

State/Province Demand Response Updates

Alberta

Nothing to report

Arizona

Nothing to report

British Columbia

Nothing to report

California

On June 6, 2002, the CPUC adopted an Order Instituting Rulemaking #02-06-001 on policies and practices for advanced metering, demand response, and dynamic pricing. As a result, the California Energy Commission staff drafted a report on the topic entitled "Selected Demand Response Pilots in California: Contributions to Understanding Price Response." The text of that report can be found at:

http://www.energy.ca.gov/demandresponse/documents/2002-08-29_SUMMARY.PDF

To provide an "experiential" backdrop for California consideration in CPUC (R.02-06-001) and CEC (02-DemandResponse-01) proceedings, a workshop was held on Monday, September 9, 2002 and Tuesday, September 10, 2002 in the Auditorium of the State Building, 505 Van Ness Avenue, San Francisco. Jointly sponsored by the Energy Resources Conservation and Development Commission, the Consumer Power and Conservation Financing Authority, and the Public Utilities Commission, the meetings brought together representatives from utilities, vendors, and regulatory commissions. The topics of the first day were Dynamic Pricing, Demand Response Programs, and Advanced Metering and Communication Systems. The topics for the second day included Utility Business Case and Metering System Technologies. A transcript from these workshops will be available soon on both the CPUC and CEC websites.

Idaho

Item #1: Regarding an interconnection order in an Idaho Power case, a tariff is being considered that might allow for some amount of distributed resources for and promoted by customers too big for net metering. The order can be found at:

<http://www.puc.state.id.us/orders/recent/ON29092.pdf>

Item #2: Idaho Power wanted to collect lost revenues from its irrigation and Astaris buyback programs, as a cost in addition to the explicit cost of the payments made to those who chose not to use energy. Our initial order denied the lost revenue claim,

which would have added about 20% (\$13 million on top of \$74 million) to the overall cost of the program. An excerpt from the order reads:

2. It Is Not Appropriate for the Company to Recover Lost Revenue

"Given the unique context that caused this Program to be implemented, we find that lost revenue does not constitute an actual cost of providing service that should be borne by ratepayers. To allow Idaho Power to recover lost revenue would at least partially destroy the goal of reducing overall energy costs to all ratepayers at a time when energy costs were at all time highs. To charge ratepayers for lost revenue is unreasonable in the context of the crisis that existed because of the drought and the unprecedented prices in the regional power market at that time. Requiring ratepayers to pay for energy they did not consume, but avoided due to this Program, is also unreasonable. In fact, the Commission has always believed that cost-effective DSM resources are generally least-cost resources and they are of significant value to the Company, its shareholders, its customers and to the general community. To not acquire such resources merely because the Company may lose some sales of power might constitute imprudence."

Idaho Power had petitioned for reconsideration on this issue and we again denied it. They still could choose to appeal directly to the Idaho Supreme Court. Go to <http://www.puc.state.id.us/orders/recent/ON29103.pdf> to view the whole order.

Montana

Nothing to report

Nevada

Utilities have refiled a demand side management plan. The hearing for Nevada Power (docket #02-3001) is set for Sept 26 in Las Vegas. The hearing for Sierra Pacific (docket #02-3017) is scheduled for Sept 17 in Las Vegas. Complete information is located under the electric dockets folder at http://www.puc.state.nv.us/electric/electric_dockets.htm

New Mexico

Nothing to report

Oregon

This is a slight increase in customer participation for the Portland General Electric TOU program, and there are no proceedings or rulemakings planned or pending. The PUC has adopted a tariff via Portland General (effective September 4, 2002) to exempt large customers from rolling blackouts if they reduce their power consumption 15% during emergencies. There is no payment associated with this tariff. See details below.

Schedule 88, Load Reduction Program, is a supplemental service that allows participating customers to voluntarily reduce their load to a Company-determined level during a PGE Short Term Emergency Curtailment. In exchange for load reduction, participants are granted exemption from complete curtailment subject to the circumstances shaping the Emergency Curtailment. In other words, participating customers can reduce their loads by a fixed percentage during periods of emergency curtailments rather than being exposed to full curtailment for a smaller, less frequent fraction of time. As a result of their participation, system stability is recovered more quickly, lessening its effect on all customers.

Also, in order to provide greater clarity, we have separated our two emergency curtailment plans. The Company's Short Term Emergency Curtailment Plan has been removed from Rule K and placed in Rule C. Rule K continues to contain the Company's procedures during regional curtailment periods.

PGE's retail Rate Schedules/Rules are posted at <http://www.portlandgeneral.com>
-choose: About PGE/Regulatory Affairs/Retail Tariff

Saskatchewan

Nothing to report.

Utah

The PowerForward program was repeated this summer with an average 90 megawatts of demand reduction. This is consistent with last year's 88 megawatts of demand reduction on yellow PowerForward days. The demand reduction was driven by power outages for distribution reasons as opposed to market pricing.

Washington

Puget Sound Energy had its TOU rate modified in a rate case on July 1, 2002. It was determined that the program did not necessarily result in net savings and did not reflect market pricing. The decision affects residents in that, unless residents choose to opt-out, they would be charged \$1/month to participate in the TOU rate.

Wyoming

Nothing to report

