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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of Rocky Mountain Power's Semi-Annual Demand-Side Management (DSM) Forecast Reports	**DOCKET NO. 17-035-41** **Comments of Utah Clean Energy and Southwest Energy Efficiency Project**

I. INTRODUCTION

These comments are being submitted on behalf of Utah Clean Energy and the Southwest Energy Efficiency Project. We appreciate the opportunity to provide comments on Rocky Mountain Power's Semi-Annual Demand-Side Management (DSM) Forecast Reports. These comments are structured with a short summary first, followed by supporting information and concerns, and then recommendations.

II. SUMMARY OF COMMENTS

1) Rocky Mountain Power continues to move forward on successful DSM programs, but proposed reductions in the 2017 IRP and 2018 forecast are concerning.
2) We support an annual DSM savings range in the November Forecast with the understanding that Forecast targets should be seen as a floor, not a cap, on annual electricity savings.

3) As it recently filed in Wyoming, Rocky Mountain Power should develop three-year DSM plans in Utah beginning next year, with the opportunity for stakeholder input, to be filed with the Commission.

III. DETAILS ABOUT CONCERNS AND SUPPORTING INFORMATION

A. Background

Rocky Mountain Power has a solid track record of successful DSM programs, which have saved over 2.2 terawatt hours (2,175 gigawatt hours) of electricity between 2008 and 2016.[1] The general trend over this timeframe is increasing annual MWh and MW saved. The total electricity savings represents over $1 billion of net economic benefits to Rocky Mountain Power ratepayers in Utah.[2] Due in part to Rocky Mountain Power's successful DSM programs in 2016, Utah's most recent state ranking in a national State Energy Efficiency Scorecard increased three spots and we became one of the top 4 most improved states for energy efficiency.[3]

B. Utah Clean Energy and SWEEP are supportive of the Company's new programs

Utah Clean Energy and SWEEP are pleased that the Company has continued to develop new programs that are showing success, such as the Small Business Direct Install program that serves small businesses in parts of the state that are traditionally underserved. According to Rocky Mountain Power this program is reporting a high conversion rate and positive levels of electricity savings. In addition, we strongly support Rocky Mountain Power's soon-to-be-launched multi-family retrofit program, which is

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[1] Utah Electric Utility Energy Efficiency Programs: A Success Story - Updated: June 2017, http://swenergy.org/Data/Sites/1/media/ut-sweep-ee-a-success-story-june-2017.pdf

[2] See Note 1

[3] The State Energy Efficiency Scorecard, September 2017, http://aceee.org/state-policy/scorecard

designed to target 50% low-income customers. In addition, we are supportive of Rocky Mountain Power's proposed community partnership program. These new initiatives serve segments of the market that have not participated in the programs to a high degree previously.

C. We are concerned about decreased electricity savings as compared to the 2015 IRP

At the same time as Rocky Mountain Power has seen the historical DSM successes and developed important new DSM programs noted above, we're concerned with the Company's proposal to decrease the level of electricity savings proposed in the November DSM forecast as compared to the level of savings selected in the 2015 IRP. As noted in our 2017 IRP comments, we're concerned to see a large reduction being proposed for their DSM programs in 2018 and future years.

D. We support having a range for the DSM target in the November Forecast – but Forecast targets should be seen as a floor, not a cap.

In its filing, the Company's 2018 DSM forecast proposes a reduction of electricity savings as compared to the robust level of DSM selected in the 2015 IRP. The forecast includes a base target of 292,830 MWh in 2018. We appreciate that this target is higher than the very low MWh target proposed in the 2017 IRP for the year 2018 (240,790 MWh). The Company's filing also includes a Class 2 DSM "estimated range" from 280,000 MWh on the low end to 315,000 MWh on the high end. See the table below. We appreciate the Company's efforts to increase the level of electricity savings for 2018 by setting a higher base MWh target and the development of a range as we suggested in the DSM Steering Committee. However, even the high end of the estimated range is 10%

lower than the amount of Class 2 DSM that was selected as cost-effective in the 2015 IRP. Relative to the amount of energy savings the Company forecasted that it will achieve in 2017, this represents a 6% reduction in electricity savings. See the table below.

RMP 2018 DSM Target - Nov Forecast vs IRPs					
	2015 IRP[4]	2017 IRP[5]	Nov. Forecast[6]	Nov. Forecast (Low Range)[7]	Nov. Forecast (High Range)[8]
Class 2 DSM target for 2018 (MWh)	351,640	240,790	292,830	280,000	315,000
% change from Class 2 DSM selected in 2015 IRP	-	-32%	-17%	-20%	-10%

Rocky Mountain Power has done a very good job in building consumer awareness and trade ally support for its energy efficiency programs, and customers are increasingly choosing to participate. Moving backwards at this time will be detrimental to consumers, who will realize less utility bill savings. It will also be detrimental to trade allies such as lighting and HVAC contractors who have scaled up their efforts in response to program and energy savings growth in the recent past. Absent the reductions to electricity savings targets for 2018 resulting from the 2017 IRP, trends in the market -- including increased customer engagement, new energy savings technologies such as LED lighting and Wifi-

