



GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: The Public Service Commission of Utah

From: The Office of Consumer Services
Michele Beck, Director
Cheryl Murray, Utility Analyst

Copies To: Rocky Mountain Power
Carol Hunter, Vice President, Services
Lisa Romney, Demand Side Management
Regulatory Projects Manager

Division of Public Utilities
Chris Parker, Director
Artie Powell, Energy Section Manager

Date: August 6, 2013

Subject: Docket No. 13-035-71, 2012 Demand-Side Management 2012
Annual Energy Efficiency and Peak Load Reduction Report

Background

On June 28, 2013 Rocky Mountain Power (Company) filed with the Public Service Commission of Utah (Commission) corrections to the Rocky Mountain Power 2012 Annual Energy Efficiency and Peak Load Reduction Report (Corrected Report). The Company states this filing is in response to comments filed on June 18, 2013 by the Office of Consumer Services (Office) and the Division of Public Utilities (Division) wherein each party noted deficiencies, corrections and questions about the May 1, 2013 Report's compliance with Commission requirements.

As stated in the Office's June 18, 2013 comments the Report provides useful information regarding events that occurred in 2012 including: a comprehensive cost-effectiveness analysis at the overall program, sector and individual program level; Schedule 193 Balancing Account summary with adjustments made in 2012; the portfolio of advertisements and earned media credits identifying promotional activities that occurred in 2012; and the Utah Self Direction Administrator's report. The Company has concisely incorporated a broad spectrum of information in the Report.

Issues Identified in Prior Office Comments

In its June 18, 2013 comments the Office identified an error in Appendix 1 as well as requirements from Docket No. 09-035-27 that the Office believed were missing or not met in the Company's Report. The Corrected Report addresses two of those issues.

Responsive Corrections

In Appendix 1 of the May 1, 2013 original Report in the section on Irrigation Load Control (Schedules 96 and 96A) there was a reference to information on Table 2 however the information was actually presented on Table 3. In this filing the Company identifies the correct Table where the information is located.

The Company is required to report both the first year and lifetime megawatt-hour savings associated with the programs. The Executive Summary at page 7 of the Corrected Report adds the lifetime megawatt-hour savings which were missing from the original Report. The Corrected Report includes first year and lifetime megawatt-hour savings as required.

Three issues from the Office's June 18, 2013 comments were not addressed in the Corrected Report.

1. IRP Planned DSM and Actuals

The Commission's Order in Docket No. 09-035-27 required that the annual report include a review of the Integrated Resource Plan (IRP) planned Demand Side Management (DSM) amounts and the annual report's "actual" results.¹

The Office's June 18, 2013 comments noted that a comparison of megawatt and megawatt-hour estimates to actuals was provided in the Report however the Office was unable to identify IRP data that matched the estimates. In data request OCS 4.1 the Office asked: Please provide the location in the 2011 IRP where the IRP planned DSM amounts that match the numbers on page 17 are located.

The Company responded as follows:

"The IRP does not directly provide the information requested. The methodology can be found in the Company's January 20, 2012² supplemental filing, docket 10.035.57. The supplemental filing was provided to support the forecast that was filed with the commission under the same docket number on November 1, 2011."

The Office acknowledges that this methodology was previously provided in support of the Company's 2011 DSM Semi-Annual Forecast Report. However, the Commission did not revise the requirement to provide IRP planned DSM amounts compared to actual results in the annual report.

¹ Commission Order dated October 7, 2009, page 14, Docket No. 09-035-27.

² The Office believes that the correct date is January 11, 2012.

The Office asserts that in any circumstance such as this the Company should either modify the IRP so that the information is available or specifically request that the Commission modify the requirement so that the Company can comply³. If the Company desires to use the semi-annual forecast report methodology in place of IRP forecasts a determination should be made as to whether the methodology provides a reasonable substitute that is acceptable to the Commission. Obviously at this point in time the Company cannot change the relevant IRP; however, going forward consideration must be given to how the Company will comply with this requirement.

The 2013 IRP places significant reliance on DSM/energy efficiency goals, thus the ability to reconcile projected performance to actual results is extremely important. The Office intends to also pursue this issue in the IRP.

2. Estimate of MW savings at time of system peak corresponding to MWh savings for EE programs.

In order to enhance the report's usefulness, the Commission's December 21, 2009 order in Docket No. 09-035-27 required the Company to include the estimate of megawatt savings at the time of system peak corresponding to the megawatt-hour savings for energy efficiency programs. The Commission's order specified that the information should be included "[I]n the Executive Summary, in the table entitled "20XX Total Portfolio Performance". The table referenced in the Commission's order was omitted in both the Report and the Corrected Report.

In response to OCS DR 3.2 the Company indicated that the required information was located in Appendix 1, Explanation of Capacity Estimate. Appendix 1 explains how capacity estimates were determined for the Cool Keeper Program, the load control irrigation programs and energy efficiency programs. In identifying the estimated capacity contribution of residential energy efficiency programs the Company notes "[A]s with the business programs, when these savings occur on an hourly basis is dependent upon several factors including energy usage patterns of residential customers."

While the explanation of how the capacity estimates are determined is important a more straightforward presentation of the information as well as the more detailed explanation would be helpful.

3. Utah Program Evaluations

In discussing Program evaluation in earlier comments the Office noted that evaluations had been conducted or were being conducted for all programs except the Irrigation Programs – Schedules 96 and 96A and the Low-Income Weatherization Program – Schedule 118. The Corrected Report does not indicate when evaluations for those programs will occur. The Office recognizes that substantial changes have occurred with

³The Office does not know whether the Company has concluded that the IRP cannot be revised to comply with the requirement.

the Irrigation Program, however the Company should either include an expected evaluation date or explain why no date is included.

Recommendations

The Office recommends that the Commission require the Company to:

- 1) Provide the following in future annual reports:
 - a) The IRP megawatt and megawatt-hour targets for the year including the relevant IRP or IRP update used for comparison.
 - b) More clarity regarding the estimate of megawatt savings at the time of system peak corresponding to the megawatt-hour savings for energy efficiency programs.
- 2) Include in future annual reports an appendix identifying report requirements and the location of the information in the report.