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February 25, 2019

VIA ELECTRONIC FILING

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, Utah 84111

Re: **Docket No. 19-035-T01**—In the Matter of Rocky Mountain Power’s Proposed Tariff Revisions to Electric Service Schedule No. 140, Non-Residential Energy Efficiency.

These comments are being submitted by Utah Clean Energy (UCE) and the Southwest Energy Efficiency Project (SWEET) in response to the advice letter filed by Rocky Mountain Power on February 8, 2019 (Advice Letter).

Wattsmart Business Program Savings Target

UCE and SWEET originally had concerns that this filing was proposing to reduce the overall electricity savings target for the 2019 Wattsmart Business program to 160,937 MWh¹, down from the target in the November forecast of 188,675 MWh.² However, after speaking with Rocky Mountain Power’s DSM program staff and other members of the DSM Steering Committee on Friday February 22, 2019, we now understand that the gross kWh savings values in Exhibits B, C, and D of the Advice Letter are not new targets, rather, they are example values used to quantify the cost-effectiveness of Wattsmart Business program changes.

Based on the February 22 conversation, it is our understanding that the Company is still planning to meet or exceed the 188,675 MWh savings target through the 2019 Wattsmart Business program.

Increase Incentives for Energy Efficiency Measures with long Payback Periods

In addition, we note that in Exhibit B of the Advice Letter, several energy efficiency measures (EEMs) in the wattsmart business program have “discounted participant payback” periods that are longer than industry-accepted payback periods for energy efficiency improvements (generally 1 to 3 years). Longer payback periods for EEMs are likely to discourage utility customers from implementing energy efficiency improvements.

Further, some of the EEMs with long payback periods also have high cost effectiveness values. One strategy to reduce customer payback time and therefore encourage a greater level of implementation of certain EEMs is to increase the incentives offered for EEMs that have longer

¹ See Advice Letter, Table 3, page 70 found at <https://pscdocs.utah.gov/electric/19docs/19035T01/306611CorrTariff2-8-2019.pdf>.

² See *Id.* at Figure 1, page 2.

payback periods. In the last couple of years, Rocky Mountain Power has had unspent DSM funds that could have been redirected to increase the use of certain EEMs. Given the Company's recent tendency to underspend the approved budget and the possibility of future funding availability, Utah Clean Energy and SWEEP recommend that the Company increase incentives for EEMs that have discounted participant payback periods greater than 5 years, especially the EEMs that are highly cost-effective, such as the two noted below:

- Additional measures – 7.32 years, UCT 2.65³
- HVAC – 9.76 years, UCT 1.90⁴

We appreciate the opportunity to provide comments on this matter. Please direct any questions about these comments to Kevin Emerson, kevin@utahcleanenergy.org or (801) 363-4046.

Sincerely,

/s/ Hunter Holman

Hunter Holman
Counsel for Utah Clean Energy

³ See *Id.* at Table 6, page 72.

⁴ See *Id.* at Table 16, page 75.

