

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Request for a Home
Energy Report Pilot Program

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DOCKET NO. 12-035-77

ORDER

ISSUED: September 12, 2014

SYNOPSIS

The Commission approves PacifiCorp's request to extend and expand the Home Energy Report pilot program. The current total Home Energy Report pilot program cost cap of \$3.2 million is reset to \$6.5 million.

PROCEDURAL HISTORY AND BACKGROUND

On September 2, 2014, Rocky Mountain Power, a division of PacifiCorp ("PacifiCorp"), filed a request to extend and expand the Home Energy Report ("HER") pilot program, with a requested effective date of September 15, 2014. The HER program was originally approved by the Commission in this docket on May 15, 2012. *See In the Matter of the Request for a Home Energy Report Pilot Program*, Docket No. 12-035-77 (Order; May 15, 2012) ("May 2012 Order").

The current HER pilot program consists of approximately 79,000 households with average annual usage of approximately 16,215 kWh per year and is scheduled to expire at the end of 2015. PacifiCorp requests to expand the program to include an additional 200,000 households with an average annual usage of approximately 10,653 kWh per year and to extend

the program an additional two years to the end of 2017.¹ PacifiCorp seeks to recover associated costs through Schedule 193, the Demand Side Management (“DSM”) Cost Adjustment.

Pursuant to the Commission’s September 3, 2014, notice of filing and comment period, the Division of Public Utilities (“Division”) and the Office of Consumer Services (“Office”) submitted comments on PacifiCorp’s request on September 10, 2014. PacifiCorp filed an amendment to its September 2, 2014, filing, along with additional comments on September 10, 2014.

DISCUSSION, FINDINGS AND CONCLUSIONS

I. Parties’ Positions

A. Division

The Division indicates the initial 18-month evaluation completed by Navigant Consulting on June 18, 2014, showed the pilot program exceeded the expected savings forecast and was cost effective. The Division reviewed PacifiCorp’s filing along with the program’s cost-effectiveness analysis and concludes that the proposed expansion of the pilot program is also cost effective.

The Division notes that the May 2012 Order approved the HER pilot program as filed with a total program cost cap of \$3.2 million. The Division further indicates PacifiCorp’s analysis of the proposed expansion of additional costs will be approximately \$6.5 million. Of the \$6.5 million, approximately \$2.6 million will be added to the initial pilot program for the years 2014 and 2015. The Division reviewed the proposed program costs included with the benefit/cost

¹ In addition to expanding the current HER pilot program, PacifiCorp will provide internet access to a web portal with energy usage information, an audit tool, and energy savings tips to the remaining Utah customers.

analysis and does not take issue with the increase in program costs as they do not appear to be overly excessive and the proposed program is cost effective. The Division states, however, that PacifiCorp's initial filing did not include a request to exceed the \$3.2 million cap.

The Division recommends the Commission approve PacifiCorp's requested modifications to the HER pilot program, conditioned on PacifiCorp's request of the Commission to increase the program cost through the 2017 extension period.

B. Office

The Office indicates the HER pilot program has demonstrated itself to be a cost-effective means of delivering energy savings to PacifiCorp's Utah service territory. The Office also agrees that the proposed expansion to 200,000 additional customers will provide additional energy savings while maintaining cost-effectiveness. Like the Division, the Office notes PacifiCorp's initial filing did not include a request to expand the \$3.2 million program cap. The Office recommends the Commission grant conditional approval of the extension and expansion of the program contingent on PacifiCorp's filing a request to eliminate the program cap.

C. PacifiCorp

As noted above, on September 10, 2014, PacifiCorp filed an amendment to its original filing that includes a request to remove the \$3.2 million cap if the program expansion and extension is approved. According to PacifiCorp, the current cap will be exceeded if the program runs through December 2017.

Also on September 10, 2014, PacifiCorp filed a letter indicating it has worked closely with the DSM Steering Committee and has gained consensus in support of expanding the program and for the September 15, 2014, effective date. PacifiCorp further indicates it updated

the DSM Steering Committee regarding its amended filing requesting elimination of the \$3.2 million cap and received no opposition. PacifiCorp requests the Commission still approve the September 15, 2014, effective date for the program expansion, even if the Commission decides to allow additional time for comments on PacifiCorp's request for elimination of the program cap.

II. Findings and Conclusions

We are satisfied the HER pilot program has proven to be a successful and cost-effective means of achieving energy savings for PacifiCorp's Utah customers. Based on the Division's and Office's review and analysis, it appears that extension and expansion of the pilot program will continue to be a cost-effective means of achieving energy savings. As such, we find PacifiCorp's request to extend and expand the HER pilot program is just and reasonable and in the public interest.

With respect to PacifiCorp's request to eliminate the \$3.2 million program cap, we find it prudent at this time to instead reset the cap to \$6.5 million through December 31, 2017. As noted by the Division, PacifiCorp's analysis of the proposed extension and expansion of the program will result in additional costs of approximately \$6.5 million. In the event expenses associated with the HER pilot program exceed \$6.5 million prior to the expiration of the pilot program on December 31, 2017, we will evaluate any request for a further increase of the cap at that time.

ORDER

Pursuant to the foregoing discussion, findings and conclusions, we order:

1. PacifiCorp's request to extend and expand the HER pilot program as outlined in PacifiCorp's September 2, 2014, filing is approved, effective September 15, 2014.
2. The current total HER pilot program cost cap of \$3.2 million approved in the May 2012 Order is reset to \$6.5 million.

DATED at Salt Lake City, Utah this 12th day of September, 2014.

/s/ Ron Allen, Chairman

/s/ David R. Clark, Commissioner

/s/ Thad LeVar, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#260589

Notice of Opportunity for Agency Review or Rehearing

Pursuant to §§ 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this Order by filing a written request with the Commission within 30 days after the issuance of this Order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission does not grant a request for review or rehearing within 20 days after the filing of the request, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a petition for review with the Utah Supreme Court within 30 days after final agency action. Any petition for review must comply with the requirements of §§ 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on the 12th day of September, 2014, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Electronic-Mail:

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