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Date: April 18, 2011

Subject: Advice No. 11-03, Schedule 114 – Cool Keeper Program Tariff Revisions,  
Docket No. 11-035-T03

### Background

On March 28, 2011, Rocky Mountain Power (the “Company”) filed proposed tariff sheet revisions for Schedule 114 – Air Conditioner Direct Load Control Program or “Cool Keeper” program (the “Program”). The Company’s stated purpose in filing these modifications is to (1) improve content from an organizational perspective, (2) add clarity to program delivery and participation requirements, and (3) eliminate outdated or program irrelevant language from the tariff. The tariff sheets are changed almost in their entirety to accomplish the three objectives above.

### Discussion

The Company revised tariff sheets 114.1 – 111.4. The Office provides the following comments relating to the portions of the revisions on which we identified some concerns.

#### 114.1

**Partial Use Facilities** –The language is vague on what partial use facilities would be allowed and which would not be allowed. The proposed language stated,

“Partial use facilities may be denied Program participation at the discretion of the Company despite meeting all other Program requirements for participation.”

Through discussions with the Company, the Office learned that there are situations where someone could qualify for the program then not use the facility. In essence the participant would receive the incentive where no load exists. Such facilities should not receive the incentive as there is no load to control. The Office supports this in concept. However, this example demonstrates the need to better define partial use facilities. A clear definition would minimize the number of participants attempting to enroll under misconception. The definition would also provide the Company a basis to deny participation. This information should be explicitly stated in the tariff sheet.

**“Market Conditions Warrant”** - Under the System Operation section, the Company states that it will operate the system as electrical system requirements or *market conditions warrant*. (Italics Added.) However, the Company does not describe what types of market conditions would warrant operating the Cool Keeper system, nor does it impose any restrictive parameters on its use. Further, it is not clear whether this represents a change to the operational parameters or simply a language change to reflect current practices.

The Company must provide these details as well as a demonstration that using Cool Keeper for market conditions is generally in the public interest<sup>1</sup>. The Office could anticipate some conditions under which using Cool Keeper in response to market conditions would be to the benefit of customers. However, the Office could also anticipate some situations in which this usage would not be in the public interest. The Commission must require additional evidence and description from the Company about these details.

Lastly, since Class 1 DSM resources are situs assigned through the multi-jurisdictional allocation process, the benefits derived from Utah customer sacrifices should be credited to Utah and not the entire system. Under the current revision, there is no description of how these benefits will be tracked and allocated to Utah ratepayers. If Cool Keeper is operated such that it reduces Utah’s contribution to system peak, then the benefits accrue to Utah automatically through the allocation process. However, it is unclear if or how the benefits would be tracked such that Utah ratepayers receive the benefits if the savings are monetary and not lower peaks. The magnitude of these issues became clear to the Office during a recent MSP conference call regarding the treatment of Class 1 DSM resources in the inter-jurisdictional allocation process. Consequently, the Office issued discovery on these issues yesterday after the call. The Office will submit additional comments once it receives those responses.

Given these circumstances, the provision allowing use based on market conditions should not be approved unless parameters are described and specific methodology for accruing benefits to Utah ratepayers are in place.

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<sup>1</sup> In discussions with Company representatives, they indicated that the use of market conditions was to minimize energy costs. However, the Office notes that until the implementation of the next rate change, differences in power costs will not be passed through to customers.

## 114.2

**Call Center Elimination and Program Enrollment Process** – While the Office does not oppose removing the language referencing a call center, we are concerned because the revision removes any description of the enrollment process. There is nothing in the Company’s tariff revisions explaining how a person would enroll in the Program. The proposed tariff revisions state there are multiple channels to access information about the Program. However, there is no additional information about these “multiple channels”. In order for the tariff to be complete and accurate, it needs to specific additional information. For example, the defining statement may be, “Enrollment can be done through the website ([www.coolkeeper.com](http://www.coolkeeper.com)), by phone, or through Cool Keeper promotional activities in which enrollment has been clearly explained.”

**Incentive Decreases** - The Office does not object to the Company’s proposal that customers should not have to confirm further participation every time there is an incentive decrease. The Company states it will provide notice to customers when incentives decreased. This notice should be in writing and include information on how a person can cease participation if they feel the Program is no longer worth the cost. This is consistent with the proposal to remove mandated confirmation, but provides an option for customers to act with full information.

**Rental Housing** – The last paragraph in 114.2 is confusing. The Office does not object to the content, but believes it could be more clearly stated. The Office suggests that the last sentence be replaced with the following language: “Permission *from the owner or the owner’s representatives* may be obtained by either the Customer residing in the rental unit or by the Company or its Contractor *in writing*. (Italics added)

## Recommendations

The Office supports the Cool Keeper Program and its continuance. However, the Office has identified significant concerns about the new language identifying market conditions as a trigger for its operations. Thus, the Office recommends that the Company be required to either eliminate “market conditions warrant” from 114.1 or

- provide a clear description of the “market condition” parameters under which the program would be operated,
- provide a demonstration that expanding the operation in this way would be in the public interest, and
- explain and implement the methodology by which the Company would ensure that the benefits accrue to Utah ratepayers.

Given the complexity of these issues, the Commission may wish to solicit additional comments or convene a technical conference.

January 18, 2018

The Office emphasizes that these are important issues that must be resolved. However, the Office does not want to delay the implementation of other tariff changes that will be to the benefit of the program and Utah ratepayers. Thus, the Office also recommends that the Commission move forward with an approval of the majority of the tariff changes and condition its approval upon the Company taking the following additional actions:

1. Provide a clear definition of partial use facilities to indicate when the Company can deny participation.
2. Add language to the tariff to expressly state in the tariff how customers can enroll in the Program with the call center elimination. For example, the Office has suggested the following: "Enrollment can be done through the website ([www.coolkeeper.com](http://www.coolkeeper.com)), by phone, or through Cool Keeper promotional activities in which enrollment has been clearly explained."
3. Amend the tariff language to require that the Company send written notification to all Program participants when incentives decrease.
4. Clarify the language in sheet 114.3 regarding permission for installing load control devices for rental properties