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DEPARTMENT OF COMMERCE
Office of Consumer Services

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The Division of Public Utilities
Chris Parker, Director
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Date: January 20, 2011

Subject: Advice No. 10-14, Schedule 110 – ENERGY STAR New Homes Program,
Docket No. 10-035-T16

Background

On December 28, 2010, Rocky Mountain Power (the “Company”) filed proposed tariff sheets removing calendar year references from Schedule 110 - ENERGY STAR New Homes Program. The Company states that this will reduce administrative burden and eliminate the need to revise the tariff annually to change the calendar year notation. The tariff as it currently reads would end on December 31, 2010. The Company intends to continue the program into 2011 pending the Commission’s order.

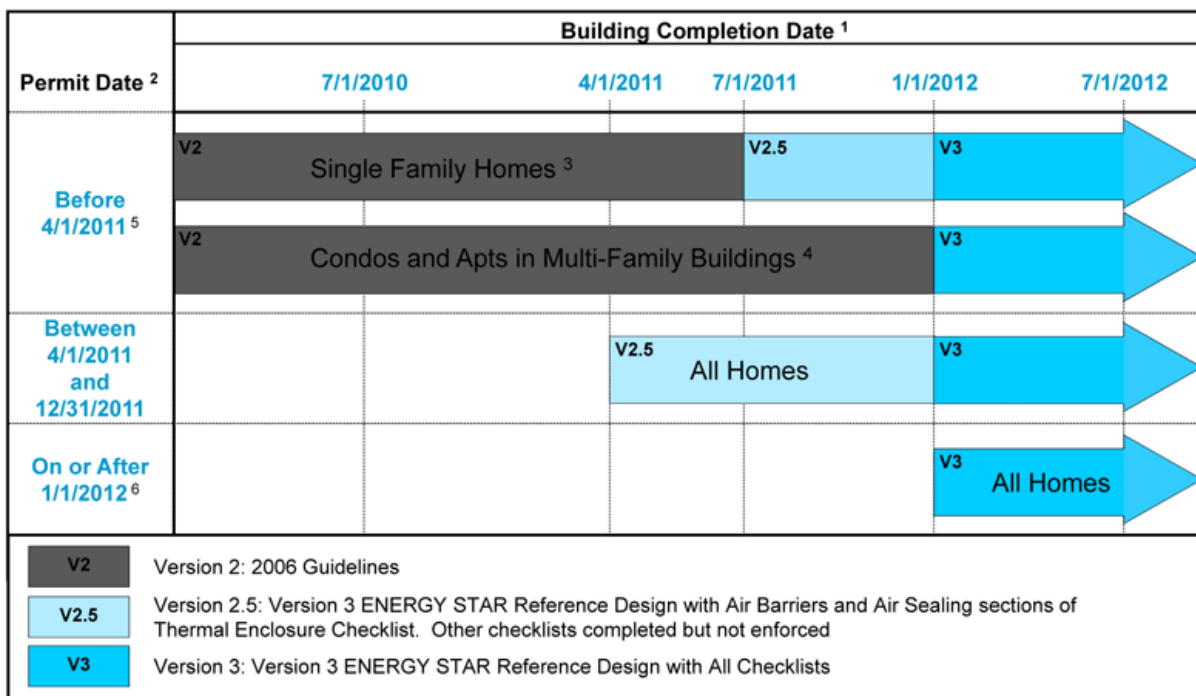
Discussion

The Company states that the purpose of this change is to reduce administrative burden. This assumption holds true so long as ENERGY STAR standards change less often than annually. There may be more or less filings depending on ENERGY STAR modifications. Aside from administrative burden, removing years from Sheets No. 110.2 and 110.3 reduces confusion and emphasizes ENERGY STAR aspects which are not defined by year. Since performance indicators determine the qualification for the incentive, the

Office of Consumer Services (the "Office") supports the proposed removal of specific years from tariff sheets 110.2 and 110.3.

Another issue relating to this filing is future changes to ENERGY STAR requirements. On page 2 of the cover letter submitted with the tariff filing the Company indicated that version 2.5 and version 3 of ENERGY STAR qualifications for new homes are scheduled to become effective later in 2010 and 2011 respectively. The Company has clarified that ENERGY STAR ratings will change from version 2.0 to 2.5 within 2011 and to version 3.0 in 2012. Although in this filing the Company did not articulate when changes to the tariff for new versions would be requested, in discussions with the Office the Company indicated that implementation of ENERGY STAR version changes will be filed in later tariff filings with sufficient time to coincide with ENERGY STAR standard modifications. The schedule below shows the schedule for ENERGY STAR versions 2.5 and version 3.0 implementation.¹

ENERGY STAR New Homes Version 3 Implementation Schedule



The Company has also added a footnote in tariff sheets 110.2 and 110.3 to indicate the applicable ENERGY STAR version for the specifications listed in Tables 1 and 2 on those sheets.

¹ http://www.energystar.gov/index.cfm?c=bldrs_lenders_raters.nh_2011_comments

Office Concerns

1. Application Deadline

By removing the annual application deadline or applicable year the Office was concerned that participating builders would not have adequate notice regarding the filing deadline to qualify for incentives. Our concern is somewhat mitigated because participating builders must sign agreements to participate in the Program and as ENERGY STAR qualifying builders one can assume they are more aware than the general public of upcoming changes to the ENERGY STAR qualifications. In recognition of these concerns the Company has proposed to modify Sheet No. 110.4² to among other things remove the reference to the Application Deadline and add the following language:

Incentive applications must be submitted no later than 120 days from the date upon which the certificate of occupancy is issued by the applicable municipality for the subject residence. Applications for qualifying residences received beyond this timeframe will not be eligible for program incentives.

The Office believes that this language clearly identifies the builders' deadline to submit an application for Rocky Mountain Power incentive payments under this tariff. However, apart from the application deadline the Federal ENERGY STAR New Homes program requires that qualifying buildings be completed by a date certain to account for changes in ENERGY STAR requirements. In order to make clear the construction deadline we recommend that the Company add a footnote to Tables 1 and 2 identifying the date by which construction must be completed in order to qualify under ENERGY STAR version 2.

2. Website updates

The Office has recommended that the Company use its website to keep installers, participants and potential participants informed about pending or expected changes to tariff programs. In reviewing this tariff we found that on the website under News & Events there was information that changes to certain incentives were pending before the Commission. Those changes were not related to this current docket but prior tariff changes. We continue to recommend that potential updates to programs be identified on the Company's website but remind the Company that the information must be kept timely both in terms of upcoming changes and removing outdated information.

The Company's proposed changes to Sheet 110.4 remove a statement that the Application Deadline will be posted on the program web site, and communicated to ENERGY STAR New Homes Program builders with a minimum of 60 days notice. With the change in Application Deadline discussed above it is unnecessary for the Company to give 60 days notice regarding the Application Deadline. However, the Office believes that the Company should continue to post advance notice of changes to the ENERGY STAR versions and proposed tariff changes including the requested date for the change where possible.

² The proposed changes listed as Second Revision of Sheet No. 110.4 have been provided by the Company to the Division and the Office for review.

Recommendations

The Office recommends that the Commission:

- 1) approve the Company's request to remove specific years from Sheets 110.2 and 110.3;
- 2) require the Company to incorporate new language regarding builder application deadlines on Sheet 110.4 and add the construction completion deadline to Tables 1 and 2; and
- 3) require the Company to file tariff revisions in sufficient time to comply with ENERGY STAR versions 2.5 and 3.0 implementation.