

## **Planned Changes to Wattsmart Business - California Proposed Effective Date – September 24, 2020**

PacifiCorp (Pacific Power) is planning modifications to the Wattsmart Business energy efficiency incentive program, which is offered through Schedule A-140. The proposed changes are intended to update the program based on new statewide energy efficiency workpapers to improve consistency with other California energy efficiency programs. Consistent with the change process for the Wattsmart Business program documented in Advice Letter 518-E approved April 30, 2015, notice of the changes will be posted on the program website<sup>1</sup> 45 days prior to implementation. Proposed changes to the incentive tables are included in Exhibit A.

### **Background**

The Wattsmart Business program is available to the Company's commercial, industrial and irrigation customers in California<sup>2</sup> and offers incentives and technical assistance for prescriptive/listed, custom, and energy management measures. Incentives are available for both retrofit projects and new construction/major renovation projects.

The program in California was last updated in August 2019. The prescriptive/listed measures in the program periodically require updates to maintain alignment with energy code, standards, third-party specifications, California's Database for Energy Efficiency Resources (DEER) and market data that change over time. The program is also periodically expanded to include new measures. As part of this set of program changes, the Company is incorporating the appropriate updates for 2020.

### **Description of Planned Wattsmart Business Changes**

These changes are intended to

- a) align with [DEER statewide workpapers](#), including removal or modification of measures
- b) align with updates to third-party specifications such as Consortium for Energy Efficiency
- c) align with updates to Regional Technical Forum analysis for the irrigation hardware measures
- d) add a new ductless heat pump measure (heat pump replacing electric resistance heating)
- e) make other minor changes

There are substantial changes for lighting:

- Remove all exterior lighting measures and make exterior lighting ineligible for incentives.
- Consolidate all interior lighting measures into one offer and remove the separate offers for small businesses and midstream/Lighting Instant Incentive. Increase the project cost incentive cap from 70 to 80 percent to align with the prior small business offer. (This change applies to lighting and nonlighting measure categories where incentive caps apply.)

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<sup>1</sup> <https://www.pacificpower.net/savings-energy-choices/business/wattsmart-efficiency-incentives-california.html>

<sup>2</sup> The Wattsmart Business program is available in California, Washington, Idaho, Utah and Wyoming with some variation by state.

- The interior lighting offer consists of deemed measures from the statewide workpapers and site specific calculated incentives for measures that are not available in the statewide workpapers and were not previously expired in DEER.

### **Explanation of Changes**

The planned program changes are listed and explained in the tables below. For additional details, refer to the revised Wattsmart Business incentive tables and information, attached as Exhibit A. Exhibit A is marked in redline form to show the planned changes relative to the current program<sup>3</sup>.

<b>General Information and INCENTIVES Table, Exhibit A page 1-3</b>		
<b>Category</b>	<b>Description of Change</b>	<b>Reason for Change</b>
Custom incentives	Remove language about lighting interaction with mechanical equipment	Electric savings resulting from lighting interaction with mechanical equipment is eligible for incentives.
Prescriptive Incentives - <ul style="list-style-type: none"> <li>• Lighting – Retrofit (deemed measures)</li> <li>• Lighting – Retrofit (site-specific measures)</li> </ul>	Create separate categories for deemed and site-specific lighting retrofit measures	Two separate categories are needed since there will be no incentive caps for the new deemed measures tied to statewide workpapers and incentive caps will be applied for the measures where kWh savings and incentives will be determined using site-specific inputs.
Prescriptive Incentives – <ul style="list-style-type: none"> <li>• Lighting New Construction/ Major Renovation</li> </ul>	Clarify applicability of incentive caps where energy code does not apply	Align information on Incentives table with the New Construction/Major Renovation Lighting Incentive table asterisk, which states “ <i>Project Cost Caps...apply to New Construction and Major Renovation projects that are not subject to state energy code.</i> ”
Prescriptive Incentives: <ul style="list-style-type: none"> <li>• Lighting – Retrofit (site-specific measures)</li> <li>• Lighting – New Construction/Major Renovation (Facilities)</li> </ul>	Adjust project cost incentive cap percentage from 70% to 80%	The Enhanced Incentives for Small Businesses offered incentives up to 80% of project costs given the challenges many small businesses face accessing capital for energy efficiency projects. With the consolidation of the small business lighting offer with the lighting retrofit and new construction/major renovation offers (explained below), the project cost incentive cap for lighting will be increased to continue to

