



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, Manager

Brenda Salter, Utility Technical Consultant

Date: July 31, 2019

Re: **RMP Advice No. 19-11, Proposed changes to Schedule 111 – Residential Energy Efficiency Program, Docket No. 19-035-T10**

Recommendation (Approval)

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 Residential Energy Efficiency Program (Program).

Issue

On July 16, 2019, the Company filed modified tariff pages to Utah Tariff Schedule 111 Residential Energy Efficiency Program requesting changes to the Program. On July 16, 2019, the Commission issued an Action Request for the Division to investigate the proposed changes to Schedule 111 and report its findings and recommendation to the Commission by July 31, 2019. Subsequently, the Commission issued a Notice of Filing and Comment Period allowing interested parties until July 31, 2019 to provide comments, with reply comments due August 7, 2019. This memorandum represents the Division's response to the Commission's Action Request and its Notice of Filing and Comment Period.

Discussion

In this filing the Company is retiring, adjusting, and adding new measures to the residential schedule. The Company has noted that it is continually reviewing the program to ensure it is aligned with current research and market conditions.

Retired

Advance Power Strips are no longer cost effective and are being removed from the tariff.

Low Flow Showerhead with Thermostatic Valves are not offered at retail stores resulting in no participation. If they become available through the retail market, the Company will re-assess the offering.

Wall and Floor Insulation has not been offered as an incentive since the Company's 45 day notice posting initiated on June 1, 2017. Wall and Floor Insulation were removed based on low participation and high cost per kilowatt hour saved. A review of the Division's Customer Service complaint file showed no complaints received regarding this reduced incentive.

Due to changes in minimum standards, the Company is proposing to remove the incentive for new gas furnaces with electronically commuted motors (ECM). New fan energy rating standards require ECMs on all new furnaces. The Company is following standard procedure in removing this measure according to updated energy rating standards. ECMs will still be offered on existing furnaces.

New Offerings

The Company is proposing new offerings that include expanding evaporative coolers to include a cubic feet per minute (CFM) range of 500-1,900, ground source heat pump conversions in existing single family homes, whole house ventilation fans with a CFM range of greater than or equal to 2,000, rooftop heat tape timers, and smart thermostats in new homes.

Revised Offerings

Revised offerings include allowing incentives for all smart thermostats that are ENERGY STAR certified; streamlining existing home evaporative cooler incentives to focus on CFM ratings; expanding central air conditioner incentives on new homes to give a wider array of options and price points; and increasing the maximum offering for conversion from resistance heat to heat pumps in order to spur participation. Various housekeeping items or cleanup are also incorporated into this filing.

The Navigant cost effectiveness analysis for the program is provided in Exhibits B, C, and D. The proposed changes to the program are expected to be cost effective at the program level for the Utility Cost Test (UTC), the Participant Cost Test (PCT), the Total Resource Cost Test (TRC) and the Total Resource Cost Test + Conservation Adder (PTRC). The cost effectiveness was analyzed using the results from PacifiCorp's 2017 Class 2 Demand Side Management Decrement Study.¹

In the June 25, 2019, Steering Committee Meeting, the Company provided the basic design and implementation time frame of the proposed program changes. On July 2, 2019, the Company provided a draft copy of the proposed changes to the DSM Steering Committee. The Division reviewed and provided initial comments to the Company on the draft proposal.

Conclusion

The Division concludes that the proposed changes are cost-effective and consistent with the Commission's goals to promote cost-effective DSM programs that are just and reasonable and in the public interest. Therefore, the Division recommends the Commission approve the Company's proposed modifications to Electric Service Schedule No. 111.

Cc: Michael Snow, Rocky Mountain Power
Michele Beck, Office of Consumer Services

¹http://www.pacificorp.com/content/dam/pacificorp/doc/Energy_Sources/Demand_Side_Management/2017/PacifiCorp_Class2_DSM_Decrement_Study.pdf