



State of Utah
Department of Commerce
Division of Public Utilities

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ACTION REQUEST RESPONSE

To: Public Service Commission of Utah

From: Division of Public Utilities
Chris Parker, Director
Energy Section
Artie Powell, Manager
Abdinasir Abdulle, Technical Consultant
Brenda Salter, Technical Consultant

Date: March 13, 2013

Re: **Recommendation—Approval, RMP Proposed Irrigation Load Control Changes**

Docket No. 13-035-20, In the Matter of the Application of Rocky Mountain Power for Authority to Cancel Electric Service Schedule No. 96A Irrigation Load Control Tariff; Approve a New DSM Control and Approve Schedule No. 105 Irrigation Demand Response.

RECOMMENDATION (APPROVAL)

The Division recommends that the Commission approve Rocky Mountain Power's (RMP or Company) proposed cancellation of Electric Service Schedule No. 96A Irrigation Load Control Tariff and approve the pay for performance demand-side management (DSM) control program with the accompanying Schedule No. 105 Irrigation Demand Response program.

ISSUE

On February 12, 2013, the Company filed an application with the Commission seeking Commission approval for its proposed changes to the DSM Irrigation Load Control program with accompanying tariff. On February 13, 2013 the Company filed an Errata to the Application modifying portions of the application that included removing the tariff Schedule No. 105. On

March 8, 2013, the Company filed an application reinstating the request for tariff Schedule No. 105 along with an amendment to the irrigation load control pay-for-performance contract. The Company is requesting the Application be approved on or before March 15, 2013. Specifically, the Company requests:

1. authority to cancel Electric Service Schedule No. 96A, Dispatchable Irrigation Load Control Credit Rider Program (Program);
2. approval of a DSM contract with a third party aggregator for delivery of the irrigation load control program; and
3. the implementation of Electric Service Schedule No. 105 (as filed on March 8, 2013), Irrigation Load Control Program.

On February 14, 2013 the Commission issued an Action Request for the Division to review the application and make recommendations. This memorandum represents the Division's response to the Commission's Action Request.

DISCUSSION

The Company has provided an irrigation load control program for decades. The program has evolved over time with various changes taking place. The Company initiated a review of the Program in 2010 in an effort to understand the impact of the program on its system. Because of Utah geographic challenges, lack of interval data and the inability of the Company to obtain aggregated data from the system meters, the review was limited to Idaho data. The review of the 2009 and 2010 control seasons indicated that realized reductions ranged from 17% to 86% of expected loads depending on the month and hour the load curtailment event occurred. Based on 12 controlled events in 2012 the realized reduction was 57% of participating load.

In 2012 the Company issued an RFP to identify alternatives for a more cost effective program. The Company received five proposals from two qualified vendors. The least cost option based

on the results of a pricing analysis¹ of the five proposals is the pay-for-performance proposal submitted by EnerNoc, Inc.

The pay-for-performance contract will compensate EnerNoc based on the average load available for curtailment, less any performance shortfall adjustments during program events. EnerNoc will contract with qualifying Schedule No. 10 customers and determine curtailment amounts, incentive levels and terms and conditions. EnerNoc will be able to monitor electricity usage data through an advanced software platform. The two-way communication system will give the Company more accurate information regarding load usage and load available for curtailment. The customers will be provided with day-ahead notice of program dispatch and will have access to energy usage data during the 10 week contract period of June 15 through August 15. On a non-guaranteed provisional basis the dates may be extended.

The Company has requested the Commission cancel Schedule No. 96A on or before March 15, 2013. In its place the Company filed Schedule No. 105 on March 8, 2013 detailing the tariff for the pay-for-performance contract with EnerNoc.

The Division has reviewed the application along with the accompanying Schedule No. 105 and recommends the Commission approve the application. In order for the Division to monitor program performance, the Division requests the Commission direct the Company to provide on an annual basis, 90 days following the end of each Program Year, the load available for curtailment, actual curtailment, and capacity and energy reduction payments (detailed by mandatory and voluntary energy reduction payments). The Company has indicated that it will file information on the performance of the program with the annual report currently filed with the Commission on May 1. This filing would not allow the Division, the Company and the Steering Committee the time needed to review and or modify the program prior to the Program Year beginning June 1.

¹ RMP PAC-E-12-14 Confidential Attachment No. 1 Option 2 – Company Delivery with Vendor Support Utah Irrigation Load Control RFP Pricing Analysis Summary contains a calculation error. The cost of Vendor B-1 Average installation & maintenance per year should be [REDACTED]. The result of correcting the cost in the spreadsheet is immaterial.

CONCLUSION

The Division recommends that the Commission approve the application to cancel Schedule No. 96A Irrigation Load Control Tariff and approve the application along with Schedule No. 105 Irrigation Load Control Program.

CC: Dave Taylor, RMP
Carol Hunter, RMP
Michele Beck, OCS
Service List