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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of Rocky Mountain Power's Demand-Side Management (DSM) 2019 Annual Energy Efficiency and Peak Load Reduction Report	**Docket No. 20-035-27 Comments from Southwest Energy Efficiency Project and Utah Clean Energy**

The Southwest Energy Efficiency Program and Utah Clean Energy ("SWEEP/UCE") appreciate the opportunity to provide comments on Rocky Mountain Power's ("RMP") Demand-Side Management 2019 Annual Energy Efficiency and Peak Load Reduction Report ("2019 Report").

INTRODUCTION

Given the growing interest in the strategic electrification of building end-uses and transportation, energy efficiency and load management continue to be important energy resources that moderate overall consumption and demand for electricity in Utah. The energy efficiency and demand response landscape is rapidly changing with new innovative technology becoming available on the market on a regular basis. Further, RMP is beginning to use their demand response programs to provide grid services in addition to cutting peak energy demand. There is substantial opportunity for Rocky Mountain Power to create new, cost-effective energy efficiency and demand response programs to save ratepayers money.

Several energy efficiency or demand response programs show improvement in participation or electricity savings, for which Rocky Mountain Power should be recognized. However, the overall 2019 program year shows a continuing decline in energy efficiency and demand response savings, which continues to be a concern to SWEEP and Utah Clean Energy. Below, SWEEP/UCE present our comments on the 2019 Report and include several recommendations and requests for the Public Service Commission.

GENERAL FINDINGS FROM THE 2019 REPORT

Energy efficiency and demand response continue to be cost effective energy resources for ratepayers, capturing $2.11 of electricity savings for every $1.00 invested and generating over $132 million in net benefits for RMP's customers. While RMP has done fairly well to replace decreases in savings from lighting with other offerings, overall energy efficiency savings continued a downward trend to 272,385 MWh of electricity savings in 2019: 4% lower than 2018 savings of 284,684 MWh and 10% lower than RMP's efficiency target for 2019 (298,720 MWh). In addition, RMP's total load management savings declined 22%, achieving 202 MW in 2019 as compared to 258 MW in 2018. Interestingly, while RMP achieved lower electricity savings in 2019 the Company spent more on its DSM programs ($53 million in 2019 versus $45 million in 2018). Finally, at the end of 2019 RMP had $14.3m of unspent efficiency funds already collected from ratepayers.

LOAD CONTROL AND DEMAND RESPONSE

Demand response/load control remained relatively strong, though dipped slightly from 2018 to 202 MW of residential AC load control. However, the number of load control participants increased in 2019 to 215,000 (up from 105,000 in 2018) and the number times the

utility managed central air conditioners across the utility system increase to 19 (up from only 7 in 2018). The increased number of events combined with shorter event times lead to real-time events, increasing the flexibility and value of the program. This allows the utility to better manage the overall electric grid and balance electricity consumption with renewable energy generation.

Rocky Mountain Power reports that the Irrigation Load Control program was cost effective under all four applicable benefit/cost tests. It also reports that there were zero load control events initiated in 2019, but that the available load "can be utilized as a reserve which provides value to the program and benefits customers."[1] Later in the 2019 Report RMP says that the Cool Keeper program also provided "frequency response and contingency reserve."[2]

SWEEP and UCE recommend that in future reports RMP specify what reserve and ancillary service benefits each program provides to give stakeholders a more well-rounded understanding of the value that each program provides each year. For example, are the reserves that RMP references related to the Irrigation Load Control program the same as those related to the Cool Keeper program? Is one program better able to provide these grid service, and if so, why?

RESIDENTIAL PROGRAMS

The overall residential program dipped slightly in 2019 (64,297 MWh, down from 65,116 MWh in 2018). RMP reported a large increase in electricity savings in the new construction single family and multifamily residential programs: 5.5 million kWh in 2019 versus 1.2 million

[1] Docket 20-035-27, RMP's 2019 Annual Energy Efficiency and Peak Load Reduction Report, page 19, found at https://pscdocs.utah.gov/electric/20docs/2003527/314083RdctdDSM2019AnlEnerEffPeakLoadRedRprt6-1-2020.pdf.
[2] Id at page 20.

kWh in 2018). It's Multifamily program nearly doubled the amount of electricity saved in 2019 to 8.2 million kWh (up from 4.3 million kWh in 2018). Also, RMP's contribution to low income home energy efficiency improvements increased slightly this year (from 223 MWh in 2018 to 283 MWh in 2019).

RMP explains why the marginal cost effectiveness tests were below 1.0 for the TRC, PTRC, and RIM, but does not explain why the UCT test decreased from 2.60 in 2018 to 2.09 in 2019. For future reports, SWEEP/UCE request that the Public Service Commission order RMP to briefly explain the change in cost effectiveness for each of the cost effectiveness tests, regardless of whether the cost effectiveness goes up, down, or stays the same. We believe that understanding the reasons for cost/benefit changes will give parties valuable context that will help us understand why a program is performing better or worse than previous years.

NON-RESIDENTIAL PROGRAMS

Overall electricity savings from the business and industrial sector dipped slightly in 2019 (171,505 MWh, down from 180,063 MWh reported in 2018). "Contracted" electricity savings increased slightly from 121 million kWh in 2018 to 139 million kWh in 2019 and "In-house" electricity savings decreased across the board from 45.4 million kWh in 2018 to 19.8 million kWh in 2019, likely because RMP shifted to a fully contracted model, getting rid of in-house implementation. The decrease in in-house savings (25.6 million kWh reduction) is not proportional to the increase in the contracted projects (18 million kWh), begging the question whether this transition is beneficial for customers.

SWEEP/UCE recommend that the Public Service Commission require RMP to provide an analysis of how program changes explained in the Program Administration or Program

Changes sections of the report have affected the cost effectiveness of each program. As noted above, the transition away from the in-house model towards an exclusive contracts model appears to have reduced the over savings of the Wattsmart Business program. Some discussion of how program changes affect program savings and cost effectiveness would provide stakeholders a stronger understanding of how each program's performance is affected by changes that RMP makes.

CONCLUSION

SWEEP/UCE appreciate the opportunity to submit these comments to the Public Service Commission for consideration. In sum, we recommend that the Commission require RMP to: 1) specify what reserve and ancillary service benefits each program provides to give stakeholders a more well-rounded understanding of the value that each program provides in a given year; 2) briefly explain the change in cost effectiveness for each of the cost effectiveness tests, regardless of whether the cost effectiveness goes up, down, or stays the same; and 3) provide an analysis of how program changes explained in the Program Administration or Program Changes sections of the report have affected the cost effectiveness of each program.

Respectfully submitted on July 1, 2020.

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