

Utah 2013 Smart Grid Report Addendum

Explanation of Analysis Provided in the Financial Summary and the Demand Side Resource Performance Standards

The financial analysis of demand response in the business case looks at the proposed benefits from a system-wide level therefore does not specifically address demand-side management performance standards specific to any given state. That said, demand response costs identified in the business case are based on utility costs only (consistent with Utah's Class 1 DSM and Class 2 DSM performance standards) and the benefits (avoided cost value) is consistent with the company's resource planning economic determinants . Then impacts of existing Class 1 and Class 3 DSM specific to the residential sector, in this case Utah's Cool Keeper program and the pricing products currently running across all states, are deducted from the incremental impact of the pricing products enabled (cost-justified) by the smart-grid technologies/infrastructure envisioned in the business case.