response (DR) Program to the invited parties in the December 2021 demand response workshop and requested comments by October 7, 2022. The Energy Trust of Oregon ("Energy Trust") provided comments and questions on that draft filing on October 7, 2022. On October 7 & 11, 2022, in response to those comments, Company and Energy Trust representatives met to discuss practices and tactics for collaboratively identifying energy efficiency and demand response opportunities at customers facilities. Consequently, the Company made edits to the draft filing.

On October 14, 2022, the Company filed the updated advice letter and corresponding exhibits for the C&I DR Program with the Public Utility Commission of Oregon (Commission) using provisions of Schedule 106, under Advice No. 22-011.¹

ETO Comments and Pacific Power's Responses

Below is a list of the feedback provided by Energy Trust on October 7, 2022, along with the Company's responses.

Section: "Delivery of the commercial and industrial program," Pages 4-5

Energy Trust Comment #1: "Does PacifiCorp have a plan in place for how Enel X will coordinate with Energy Trust to reach shared customers?"

Company Response: PacifiCorp values cross-program participation across the efficiency opportunities that Energy Trust offers, and the DR opportunities offered via the Company's proposed C&I DR Program. The Company is supportive of that cross-program coordination with the Energy Trust and looks forward to joint planning moving forward. The joint meetings on October 7 and 11, 2022 highlighted some of the opportunities and methods the two organizations have for cross-promotion of the offers and concluded it was beneficial for coordination efforts to be on-going once the C&I DR Program is approved. The Company updated the advice letter with the following addition, "The Company, Enel X, and the Energy Trust of Oregon team will collaborate, so customers have cohesive messaging around energy efficiency and demand response opportunities at their facilities."

¹ The filing under Advice No. 22-011 is available online via the eDockets page on the OPUC website. <https://www.oregon.gov/puc/Pages/default.aspx>

Energy Trust Comment #2: “What is the value proposition for customers and how does this relate the value proposition for efficiency and renewables?”

Company Response: While the offerings of energy efficiency (EE & renewables) and DR are complimentary and may have overlapping participants, the value propositions for the two are different. Dispatchability is the proposition which differentiates DR from EE & renewables: while EE & renewables are commonly available across most hours of the year, they typically often require an up-front investment, and then become a “set-it and forget-it” measure from the customer perspective, DR, on the other hand, requires no up-front investment but involves a commitment to real time operational changes in response to grid conditions and event notices.

Energy Trust Comment #3: “How can we coordinate EE and DR programs so that they are not in direct conflict competition?”

Company Response: See Company Response to ETO Comment #1.

Energy Trust Comment #4: “How will this translate through to Enel X’s contract?”

Company Response: PacifiCorp has visibility into and approval of Enel X’s sales and marketing strategy. Effective collaboration with the Energy Trust will be required as PacifiCorp reviews and approves sales and marketing plans for demand response.

Energy Trust Comment #5: “Why are there no new demand savings or participants past 2024?” This refers to table 2 in the advice letter.

Company Response: Information in Table 2 is based on initial markets sizing and budgeting which illustrates an initial ramp up and no growth beyond. There may be growth opportunities beyond the initial ramp up, but timing and magnitude of those opportunities is relatively uncertain absent information on initial uptake. Once the initial ramp is underway or complete, PacifiCorp will reassess both enrolled customers’ MW potential and opportunities available from new customers.

Section: “Cost Effectiveness,” Page 7

Energy Trust Comment #6: “Are the components of the avoided cost stack the same?”

Company Response: The components and sources of the avoided cost stack for DR are the following:

- Forward energy price (inclusive of carbon costs) – 2023 IRP
- Generation capacity deferral – UM 1893
- T&D capacity deferral – UM 1893
- Avoided reserves (dependent upon the product) – 2023 IRP

Energy Trust Comment #7: “How do the components compare for EE and DR?”

Company Response: The components are similar to EE with the exception of a risk reduction credit, 10% power act credit, and reserves. Additionally, values are tailored to dispatch parameters and availability, which are specific to the products themselves.

Energy Trust Comment #8: “Does DR get the 10% efficiency adder specified in the NW Power Act?”

Company Response: The 10% efficiency adder is currently not included, but the Company will include it if directed to do so by Commission Staff.