<sup>3</sup> For reference, the current program and incentive tables can be found at [https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/savings-energy-choices/wattsmart-business/california/CA\\_wattsmartBusiness\\_Definitions\\_Incentive\\_Tables\\_Information.pdf](https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/savings-energy-choices/wattsmart-business/california/CA_wattsmartBusiness_Definitions_Incentive_Tables_Information.pdf)

<p>where energy code does not apply)</p> <ul style="list-style-type: none"> <li>• Farm and Dairy</li> <li>• Compressed Air</li> <li>• Wastewater and other Refrigeration</li> </ul> <p>Custom Non-Lighting Incentives for qualifying measures not on the prescriptive list</p>		<p>address challenges with access to capital faced by small businesses.</p> <p>Given program systems for the prescriptive and custom categories are currently set up to have all caps be the same for all measure categories with caps, the project cost incentive cap for the rest of the program will be increased to 80% also. This will help increase participation while still ensuring customers have a “co-pay” and a vested interest in the success of their project.</p>
<p>Building Envelope</p>	<p>Remove from the table.</p>	<p>The program is ending the incentive offerings for listed building envelope measures which are not in DEER statewide workpapers and have seen minimal participation in the past.</p>
<p>Office</p>	<p>Remove from the table.</p>	<p>The program is ending the incentive offerings for the smart plug strip measure, which is not in DEER statewide workpapers and has seen minimal participation in the past.</p>
<p>Enhanced Incentives for Small Businesses</p>	<p>Remove from the table.</p>	<p>Alignment with the DEER statewide workpapers resulted in a smaller overall lighting portfolio. Given this, the most cost efficient approach was to consolidate the Enhanced incentives for small businesses into the lighting offer for all sizes of customers (see Retrofit Lighting Incentive Table and New Construction/Major Renovation Lighting Incentive Table).</p> <p>As mentioned above, the project cost incentive cap for lighting retrofits will increase to match what had been available in the small business offer.</p> <p>Program administrators will work closely with vendors to encourage small business and hard-to-reach customer participation (e.g. customers on rate schedule A-25).</p>
<p>Mid-market incentives</p>	<p>Remove from the table.</p>	<p>Alignment with the DEER statewide workpapers resulted in a smaller overall lighting portfolio. Given this, it made sense to consolidate the mid-market lighting Instant Incentive lamp replacement measures into the</p>

		program's lighting retrofit offer. Limited LED lamp replacement offerings will be available (see Retrofit Lighting Incentive Table).
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<b>Retrofit Lighting, Exhibit A, page 4-6</b>		
<b>Measure</b>	<b>Description of Change</b>	<b>Reason for Change</b>
Interior Lighting LED Ambient Fixtures and Retrofit Kits	<p>Add new measures for LED ambient fixtures and retrofit kits to replace the full fixture replacement and retrofit kit measures.</p> <p>Restructure the incentive offering from dollar per kWh savings to dollar per kilolumen.</p> <p>Update table notes and eligibility requirements.</p>	<p>This offering is revised to align with DEER measures, requirements, and deemed values in Statewide workpaper SWLG012-01, LED Ambient Fixtures and Retrofit Kits, Commercial.</p> <p>These incentives will be offered through 12/31/2020 because this workpaper has a sunset date of 12/31/2020. Starting January 1, 2021, these measures will be eligible for a custom lighting incentive.</p>
T8 TLED Lamp – UL Type A, A/B Dual	Replace Lamp Replacement measures with specific lamp types. The Type A, A/B Dual measure aligns with DEER, while the Type B and Type C measures are site-specific.	Adding new deemed values and requirements from DEER workpaper for Type A, A/B TLEDs (SWLG009-01 LED, Tube).
T8 TLED Lamp – UL Type B		Adding new measures for Type B and Type C TLEDs to continue offering site-specific incentives for certain lamp types that are not included in a statewide workpaper or expired in DEER.
T8 TLED Lamp – UL Type C		
Custom	Increase incentive.	Increasing incentives for site-specific lighting measures that are not included in a statewide workpaper to drive more participation for eligible measures.
Exterior Lighting	Remove from the table and make exterior lighting ineligible for incentives.	Removing exterior lighting from the Wattsmart Business program as this market is considered to be transformed to LED statewide.
Non-General Illuminance	Remove from the table.	Refrigerated case lighting and controls were deemed measures and do not have a current DEER statewide workpaper to support deemed values.

