

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: April 17, 2001

REGULAR AGENDA__ CONSENT AGENDA X EFFECTIVE DATE April 18, 2001

DATE: April 9, 2001

TO: Phil Nyegaard through Lee Sparling and Jack Breen

FROM: Lynn Kittilson

SUBJECT: Portland General Electric Company, Advice No. 01-4
Schedule 219, Energy-Efficient Equipment Program Revisions

SUMMARY RECOMMENDATION:

I recommend that the Commission allow Portland General Electric Company's proposed tariff revisions in Advice No. 01-4 to go into effect on April 18, 2001.

DISCUSSION:

Portland General Electric Company (PGE or company) submitted Advice No. 01-4 on March 29, 2001 with an Application to Waive Statutory Notice. The purpose of the filing is to add a zero interest loan option on the purchase of large quantities of compact fluorescent light (CFL) bulbs and fixtures to the company's Schedule 219, Energy-Efficient Equipment program. The tariff revisions are proposed to go into effect on April 18, 2001.

PGE's filing proposes to offer CFL financing during special events held at Home Depot stores through September 2001. Customers that meet credit requirements will be able to receive zero-interest loans for 12 months on their purchases of qualifying lighting products that exceed \$100. Financing will only be available on specific days during special events held at Home Depot stores. Customers will be encouraged to apply for pre-approval for financing prior to the event. They will be able to gain loan pre-approval via mail-in postcard, website response, or telephone call. PGE believes offering this loan option will mitigate the barrier of high up-front costs and encourage customers to purchase large quantities of CFLs.

PGE's filing also proposes to include an education component to its CFL Program. The company believes customer education is a necessary part of a successful introduction and high penetration of CFL technology. PGE plans to provide CFL education in schools, conservation fairs, home shows, and community events. Discount coupons on the purchase of CFLs will be distributed at the time of the education events.

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PGE's workpapers demonstrate that each component of its proposed CFL program is cost-effective based on projected cost and savings estimates. The cost-effectiveness analysis shows the total resource cost (TRC) and utility program cost (UPC) for the CFL program as a whole (discount coupons, financing, and education) at 35 mills and 24 mills per kWh, respectively, compared with a cost-effectiveness limit (CEL) of 57 mills per kWh. The filing also includes a plan for evaluating savings for each component of the CFL program by December 31, 2001.

STAFF RECOMMENDATION:

Although staff believes PGE's CFL program savings may be overestimated and budgeted administrative and marketing costs seem to be rather excessive at 74 percent of total program costs, the program revisions proposed in the filing appear to provide additional cost-effective energy efficiency savings for the company. I recommend that the Commission approve PGE's Application to Waive Statutory Notice and allow the tariff sheets submitted in PGE's Advice No. 01-4 to go into effect on April 18, 2001.