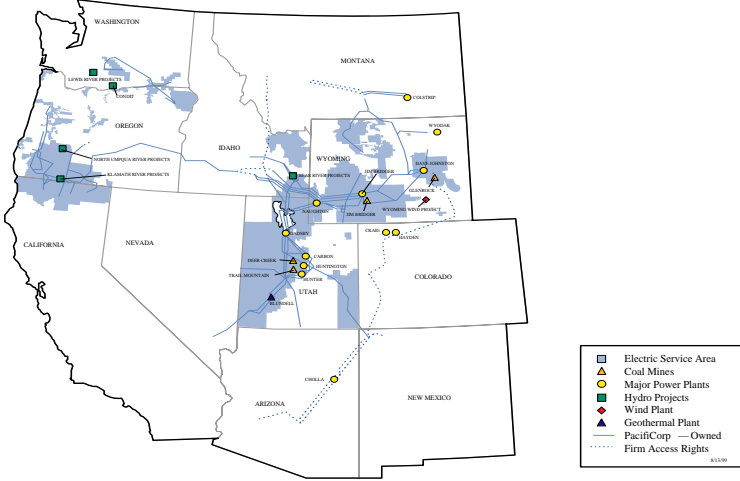


Scale-up of DSM Resource Acquisition

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 PACIFICORP

The Problem

- Peak growth rate in Eastern Control Area
 - ◆ Conversion of evaporative coolers to central a/c
 - ◆ Saturation of central a/c in new construction
 - ◆ Housing size
 - ◆ Commercial growth
 - Financial back offices
 - Call centers
 - Regional distribution centers
- Transmission constraints to importing power
- Non-attainment counties



What PacificCorp Did - and is doing (e.g. the DSM part of the solution)

- Begin direct load control
 - ◆ 0 MW in 2002
 - ◆ 95 MW in 2005
 - ◆ Project 165 MW by 2008
- Increase conservation resource acquisition
 - ◆ Changed/improved existing programs
 - ◆ Added several new programs
 - Efficient a/c incentives
 - Refrigerator recycling
 - Energy Star Homes
 - Commercial recommissioning
 - Irrigation efficiency
 - ◆ Greater than a 3-fold increase in conservation resource acquisition from 2002 (3.7 MWa) to the current FY2006 goal (12.6 MWa)
- Established Energy Exchange demand response program
 - ◆ Continuously operated, scalable if wholesale market prices rise
- Power Forward
- RFP out in 2005 for more



How did we do it?

- Conducive regulatory environment
 - ◆ Set up deferred accounting mechanism in Utah while a contemporaneous cost recovery mechanism was being negotiated with a stakeholder group.
- Built stakeholder relationships and support
 - ◆ Advisory group for DSM issues
 - ◆ Review program proposals/tariffs
 - ◆ New program ideas/improvements to existing programs
 - ◆ Involvement in IRP development
- Developed programs that solved the business problem



How did we do it?

- Good partnerships
 - ◆ Local dealers
 - ◆ Engineering contractors
 - ◆ Program delivery contractors
- Internal approval process
 - ◆ Management commitment to the business case
 - ◆ Established financial analysis/what is acceptable
 - ◆ Make the business case (resource acquisition)
 - ◆ Integrity in the business processes
 - Budgeting, accounting, SOX compliance, data request responses, reporting



Outside Help

- Event
- Reason for customers to take action
- Community awareness of the issues