<b>New Construction/Major Renovation Lighting, Exhibit A, page 7</b>		
<b>Measure</b>	<b>Description of Change</b>	<b>Reason for Change</b>

Interior Lighting and Lighting Control	Specify lamp and lighting control technologies that are eligible for NCMR lighting incentives.	Wattsmart Business will continue to offer site-specific incentives for certain lamp types and control technologies that are neither expired in DEER nor defined in DEER statewide workpapers.
Exterior Lighting	Remove from the table and make exterior lighting ineligible for incentives.	Removing exterior lighting from the Wattsmart Business program as this market is considered to be transformed to LED statewide.

<b>Motors Incentives, Exhibit A, page 8</b>		
<b>Measure</b>	<b>Description of Change</b>	<b>Reason for Change</b>
Electronically Commutated Motor (ECM) – Retrofit Only	Remove incentive offerings.	ECMs in refrigeration applications have an incremental cost of \$0 in DEER.  ECMs in HVAC applications are not a DEER measure and they previously had program developed deemed savings, so they are being removed since the source for deemed measures needs to be a DEER statewide workpaper or (absent a DEER statewide workpaper) another high quality source from an outside entity (e.g. Regional Technical Forum).
Variable-Speed Drives (HVAC fans)	Increase the incentive rate.  Remove HVAC pumps from eligibility.  Add clarifying note that VSD must be applied to existing systems.	VSDs are cost effective with updated DEER statewide workpaper values. Incorporating deemed values and requirements from DEER statewide workpaper. Increasing the incentive rate to encourage participation.

<b>HVAC Equipment, Exhibit A, page 9-11</b>		
<b>Measure</b>	<b>Description of Change</b>	<b>Reason for Change</b>
Unitary Commercial Air Conditioners	Remove incentive offerings for all unitary air conditioners including air, water, and evaporative-cooled equipment.	DEER statewide workpaper deemed values are only applicable to up/midstream delivery. As statewide infrastructure to facilitate up/midstream delivery does not stretch to Pacific Power’s service area, the measure offerings will be removed.
Packaged Terminal Air Conditioners (PTAC)	Revise equipment size categories and increase incentives.	Equipment size category is revised to align with DEER statewide workpaper. Updated DEER

