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Division of Public Utilities

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Director, Division of Public Utilities

SUPPLEMENTAL ACTION REQUEST RESPONSE

To: Utah Public Service Commission

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Energy Section Manager

Brenda Salter, Technical Consultant

Lane Mecham, Utility Analyst

Date: January 17, 2018

Re: **In the Matter of the Request for a Home Energy Report Pilot Program**

Docket No. 12-035-77

Recommendation

The Division of Public Utilities (Division) recommends that the Public Service Commission (Commission) approve Rocky Mountain Power's (Company) proposal to transition the Home Energy Report (HER) Pilot Program to a full-fledged program, subject to cost-effectiveness and ongoing monitoring of the program.

Background & Discussion

On January 16, 2018, the Public Service Commission submitted to the Division a Supplemental Action Request requesting an explanation for the discrepancies between the HER program costs and savings information as follows:

PacifiCorp's December 22, 2017 HER filing states the expected program 2018 budget is \$2,685,179 with associated savings of 52,000 MWH (Table 1). In Exhibit B, Table 2 – Program Costs for the HER Program in PY2018 and Table 3 – Program Savings for the Utah HER Program in PY2018, of the same filing (addressing cost effectiveness) the total cost of the program is stated as \$1,349,500 with associated savings of 47,600 MWH.

On November 1, 2017, the Company filed the Energy Efficiency Annual Forecast in Docket No. 17-035-41. This filing included the HER program budget for 2018 at \$2,685,179 with associated savings of 52,000 MWH. This forecast was similar to the two previous years HER program budgets. Subsequent to the EE Forecast filing, an RFP was issued for a HER program administrator as the old contract was set to expire at the end of 2017. The \$1,349,500 with associated savings of 47,600 MWH reflects the new HER program administrator's expected costs and savings for 2018. In order to ensure the program is cost effective with the 2017 IRP revised decrement values the new administrator's costs had to decrease substantially. Also, as included in past HER program administrator contracts, the new contract includes the administrator obligation to maintain a cost effective kWh base.

Conclusion

The Division recommends that the Commission approve the HER program transition from a pilot program to a full-fledged program, operating in substantially the same manner and subject to cost effectiveness. The Company's revised HER program budget for 2018 of \$1,349,500 with associated savings of 47,600 is cost effective as proposed. The Division will monitor the program and inform the Commission if the HER program does not perform as expected.

CC: Michael Snow, Rocky Mountain Power
Jana Saba, Rocky Mountain Power
Michele Beck, Office of Consumer Services