

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of Rocky Mountain Power’s)
Annual Demand Side Management Deferred) DOCKET NO. 13-035-183
Account and Forecast Reporting) ORDER

ISSUED: January 9, 2014

On November 1, 2013, PacifiCorp, d/b/a Rocky Mountain Power (“PacifiCorp”) filed its Demand Side Management (“DSM”) Deferred Account and Forecast Report (“Report”) containing forecast expenditures for approved DSM programs and projected energy and capacity acquisition targets for calendar year 2014. The Report references the Commission’s August 25, 2009, Order in Docket No. 09-035-T08¹ (“2009 Order”) requiring PacifiCorp to provide the Commission and DSM Advisory Group a forecast of expenditures for approved DSM programs and acquisition targets, in megawatts and megawatt-hours, for the next calendar year.

On November 4, 2013, the Commission issued an action request to the Division of Public Utilities (“Division”) to evaluate the Report. Also on November 4, 2013, the Commission issued a notice of filing and comment period with parties’ comments and reply comments due to the Commission by December 4, 2013, and December 19, 2013, respectively. On December 4, 2013, both the Division and the Office of Consumer Services (“Office”) filed comments. On December 19, 2013, PacifiCorp filed reply comments to address these parties’ issues. Also on December 19, 2013, the Commission issued another action request to the Division to evaluate PacifiCorp’s reply comments. On January 6, 2014, the Division filed a response to the Commission’s action request.

¹See *In the Matter of the Approval of Rocky Mountain Power’s Advice No. 09-08 Schedule 193 – Demand Side Management (DSM) Cost Adjustment*, Docket No. 09-035-T08, Order Granting Approval of Phase I Stipulation, issued August 25, 2009.

DISCUSSION

The Report includes attachments containing forecasted acquisition targets, in megawatts and megawatt-hours, for 2014, along with comparable targets listed in PacifiCorp's 2013 Integrated Resource Plan ("IRP"). The attachments also contain historical and projected monthly DSM expenditures by program, PacifiCorp's actual Electric Service Schedule No. 193 balancing account ("Schedule 193") results from December 2011 through September 2013 and projected Utah DSM expenditures and revenues through December 2014, including self direction credits.

The Report includes both a summary and a detailed report of Cool Keeper program costs and expenditures along with a summary of funds made available from PacifiCorp's recent cancellation of Electric Service Schedule No. 194 - Demand Side Management Cost Adjustment Credit. Also included is an estimate of total program participation and contribution to peak system load for PacifiCorp's irrigation load control program.

In the Report, PacifiCorp projects Utah DSM programs will result in 197 megawatts of capacity savings for 2014. Of this amount, 147 megawatts will be realized through Class I DSM programs (residential air conditioning and irrigation load control) and the balance, approximately 50 megawatts, will be realized through residential and industrial Class II DSM energy efficiency programs. This is lower than the 158 megawatts of Class I savings estimated for 2014 in PacifiCorp's 2013 IRP. PacifiCorp estimates 227,547 megawatt hours of energy savings in 2014, primarily through current Utah DSM energy efficiency programs, an amount slightly higher than the 224,220 megawatt hours estimated for 2014 in the 2013 IRP.

PacifiCorp estimates calendar year 2014 DSM expenditures will total approximately \$62.1 million and collection (revenue) will total approximately \$58.3 million. PacifiCorp forecasts a year end under-collected balance in Schedule 193 of about \$6.1 million on an accrual basis.

In its December 4, 2013, comments, the Division states PacifiCorp did not explain why its 2014 forecast of capacity savings for the Cool Keeper program are 11 megawatts lower than the comparable 2013 IRP target. Because of this, the Division asserts PacifiCorp failed to comply with the Commission's December 21, 2011, Order ("2011 Order") in Docket No. 10-035-57² that directs PacifiCorp to explain factors leading to deviations from IRP targets and to explain its plans for acquiring replacement resources when forecasted savings are less than IRP targets. Prior to Commission acknowledgment of the Report, the Division recommends the Commission require PacifiCorp to provide the information to comply with the 2011 Order.

In its December 4, 2013, comments the Office recommends the Commission acknowledge the Report. The Office also recommends the Commission require PacifiCorp to report substantial DSM program and measure expenditure increases and decreases to the DSM Steering and Advisory Group prior to the filing of future Reports.

In its reply comments addressing the Division's concerns about PacifiCorp's failure to explain the 11 megawatt discrepancy between forecasted capacity savings for the Cool Keeper program and the comparable 2013 IRP target, PacifiCorp explains the IRP target is an estimate of initial Cool Keeper program capabilities and does not account for declines in program savings resulting from contract provisions with the former program administrator,

² See *In the Matter of the Rocky Mountain Power Demand-Side Management 2010 Semi-Annual Forecast*, Docket No. 10-035-57, Order issued December 21, 2011.

Comverge. According to PacifiCorp, this contract allowed for degradation in program performance in the event there are changes in program administration. As Comverge was not awarded another contract term as the program's administrator, PacifiCorp states its 2014 Cool Keeper program forecast is based on current lower participation rates accompanying the phasing-out of the contract with Comverge and with the transition to new program administration.

In its January 6, 2014, response to the Commission's action request, the Division contends PacifiCorp did not fully address the concerns raised in its initial comments. Specifically, the Division argues PacifiCorp has yet to meet the requirements of the 2011 Order since PacifiCorp's response did not include a plan for acquiring replacement resources to address the 11 megawatt deficiency between the 2014 Cool Keeper forecast and the comparable 2013 IRP target.

FINDINGS AND CONCLUSIONS

Based on the Report and the comments filed relating to the Report, we find PacifiCorp is in compliance with our 2009 Order. However, based on the Division's comments and PacifiCorp's reply comments, we find the Report is not in compliance with our 2011 Order. We direct PacifiCorp to supplement the Report with its plans for acquiring replacement resources to address the 11 megawatt deficiency. We also encourage PacifiCorp to keep the DSM Advisory Group and DSM Steering Committee informed of substantial changes in projected DSM spending.

ORDER

1. PacifiCorp's Report, filed November 1, 2013, complies with our 2009 Order.

2. PacifiCorp shall file a supplementary response, within 30 days from the date of this order, explaining how it plans to acquire the resources necessary to address the 11 megawatt deficiency identified by the Division.

DATED at Salt Lake City, Utah, this 9th day of January, 2014.

/s/ Ron Allen, Chairman

/s/ David R. Clark, Commissioner

/s/ Thad LeVar, Commissioner

Attest:

/s/ Gary Widerburg
Commission Secretary
DW#249805

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the Commission within 30 days after the issuance of the 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 fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, 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 Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on the 9th day of January, 2014, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Electronic-Mail:

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