	Specify separate efficiency requirements for new construction and retrofit installation	<p>values allow for increasing incentive while remaining cost effective.</p> <p>New construction and retrofit installations have different market baselines. DEER defines an energy efficient PTAC as being 20 percent more efficient than the market baseline.</p>
Packaged Terminal Heat Pumps (PTHP)	<p>Revise equipment size categories and increase incentives.</p> <p>Specify separate efficiency requirements for new construction and retrofit installation.</p>	<p>Equipment size category is revised to align with DEER statewide workpaper. Updated DEER values allow for increasing incentive while remaining cost effective.</p> <p>New construction and retrofit installation has different market baseline. DEER defines an energy efficient PTHP as being 20 percent more efficient than the market baseline.</p>
Heat Pumps, Air Cooled, replacing electric resistance heating (Retrofit only)	<p>Add new measures.</p> <p>Add note about the CEE efficiency requirements.</p>	<p>Replacing electric resistance heating with heat pumps offers significant energy savings opportunities.</p> <p>Savings will be calculated using the HVAC calculator tool. Costs will be actual material and labor costs from customer invoices. Assuming an electric resistance heating code baseline.</p> <p>Additional eligibility requirements will be described on the program website and in the customer incentive application to ensure appropriate measure savings.</p> <p>The CEE requirements for some Unitary Commercial Air Conditioner and Heat Pump measures have a full load requirement that has not been widely attained by the market. Ensuring that the CEE part load requirement is met still achieves energy savings, while not being so stringent that participation is stifled.</p> <p>Savings will continue to be calculated based on site specific information, using a simplified tool and code efficiency-level baseline.</p>
Heat Pumps, Air Cooled	Remove incentive offerings for air cooled heat pump equipment.	DEER statewide workpaper deemed values are only applicable to up/midstream delivery. As statewide infrastructure to facilitate up/midstream delivery does not stretch to

		Pacific Power's service area, the measure offerings will be removed.
Heat Pumps, Water Source	Remove incentives for water source heat pump equipment.	Water source heat pumps do not have a current DEER statewide workpaper.
VRF Heat Pumps	Remove incentive offerings for VRF air-cooled and water-cooled heat pumps.	VRF heat pumps do not have a current DEER statewide workpaper.
Heat Pumps, Ground Source or Groundwater Source	Remove incentive offerings.	Ground and ground-water heat pumps do not have a current DEER statewide workpaper.
Ground Source or Groundwater Source Heat Pump Loop	Remove incentive offerings.	Heat pump loops do not have a current DEER statewide workpaper.

<b>Other HVAC Equipment and Controls Incentives, Exhibit A, page 12-13</b>		
<b>Measure</b>	<b>Description of Change</b>	<b>Reason for Change</b>
Evaporative Cooling	Remove incentive offering.	Evaporative cooling does not have a current DEER statewide workpaper.
Indirect Direct Evaporative Cooling (IDEC)	Remove incentive offering.	IDEC does not have a current DEER statewide workpaper.
Chiller	Remove incentive offering.	Chillers are not cost effective using deemed DEER statewide workpaper values and are removed from the program.
365/366 day Programmable or Occupancy based Thermostat	Remove incentive offering and make ineligible for incentives.	Thermostats are not cost effective using deemed DEER statewide workpaper values and are removed from the program.
Occupancy Based PTHP/PTAC control	Remove incentive offering.	Occupancy Based PTHP/PTAC controls do not have a current DEER statewide workpaper.
Evaporative Pre-cooler	Remove incentive offering.	Evaporative pre-coolers do not have a current DEER statewide workpaper.
Advanced Rooftop Unit Control	Remove incentive offerings for all ARC measures.	A DEER statewide workpaper has deemed savings values for enhanced ventilation controls for RTUs which are being added to the program to replace the existing ARC measures.
Enhanced Ventilation Controls for RTUs - Heat Pump	Add new measures.	Add new deemed DEER measures for enhanced ventilation controls for RTUs to offer measures similar to the ARC measures that are being removed. These measures are available for heat

		pumps only as the DEER statewide workpaper air conditioner measures are not cost effective.
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<b>Building Envelope Retrofit Incentives, Exhibit A, page 14</b>		
<b>Measure</b>	<b>Description of Change</b>	<b>Reason for Change</b>
Roof/Attic Insulation	Remove incentive offering.	The program is ending the incentive offerings for listed building envelope measures which are not in DEER statewide workpapers and have seen minimal participation in the past. Building envelope measures will be eligible for custom non lighting incentives.
Wall Insulation		
Windows		
Window Film		