[4] PacifiCorp 2015 Integrated Resource Plan, Volume II, page 62, unnumbered table: https://www.pacificorp.com/content/dam/pacificorp/doc/Energy_Sources/Integrated_Resource_Plan/2015IRP/PacifiCorp_2015IRP-Vol2-Appendices.pdf

[5] PacifiCorp 2017 Integrated Resource Plan, Volume II, page 67, Table D.4: http://www.pacificorp.com/content/dam/pacificorp/doc/Energy_Sources/Integrated_Resource_Plan/2017_IRP/2017_IRP_VolumeII_2017_IRP_Final.pdf

[6] Rocky Mountain Power Annual DSM Deferred Account and Forecast Report, Docket No: 17-035-41: http://pscdocs.utah.gov/electric/17docs/1703541/297719RMPAnnDSMDefAcctFrcstRpt11-1-17.pdf

[7] See Note 6

[8] See Note 6

enabled smart thermostats that are declining in cost and improving in performance, and new program and marketing strategies -- should lead to greater energy savings in 2018 compared to 2017, not less savings.

We believe that this reduced level of savings leaves additional cost-effective DSM on the table – savings that were previously selected in the 2015 IRP. As represented in our 2017 IRP comments, we believe there are reasons to question the markedly lower level of DSM selected in the 2017 IRP.[9]

In the past, the amount of DSM selected in the IRP was seen as a floor and the DSM team was encouraged to achieve all cost-effective DSM. This has been the understanding/practice for a number of years. As a case in point, in its 2017 DSM forecast (filed November 1,2016), Rocky Mountain Power projected a level of electricity savings for the program year 2017 (384,010 MWh) that was well above what was selected for 2017 in the 2015 IRP (333,400 MWh).[10] It is our understanding that the Company is on track to meet or exceed this forecast for 2017.

In its DSM plan for 2018, we support the Class 2 DSM range for DSM acquisition with the understanding that the high end of the range is not considered a "cap" on the amount of cost-effective energy efficiency acquired by the Company. We recommend that the Commission acknowledge that the amount DSM selected in the IRP (and targeted

[9] Initial Comments of Utah Clean Energy and Southwest Energy Efficiency Project, Docket No: 17-035-16: https://pscdocs.utah.gov/electric/17docs/1703516/297571InitCommUCE,SWEEP10-24-2017.pdf

[10] Rocky Mountain Power DSM Semi-Annual Forecast Report 2016, Docket Number: 16-035-30: http://pscdocs.utah.gov/electric/16docs/1603530/289829RMPAttach1CopyUTNov2016Wrkbk2017-11-01-2016.xlsx

in the November forecasts) is a floor, rather than a cap. Further, we urge the Commission to clearly direct Rocky Mountain Power to acquire all cost effective energy efficiency.

E. Future DSM planning should transition from annual forecasts to three-year plans with stakeholder input

Currently, Rocky Mountain Power's development of DSM forecasts is an opaque process, with no formal timeline for stakeholder input. We recommend – beginning with the 2019 DSM program year planning – that Rocky Mountain Power develop a three-year DSM plan, with an opportunity for stakeholders to review and provide input.

We envision that a three-year DSM plan would be similar to the filing that the Company recently made for its DSM programs in Wyoming. This plan is being submitted with these comments. The development of a three-year DSM plan helps stakeholders to understand future DSM acquisition targets while also providing utility customers and the energy efficiency industry some level of certainty about the level of DSM savings and incentives. Feedback provided during a stakeholder input process provides an opportunity for interested parties to help shape the DSM plan development so that the DSM plan filed with the Commission already have stakeholder buy-in. It is common for utilities to develop multi-year DSM plans with a stakeholder feedback process to provide input before the plan is finalized and filed.[11]

[11] In addition to Rocky Mountain Power's Wyoming filing, Xcel Energy in Colorado has prepared two-year DSM plans since 2009and NV Energy in Nevada develops three -year plans. See for example: Xcel's revised 2017/2018 Demand-Side Management Plan Electric and Natural Gas: https://www.xcelenergy.com/staticfiles/xe-responsive/Company/Rates%20&%20Regulations/Regulatory%20Filings/DSM-Plan-Revised-2017.pdf

IV. Recommendations for the Utah Public Service Commission

Utah Clean Energy and SWEEP have two recommendations for the Commission based on the above comments:

1) We recommend that the Commission formally require that the DSM targets selected in the IRP and proposed in the November forecasts to be considered the floor rather than a cap of the amount of cost-effective DSM acquired each year; and
2) We recommend that the Commission direct Rocky Mountain Power to develop three-year DSM plans in Utah – like they recently filed in Wyoming – with the opportunity for stakeholder involvement and input before the plan is finalized and then filed with the Commission in the same way as DSM forecasts are currently filed. We recommend that such three-year plans be initiated in 2018 for the 2019 program year.

RESPECTFULLY SUBMITTED,

Utah Clean Energy
/s/ Kevin Emerson_____
Kevin Emerson
Program Director for Utah Clean Energy

CERTIFICATE OF SERVICE

Docket No. 17-035-41

I hereby certify that a true and correct copy of the foregoing was served by email this 1st of December, 2017, on the following:

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