



State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

THAD LEVAR
Deputy Director

CHRIS PARKER
Director, Division of Public Utilities

GARY HERBERT.
Governor
GREG BELL
Lieutenant Governor

ACTION REQUEST RESPONSE

To: Utah Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Energy Section
Artie Powell, Manager
Thomas Brill, Technical Consultant

Date: December 8, 2011

Re: Utah Demand-Side Management Semi-Annual Forecast for 2012, Docket No. 10-035-57.

RECOMMENDATION

The Division of Public Utilities (Division) recommends that the Commission direct Rocky Mountain Power (Company) to file additional information in support of its 2012 Utah Demand-Side Management (DSM) Semi-Annual Forecast.

ISSUE

The Company filed its 2012 DSM Semi-Annual Forecast on November 3, 2011. On December 1, 2011, in response to an Action Request, the Division filed a memorandum with the Commission and recommended acknowledgement of the Company's 2012 Demand-Side Management Semi-Annual Forecast. On December 1, 2011, the Commission requested a follow-up to the Action Request Response and requested additional information from the Division. This memorandum is in response to the Commission's follow-up Action Request.

DISCUSSION

The Commission's follow-up Action Request sought a recommendation on the forecast of expenditures for approved programs and their acquisition targets in relationship to the DSM targets listed in the Company's IRP. The Company's IRP Preferred Portfolio's DSM target are in MW capacity units for both DSM Class I and II; the Company's DSM Semi-Forecast in Attachment A presents DSM Class I targets in MWh energy units and DSM Class II targets in MW capacity units.

The Division compared the DSM Semi-Annual Forecasts presented in its November 1, 2010 and November 1, 2011 filings. The Company's previous forecast, filed on November 1, 2010, stated a 2009 program expenditure cost total of \$55.9 million and a 2010 program cost total of \$48.6 (with actual data available through September). In comparison, the Company's current Semi-Annual DSM Forecast, filed on November 1, 2011, stated a 2010 program expenditure cost total of \$46.9, a 2011 program cost total of \$44.0 million (with actual data again through September), and a 2012 program cost forecast total of \$47.0. In summary, then, the Company's DSM expenditure forecast is flat or even declining. Given the current state of the economy and inflation, in particular, the Division believes the Company's DSM expenditure forecast is reasonable.

For the Company's DSM targets, the Division reviewed Table 8.6, "Preferred Portfolio, Detail Level," page 230 of the 2011 IRP. Utah Class I DSM programs total 70 MW for the year 2012 and are comprised of Cool Keeper (5 MW), Curtailment (43 MW), and the DLC – Residential (22 MW). The corresponding values in Attachment A, Utah DSM 2012 Projected Savings, are A/C Load Control Program – Schedule 114 (125 MW) and Industrial Irrigation Load Control – Schedules 96 and 96A (52 MW), which total to 177 MW. The Division is unable to reconcile the IRP DSM target of a total of 70 MW with Semi-Annual Forecast's Attachment A total of 177 MW. Table 8.6 of the 2011 IRP lists Utah Class II DSM programs total 47 MW and should be compared to a Class II program total of 250,000

MWh as listed in Attachment A. The Division is unable to reconcile the MW capacity units listed in the 2011 IRP with the MWh energy units presented in the Semi-Annual DSM Forecast's Attachment A. The Division notes, however, that 250,000 MWh may well be consistent with 47 MW and may represent a total average capacity factor of approximately 60 percent (given 47 MW over 8,760 hours). Nevertheless, the Attachment A of the Semi-Annual DSM Forecast provides MWh data for each of 12 programs in the residential, commercial, and industrial sectors. The Division is unable to provide information on the MWh data for the 12 specific programs, how the IRP's Class II 47 MW is spread across the 12 programs, or how MW capacity data may be translated into MWh energy data at the program level. The Division requests that the Commission direct the Company to provide an explanation on this matter.

CONCLUSION

The Division is unable to reconcile the Utah DSM 2012 Projected Savings (in both MWh and MW) in Attachment A of the 2012 Semi-Annual Forecast with the DSM targets listed in the Company's 2011 IRP. Based on its review of the Company's filing, the Division concludes that the Company's 2012 Semi-Annual Forecast of DSM program expenditures is reasonable in light of the general state of the economy and low inflation, and assuming that the Company can reconcile its DSM projections with those specified in the 2011 IRP. Therefore, the Division recommends that the Commission direct the Company to file an explanation of how Attachment A of the 2012 DSM Semi-Annual Forecast may be reconciled with the 2011 IRP DSM targets.

CC: Michele Beck, OCS
Aaron Lively, RMP
Dave Taylor, RMP