<b>Building Envelope New Construction/Major Renovation Incentives, Exhibit A, page 15</b>		
<b>Measure</b>	<b>Description of Change</b>	<b>Reason for Change</b>
Roof/Attic Insulation	Remove incentive offering.	The program is ending the incentive offerings for listed building envelope measures which are not in DEER statewide workpapers and have seen minimal participation in the past. Building envelope measures will be eligible for custom non lighting incentives.
Wall Insulation		
Windows		

<b>Food Service Equipment Incentives, Exhibit A, page 16-17</b>		
<b>Measure</b>	<b>Description of Change</b>	<b>Reason for Change</b>
Undercounter Commercial Dishwasher (High Temperature models Only)	Revise eligible dishwasher categories and set new incentives.	Aligning undercounter dishwasher measures with DEER statewide workpaper. Removing equipment categories that are not available in DEER statewide workpapers or are not cost effective and making them ineligible for incentives.
Electric Insulated Holding Cabinet	Remove incentive offerings and make them ineligible for incentives.	Full size holding cabinets are not cost effective when aligning with DEER statewide workpaper. Half size holding cabinets are cost effective, but maintaining only part of the measure offering may cause confusion and measure has seen very little past participation.
Electric Steam Cooker	Increase incentive.	Aligning with DEER statewide workpaper. Incentive increases are possible given the higher deemed kWh savings values.
Electric Convection Oven	Increase incentive for full size convection ovens and offer	Aligning with DEER statewide workpaper. Incentive increases are possible given the higher



	incentive for half size convection oven.	deemed kWh savings values in the statewide workpaper.
Electric Griddle	Modify minimum efficiency requirements and increasing incentives.	Aligning with DEER statewide workpaper. Incentive increases are possible given the higher deemed kWh savings values.
Electric Combination Oven	Revise the equipment size category. Modify the minimum efficiency requirements. Increase incentives.	Aligning with DEER statewide workpaper. Incentive increases are possible given the higher deemed kWh savings values.
Electric Deck Oven	Add new measure.	Adding new measure which has deemed DEER statewide workpaper values.
Electric Fryer	Add new measure.	Adding new measure which has deemed DEER statewide workpaper values.
Ice Machines (Air-Cooled Only)	Revise the equipment size categories and change incentives.	Aligning with DEER statewide workpaper. Incentive changes are necessary given the updated deemed kWh savings values.
Ultra Low Temperature Freezer	Add new measure.	Adding new measure which has deemed DEER statewide workpaper values.
Residential Refrigerator	Remove measure and make it ineligible for incentives.	Removing this measure from the incentive lists since this measure is no longer available in the residential program. This measure is ineligible for incentives.
Demand Controlled Kitchen Ventilation Exhaust Hood	Remove Retrofit Only specification, and allow for incentives in New Construction applications only.  Change incentive from a dollar per kWh savings to dollar per horsepower.	Aligning with DEER statewide workpaper. Offering new construction only because retrofit applications are not cost effective due to the reduced measure life of add on equipment. Changing the incentive to per horsepower will better align with the DEER statewide workpaper savings and costs which are per horsepower. Additional eligibility requirements will be described on the program website and in the customer incentive application to ensure appropriate measure savings
Anti-Sweat Heater Controls	Increase the incentive.  Add note about eligibility.	Aligning with DEER statewide workpaper. Incentive increases are possible given the higher deemed kWh savings values.

<b>Appliance Incentives – Exhibit A, page 18</b>		
<b>Measure</b>	<b>Description of Change</b>	<b>Reason for Change</b>

High-Efficiency Clothes Washer – Commercial	Remove measure.	Clothes Washers do not have a current DEER statewide workpaper.
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**Office Energy Efficiency Incentives – Exhibit A, page 18**

Measure	Description of Change	Reason for Change
Smart Plug Strip	Remove measure.	Smart Plug Strips do not have a current DEER statewide workpaper.

