



State of Utah  
Department of Commerce  
Division of Public Utilities

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## 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

Date: June 8, 2015

Re: **RMP Advice No. 15-09, Proposed changes to Schedule 140 – Non-Residential Energy Efficiency**

Docket No. 15-035-T08

## RECOMMENDATION

The Division of Public Utilities (Division) recommends that the Public Service Commission (Commission) approve Rocky Mountain Power's (RMP or Company) proposed changes to the Non-Residential Energy Efficiency Program.

## ISSUE

On May 22, 2015, the Company filed modified tariff pages to Utah Tariff Schedule 140 Non-Residential Energy Efficiency Program requesting to suspend the enhanced incentive for small commercial and industrial (C&I) customers. On May 22, 2015, the Commission issued an Action Request for the Division to investigate the proposed changes to Schedule 140 and report its findings and recommendation to the Commission by June 8, 2015. On May 27, 2015, the Commission issued a Notice of Filing and Comment Period allowing interested parties until June

8, 2015 to provide comments with reply comments due June 15, 2015. This memorandum represents the Division's response to the Commission's Action Request.

## **DISCUSSION**

The Company is proposing to suspend the enhanced incentive for small business customers based on the program exceeding its 12 month budget and kWh goal within the first five months of the year. The Company states that if the program were to remain in place throughout the year it would exceed the budget and kWh goal by approximately 500% and 400% respectively. The 2015 budget for the program is \$1.78 million. The Company anticipates the program will exceed the budget by approximately \$6.9 million.

The Company acknowledges the program planning and assumptions going into the enhanced incentive program contained flaws. The suspension period will allow the Company time to reevaluate the program and submit a revised program in 2016.

At the end of 2014, the DSM balancing account was under collected by approximately \$18.4 million. On March 3, 2015, in Docket No 14-035-T14 the Commission approved an increase to the Schedule 193 collection rate. The Company's recommendation to increase the Schedule 193 rate included a second step increase that would be effective early in 2016. The DSM balancing account will be reviewed in the fall of 2015 to determine the additional increase. The purpose of the two step increase is to return the DSM balancing account to a neutral position. If the enhanced small business incentive is not suspended, it is anticipated that the under collected DSM balance will increase.

On May 19, 2015, the Company provided an overview of possible solutions to the DSM Steering Committee. The Division participated in the review and provided comments to the Company.

## **CONCLUSION**

The Division concludes that the proposed suspension of the enhanced incentive is needed in order to give the Company time to reevaluate the program and its assumptions while remaining

within the 2015 budget. Therefore, the Division recommends that the Commission approve the Company's proposed modifications to Electric Service Schedule 140.

CC Bill Comeau, Rocky Mountain Power  
Bob Lively, Rocky Mountain Power  
Michele Beck, Office of Consumer Services  
Service List