



State of Utah
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Division of Public Utilities

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MEMORANDUM

To: Utah Public Service Commission
From: Utah Division of Public Utilities
Chris Parker, Director
Artie Powell, Energy Section Manager
Brenda Salter, Technical Consultant
Date: June 13, 2014
Re: **Rocky Mountain Power's Demand-Side Management 2013 Annual Energy Efficiency and Peak Load Reduction Report**
Docket No. 14-035-50

RECOMMENDATION (ACKNOWLEDGEMENT)

The Division of Public Utilities (Division) recommends that the Public Service Commission (Commission) acknowledge the Utah Demand-Side Management (DSM) Annual Energy Efficiency and Peak Load Reduction Report for 2013 (DSM Annual Report), filed by Rocky Mountain Power (RMP or the Company) as it appears to comply with the Commission requirements in Dockets No. 09-035-27, 11-035-74 and 13-035-71.

ISSUE

On April 18, 2014, the Company filed a request for a one-time extension on the filing date of the DSM Annual report for 2013 from May 1, 2014 to May 16, 2014. Subsequently the Commission issued an Action Request for the Division to review the request and make recommendations. On April 21, 2014 the Division recommended approval of the Company's request for extension. The Commission granted the extension on April 24, 2014. On May 16, 2014 the Company filed its

DSM Annual Report for 2013. On May 21, 2014, the Commission issued a Notice of Filing and Comment Period for interested parties to submit comments on the report before June 16, 2014 with reply comments due before July 1, 2014. This memorandum represents the Division comments on the 2013 DSM Annual Report.

DISCUSSION

The Division appreciates the time and work that has been put into the DSM Annual Report by the Company. The DSM program provides valuable energy and cost savings to Rocky Mountain Power's customers. The comments provided by the Division do not reference every Commission filing requirement. Silence on an issue indicates the Division acknowledges the filing requirement has been met.

The 2013 DSM Annual Report contained information on the performance and activities within each program, as well as the cost-effectiveness test results, which are provided at several levels. The cost-effectiveness test results cover overall portfolio level, market segment level (residential and non-residential programs), and measure level. The DSM Annual Report indicates that all portfolios and programs passed all five cost-effectiveness tests. At the Residential sector level, all tests except the RIM were cost effective. The same held true for the Commercial and Industrial program level. On a measure level the residential New Homes measure did not pass all of the cost-effectiveness tests. The Company included two performance reports for the New Homes measure, one that included the 2011 program redesign costs, the second excluding the redesign costs. The measure passed the participant cost test (PCT) under both scenarios and also passed the utility cost test (UCT) excluding the 2011 program redesign costs. The measure failed the remaining cost-effectiveness tests. Federal lighting efficiency standard changes have caused the program to be less cost effective. This issue has been discussed in the DSM Steering Committee meetings and the Company is reviewing the programs cost effectiveness along with program enhancements. If the program does not improve the measure may be removed from the overall portfolio.

The 2013 DSM Annual Report indicates that based on the November 1, 2012 target numbers the Company exceeded its Utah target of 248,000 MWh/year of energy efficiency but did not meet

its 152 MW of load management. 2013 actual achieved energy efficiency acquisitions were 264,375 MWh/year with realized load management reductions of 127 MW. The Company attributes the missed load management reduction target to the contract change for the Cool Keeper and Irrigation Programs.

A comparison of the 2012 DSM Annual Report to the 2013 Annual Report shows that energy efficiency savings between 2012 and 2013 increased by approximately 11 percent and load management decreased by approximately 15 percent. 2013 Program costs including Self Direction Credits amounted to \$55,225,715 which is a 15 percent increase from 2012 costs.

At the beginning of 2013, the accumulated Schedule 193 DSM Cost Adjustment account showed an over-collected balance of \$8,292,887. On August 14, 2013 the Company filed an application to cancel Schedule 194 – DSM Cost Adjustment Credit in order to fund improvements to the Cool Keeper Program. The Commission approved the application and on September 15, 2013 Schedule 194 was canceled. The over-collected balance at the end of 2013 is \$6,272,071.

CONCLUSION

The Division does not find any issues with the report and will continue to monitor the Schedule 193 DSM Cost Adjustment and Tariff Rider Balancing Account. Therefore, the Division recommends that the Commission acknowledge the Company's DSM Annual Report for 2013 as complying with Commission Orders.

CC Dave Taylor, Rocky Mountain Power
Jeffrey Larson, Rocky Mountain Power
Michele Beck, Office of Consumer Services
Service List