**Irrigation Incentives for Wheel Line, Hand Line or Other Water Distribution Portable Systems – Exhibit A, page 19**

Measure	Description of Change	Reason for Change
New rotating sprinkler replacing worn or leaking impact or rotating sprinkler	Reduce incentive	Unit energy savings is reduced when calculated according to the Regional Technical Forum’s (RTF) revised assumption methodology of May 2018. Therefore, reduced incentive is warranted.
New or rebuilt impact sprinkler replacing worn or leaking impact sprinkler	Reinstate rebuilt option Reduce incentive	RTF now makes no distinction between energy savings for new and rebuilt impact sprinklers.  Unit energy savings is reduced when calculated according to the Regional Technical Forum’s revised assumption methodology of May 2018. Therefore, reduced incentive is warranted.
Cut and press or weld pipe repair of leaking wheel line, hand line or portable main line	Reduce incentive.	Unit energy savings is reduced when calculated according to the Regional Technical Forum’s revised assumption methodology of May 2018. Therefore, reduced incentive is warranted.
New or rebuilt wheel line leveler replacing leaking or malfunctioning leveler	Reduce incentive.	Unit energy savings is reduced when calculated according to the Regional Technical Forum’s revised assumption methodology of May 2018. Therefore, reduced incentive is warranted.

**Irrigation Incentives – Measures for Pivots and Linear Water Distribution Systems – Exhibit A, page 20**

Measure	Description of Change	Reason for Change
Pressure regulator	Reduce incentive.	Unit energy savings is reduced when calculated according to the Regional Technical Forum’s revised assumption methodology of May 2018. Therefore, reduced incentive is warranted.
New low pressure sprinkler (of same design flow or less) replacing	Increase incentive.	Unit energy savings is increased when calculated according to the Regional Technical Forum’s revised assumption methodology of

worn low pressure sprinkler		May 2018. Therefore, increased incentive is warranted.
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<b>Irrigation Incentives – Measures for Any Type of System (Retrofit or New Construction) – Exhibit A, page 20-21</b>		
<b>Measure</b>	<b>Description of Change</b>	<b>Reason for Change</b>
Irrigation Pump VFD	Measure superseded by Well Pump VFD and Booster Pump VFD	DEER statewide Well Pump VFD measure came into effect 2020, superseding the previous version of this measure.
Well Pump VFD <=300 hp	Add this measure to replace irrigation pump VFD measure	Adding this measure in place of the irrigation pump VFD measure to align with DEER statewide Well Pump VFD workpaper.
Booster Pump VFD <= 150hp	Add this measure to replace irrigation pump VFD measure	Adding this measure in place of the irrigation pump VFD measure to align with DEER statewide Well Pump VFD workpaper.

<b>Farm and Dairy Incentives Exhibit A, page 22-23</b>		
<b>Measure</b>	<b>Description of Change</b>	<b>Reason for Change</b>
Automatic milker takeoffs (retrofit only)	Remove measure	No approved statewide workpaper is available for this measure and the measure had limited participation.
Agricultural engine block heater timer	Remove measure	No approved statewide workpaper is available for this measure and the measure had limited participation.
High-efficiency circulating fan	Remove measure	No approved statewide workpaper is available for this measure and the measure had limited participation.
High-efficiency ventilation fan	Remove measure	No approved statewide workpaper is available for this measure and the measure had limited participation.
Programmable ventilation controller	Remove measure	No approved statewide workpaper is available for this measure and the measure had limited participation.
Potato or onion storage fan VFD	Remove measure	No approved statewide workpaper is available for this measure and the measure had limited participation.

<b>Compressed Air Incentives Exhibit A, page 24</b>		
<b>Measure</b>	<b>Description of Change</b>	<b>Reason for Change</b>
Receiver capacity addition	Remove measure	No approved statewide workpaper is available for this measure and the measure had limited participation.

Cycling refrigerated dryer	Remove measure	No approved statewide workpaper is available for this measure and the measure had limited participation.
Zero loss condensate drain	Remove measure	No approved statewide workpaper is available for this measure and the measure had limited participation.
Outside air intake	Remove measure	No approved statewide workpaper is available for this measure and the measure had limited participation.

