

May 22, 2015

## VIA ELECTRONIC FILING AND OVERNIGHT DELIVERY

Public Service Commission of Utah Heber M. Wells Building, 4<sup>th</sup> Floor 160 East 300 South Salt Lake City, UT 84114

- Attn: Gary Widerburg Commission Secretary
- RE: Advice No. 15-09 Proposed Changes to Schedule 140, Non-Residential Energy Efficiency Program – Docket No. 15-035-\_\_\_

Enclosed for filing are an original and five (5) copies of proposed tariff sheets associated with Tariff P.S.C.U No. 50 of PacifiCorp, d.b.a. Rocky Mountain Power (the "Company"), applicable to electric service in the State of Utah. Pursuant to the requirement of Rule R746-405D, the Company states that the proposed tariff sheets do not constitute a violation of state law or Commission rule. The Company will also provide an electronic version of this filing to <u>psc@utah.gov</u>. The Company respectfully requests an effective date of July 1, 2015 for these changes.

Second Revision of Sheet No. 140.2	Schedule 140	Non-Residential Energy Efficiency
Sheet No. 140.25 CANCELED	Schedule 140	Non-Residential Energy Efficiency
Sheet No. 140.26 CANCELED	Schedule 140	Non-Residential Energy Efficiency

The purpose of this filing is to propose changes to the Non-Residential Energy Efficiency Program ("Program") administered through Electric Service Schedule No. 140, specifically the enhanced incentive for small businesses. The Company has already exceeded its 12-month goal for 2015. If the current enhanced small business incentive continues through 2015, it is projected that kWh savings will reach up to 400 percent of goal and will overspend by up to \$6.9m due to this over-achievement. Through this filing, the Company is proposing modifications to the Program intended to stabilize costs. Proposed changes to the tariff sheets are included in Exhibit A.

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## **Proposed Program Changes**

The Company proposes to suspend the enhanced small business lighting incentives for reevaluation through a request for proposal process. The current acquisition level indicates that program planning and implementation assumptions for the enhanced small business incentives were not correct. As of May 1, 2015, the Company has achieved 121% of its 2015 goal for the enhanced small business incentives in the Utah market.

Through the suspension period, the Company will evaluate the enhanced small business incentive delivery model. Once the enhanced small business incentive delivery model has been reevaluated, the Company will request to lift the suspension and provide an updated offering to the small business market in 2016.

## Program Costs

If left unaltered in 2015, costs for providing the enhanced small business incentives are on pace to exceed \$8.71m. The original budget for the enhanced small business incentive in 2015 was \$1.78m. The current pace would result in a budget overage of approximately \$6.9m. The recommendation to suspend the enhanced small business incentive will still result in an overage of approximately \$1.78m, with 200% of kWh goal achieved. The Company believes a suspension of the enhanced small business incentive is necessary to allow time for reevaluation of a delivery model that balances costs with expected kWh savings outcomes.

## Conclusion

The changes proposed in this filing were previewed with the Utah DSM Steering Committee on May 19, 2015. The majority of Steering Committee members are supportive of the suspension and understand why it is necessary.

The Program is funded through the Schedule 193 – DSM Cost Adjustment. Any proposed adjustment to Schedule 193 will be informed by the next tariff rider analysis, which will examine the combined effect of the current balance, forecasted revenues and forecasted expenditures for all programs. The Company is not recommending an adjustment to Schedule 193 as part of this filing.

It is respectfully requested that all formal correspondence and staff requests regarding this matter be addressed to:

By E-mail (preferred):	datarequest@pacificorp.com michael.snow@pacificorp.com
By regular mail:	Data Request Response Center PacifiCorp 825 NE Multnomah Blvd., Suite 2000 Portland, OR 97232

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Informal inquiries regarding this matter may be directed to Michael Snow, DSM Regulatory Manager, at (801) 220-4214.

Sincerely,

Bill Comeau Director, Demand-side Management

Enclosures cc: Division of Public Utilities Office of Consumer Services