

# State of Utah/Rocky Mountain Power DSM Technical Conference

November 3, 2009



## Pursuant Docket No. 09-035-T08

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- Schedule 193 – Demand Side Management Cost Adjustment
- Technical Conference Schedule
  - ▶ November 3, 2009
    - Meeting for parties to review and discuss modifications to Schedule 192
  - ▶ January 20, 2010
    - Meeting for parties to review and discuss modifications to Schedule 193 terms and conditions and review and discuss modifications to the terms and processes of Schedule 193
- Prior meetings
  - ▶ October 14, 2009
    - Overview of DSM programs undertaken through Schedules 192 and 193 and associated with 193 balancing account
    - Review of RMP's DSM expense accounting
    - Overview of RMP's DSM programs relationship to the Integrated Resource Plan

## Purpose of Self-Direction Credit program

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- Additional programmatic tool to help large customers deliver demand side management resources to the system.
- Resources delivered must be:
  - ▶ Verifiable
  - ▶ Additive/incremental (not happening anyway)
  - ▶ Delivered with reasonable certainty over planning periods

## Background

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- Developed in conjunction with tariff rider (2001-2003)
- Technical conferences/workshop review of other large customer programs, including Oregon.
- Basic Utah program design outlined by UAE and provided to DSM advisory group
- Design and delivery options refined through group process, including one time opportunity to recover recent efficiency investments, participation in other programs for other projects.
- Utility selected to deliver
- Third party administrator RFP issued and Nexant selected in 2004.
- Revisions in early 2006 to provide for engineering reimbursement and align minimum efficiency standards for retrofit projects
- Administrator function re-bid in 2008. Nexant was successful bidder.

# Features

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- Customers – eligibility based on load
  - ▶ 5,000,000 kWh or 1,000 kW in prior 12 months
  - ▶ Can aggregate to reach eligibility
- Administration fee
  - ▶ Tool to help minimize administrator work/re-work
  - ▶ Tool to help secure aggregation that makes sense
- Projects – eligibility based on payback
  - ▶ 1-5 year paybacks - automatic eligibility
  - ▶ Longer paybacks requires project specific analysis
- Co-participation
  - ▶ Customers eligible for other programs (for additional projects) during time charge is “self directed” for a project.

# Features

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- Credits for new completed energy efficiency projects (Standard)
  - ▶ Customer funds analysis
  - ▶ Investments in new projects generate credits for 80% of the eligible costs
  - ▶ Incentives (credits) paid over time
  - ▶ Only available to offset Schedule 193 charge - Customer Efficiency Services charge
  
- Credits for no cost effective projects (Opt-out)
  - ▶ Customer funds analysis
  - ▶ Analysis includes additional quality assurance requirements
  - ▶ Offset 50% of the Customer Efficiency Services charge for two years
  
- Credit cap (s)
  - ▶ Aggregate dollar value of credits that can be used by all customers in a year
  - ▶ Does not apply to approvals, customers or projects
  - ▶ Initial program design feature/safeguard
  - ▶ No intended to restrict program/project activities

# Program performance

	# of Projects	Savings (kWh/yr)	Program Admin Cost (\$/yr)	Credits Approved (\$/yr)	Credits Disbursed (\$/yr)
<b>2003</b>	0	0	\$ 11,579	\$ -	\$ -
<b>2004</b>	8	583,139	\$ 217,741	\$ 647,870	\$ 234,357
<b>2005</b>	13	10,529,659	\$ 170,108	\$ 1,543,094	\$ 627,083
<b>2006</b>	21	14,815,459	\$ 186,735	\$ 1,968,027	\$ 977,879
<b>2007</b>	31	15,923,943	\$ 168,824	\$ 2,923,975	\$ 1,274,417
<b>2008</b>	18	6,647,347	\$ 209,124	\$ 1,350,738	\$ 1,755,080
<b>Jan - Oct. 2009</b>	9	4,303,194	\$ 238,463	\$ 845,418	\$ 1,423,704
<b>Total</b>	<b>100</b>	<b>52,802,741</b>	<b>1,202,574</b>	<b>9,279,121</b>	<b>\$ 6,292,520</b>

# Proposed changes to Self Direction credit program

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