**Database of Energy Efficiency Resources (DEER) Alignment Review**

Commission Decision D.14-04-008 included an order<sup>4</sup> related to use of unmodified DEER values for measures where DEER values are available. This order was reinforced in Decision 18-11-033<sup>5</sup>. Recent updates to unit energy savings (UES) measures posted on the DEER website in the statewide workpapers (<http://www.deeresources.net/workpapers>) were reviewed as of May 1, 2020 for all Wattsmart Business measures for alignment with DEER. The results of this review can be found in Exhibit C.

**Transition Plan for Projects in Progress**

For projects where pre-approval is required (e.g. custom non-lighting measures), the version of the program that applies is based on the incentive offer issue date.

For projects where pre-approval is not required, the version of the program is based on the equipment purchase order/invoice date for the first item(s) purchased for the project.

**Cost-Effectiveness**

Cost effectiveness is performed using a company specific modeling tool, created by a third party consultant. Based on Decision 18-11-033, PacifiCorp’s model<sup>6</sup> was revised in 2018 to include a greenhouse gas adder for the incremental value of avoided greenhouse gas emissions. The tool is designed to incorporate PacifiCorp data and values such as avoided costs, and generally follows the methodology specified in California’s Standard Practice Manual. PacifiCorp’s modeling tool

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<sup>4</sup> In future applications for approval of energy efficiency programs, PacifiCorp shall use unmodified Database of Energy Efficiency Resource (DEER) values for measures where the DEER values are available.

<sup>5</sup> In calculating its Total Resource Cost and Program Administrator Cost, PacifiCorp must use only Database for Energy Efficiency Resources values approved as of the date of each Annual Budget Advice Letter submission or future pleading, as applicable.

<sup>6</sup> In 2017, the Company transitioned from California’s E3 Calculator to the PacifiCorp cost effectiveness model. The change in models was a coordinated effort between the Company, Commission Staff, and its third party consultant, Itron. Additional information regarding PacifiCorp’s transition to its company specific cost effectiveness model can be found in Application No. 17-09-010.

conducts cost effectiveness analysis on all four tests described in the Standard Practice Manual 10 as well as an additional fifth test.<sup>7</sup>

Cost effectiveness analysis for the program with these changes is provided in the attached cost effectiveness memo (2020 values reflect a full year with program changes in effect). The program and the portfolio are projected to be cost effective with the proposed changes.

### **Evaluation Plan**

The Company offers Wattsmart Business in its other service territories. Evaluations are conducted at the program level with reports prepared for each state. Consistent evaluation plans throughout PacifiCorp's system-wide territory reduce administrative costs for the program. The most recent evaluation<sup>8</sup> was for the 2016-2017 program. The next evaluation of PacifiCorp's business programs will be for program years 2018-2019, and this evaluation is underway.

### **Exhibits Provided**

Exhibit A – Wattsmart Business incentive tables and information – with changes from the current program (effective 8/26/2019) marked in redline form.

Exhibit B – Wattsmart Business Lighting Instant Incentive (mid-market) offer – with changes from the current program (effective 8/26/2019) marked in redline form.

Exhibit C – Wattsmart Business DEER alignment review

Cost-Effectiveness analysis –

PacifiCorp Benefit-Cost Memo\_California Portfolio\_20Jul2020.docx,

PacifiCorp Benefit-cost Memo\_California WSB\_20Jul2020.docx

Exhibit E – Program Change Process (from Advice Letter 518-E approved April 30, 2015)

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<sup>7</sup> PacifiCorp TRC ("PTRC"), total resource costs test with an additional 10% added for the non-quantified environmental and non-energy benefits.

<sup>8</sup>[https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/environment/dsm/california/California\\_2016-2017\\_WSB\\_Evaluation.pdf](https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/environment/dsm/california/California_2016-2017_WSB_Evaluation.pdf)