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DEPARTMENT OF COMMERCE
Office of Consumer Services

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To: The Public Service Commission of Utah

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Date: June 12, 2013

Subject: Docket No. 13-035-89, Rocky Mountain Power's Application to Cancel Electric Service Schedules No. 115, 125, 126, and 192, and for Approval of Electric Service Schedule No. 140, Non-Residential Energy Efficiency

Background

On May 21, 2013, Rocky Mountain Power (Company) filed with the Public Service Commission (Commission) an Application for approval to cancel four demand-side management tariffs: Schedules No. 115 – Commercial and Industrial Energy Efficiency Incentives Optional for Qualifying Customers; 125 – Commercial and Industrial Energy Services Optional for Qualifying Customers; 126 – Utah Commercial and Industrial Re-Commissioning Program; and 192 – Self Direction Credit.

In addition the Company seeks approval of new Electric Service Schedule No. 104 -- Non-Residential Energy Efficiency.

Schedule 140 Non-Residential Energy Efficiency is applicable to schedules 6, 6A, 6B, 8, 9, 9A, 10, 12, 15, 21, 23, and Supplementary Service under Schedule 31. It is also applicable to new and existing non-residential facilities and dairy barns served on the Company's residential rate schedules.

The stated purpose of Schedule 140 is to “maximize the efficient utilization of electricity for new and existing non-residential loads through the installation of energy efficiency measures and energy management protocols”.

The Company requests an effective date of July 1, 2013.

Discussion

The Company indicates that the four business programs which it seeks to eliminate have successfully enabled energy efficiency savings over the past decade. However, in working with its customers the Company has identified potential barriers to participation that may impact program performance.

The Company asserts that proposed Schedule 140 will mitigate these barriers to customer participation. Further, rather than promoting individual projects the new Program is expected to promote a change in mindset so that customers look for on-going opportunities for energy efficiency savings through construction, upgrades to buildings and equipment and operations.

In the Company’s cost-effectiveness analysis provided with the application the enhanced program passes all of the standard tests with the exception of the rate impact test (RIM).

Tariff Sheet Correction

In the table on Original Sheet No. 140.2, for the category of Prescriptive Incentives readers are referred to Attachment A for “Incentive, Percent Project Cost Cap, 1-Year Simple Payback Cap for Projects and Other Limitations”. The Office notes that Attachment A to this filing is the Updated Business Plan. The Company has informed the Office that the referenced Attachment A is not part of the filing and the Company will need to make a correction to this Sheet. However, the relevant information is available in the tariff.

Office Comments and Recommendation

The Office has reviewed the information provided and participated in discussions with the Demand Side Management Steering Committee and supports the Company’s Application. The Office recognizes that the Schedules the Company proposes to eliminate have provided cost effective energy savings in the past however, it is appropriate that the Company attempt to address customer concerns when it can be done in a cost effective manner. The elimination of current Schedules and approval of Schedule 140, which modifies the existing programs and adds enhancements to simplify certain elements of participation should encourage more thoughtful consideration of all aspects of energy efficiency and lead to increased participation and cost effective energy savings. That being said, as with all DSM programs it will be essential to carefully monitor Schedule 140

to ensure that these changes are in fact beneficial and that energy savings do not deteriorate.

The Office recommends that the Commission approve the changes proposed in this docket with the modification of Sheet 140.2 as described above.