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Date: June 16, 2014

Subject: Docket 14-035-50

In the Matter of: Rocky Mountain Power's Demand-Side Management
2013 Energy Efficiency and Peak Load Reduction Report

Background

On April 18, 2014 Rocky Mountain Power Company (Company) filed with the Public Service Commission (Commission) a request for a 15-day extension of the due date of the 2013 Demand-Side Management (DSM) report. The Commission granted the request changing the report's due date from May 1, 2014 to May 16, 2014. The Company filed the DSM 2013 Energy Efficiency and Peak Load Reduction Report on May 15, 2014. The Commission subsequently issued a Notice of Filing and Comment Period on May 21, 2014.

Discussion

The Office of Consumer Services (Office) has reviewed the 2013 DSM Annual report and appendices as filed with the Commission. The Office was also represented at the June DSM Advisory Group where an overview of the report was presented along with kWh savings, program results, and expenditures.

The report itself provides details regarding individual program results, activities, expenditures and a table demonstrating the monthly costs and rate recovery of the Schedule 193 DSM tariff rider. The report was filed with an additional eleven appendices. The appendices contain the following information:

1. List of report requirements and where in the filing the required information can be found.
2. An explanation of capacity estimates for both load management and energy efficiency programs.
3. Cost effectiveness information for the DSM programs.
4. Report from ENERNOC regarding the Irrigation Load Control Program.
5. An explanation of the sampling method to verify installations of DSM measures.
6. A list of participating retailers and professional installers.
7. An overview of program evaluations and recommendations completed by third party contractors.
8. A brief synopsis of the Low Income Weatherization program.
9. Report of the Self-Direction Credit program (Service Schedule No. 6).
10. A list of "Trade Allies", contractors and distributors that participate in or implement energy efficiency projects.
11. A document containing hyperlinks to various examples of Communications and Outreach including video, audio and print media.

The Office also received a confidential file containing proprietary information demonstrating actual load reduction performance of the load control programs in order to help demonstrate the cost effectiveness of those programs.

The provided cost effectiveness calculations demonstrate that the DSM portfolio meets each of the cost effectiveness tests including the Ratepayer Impact test (RIM). The DSM portfolio is the combination of energy efficiency programs and load control programs. The Office notes that the aggregate of energy efficiency programs alone does not pass the RIM test. The load control programs produce favorable results in all cost/benefit tests including the RIM test. It is the combination of load control with energy efficiency that produces a positive result for the DSM portfolio's RIM test. The Office agrees that the DSM portfolio is cost effective, but asserts that while not every measure need pass every test, each measure's cost effectiveness and its affect on the aggregate should be considered.

Regarding DSM performance, the Office notes that actual energy savings exceeded forecasted energy savings. Most of the Residential programs failed to produce forecasted savings; however, the Home Energy Reports program actualized more than double the forecasted savings. The Office's analysis of the actual MWh savings demonstrates that the Home Energy Reports can be credited with the resulting extra total savings for the DSM portfolio.

Realized load reduction fell short of projections. The A/C Load Control program fell just short of its 2013 forecasted load management reduction. The Irrigation Load Control program achieved less than half of its 2013 forecasted load management reduction. The Company explains that these results are consistent with expected changes in performance caused by both pre season and post season changes to the load control programs.

Total program expenditures came to \$55, 225, 715 with \$11,083,396 attributed to load management, \$24,755,696 from Residential Energy Efficiency, \$14,168,001 from Wattsmart Business, and \$1,442,042 from Communications and Outreach. The Schedule 193 DSM tariff rider table shows only \$51,076,863 in costs for the year with \$45,941,421 in Rate Recovery. During the 2013 year the Company applied to have the funds from a rate recovery credit (Schedule 194) applied to improvements in the Cool Keeper load management program rather than be credited to ratepayers. The Commission approved the request in an order given on September 13, 2013 in Docket 13-035-136. No other analysis of Schedule 193 is provided in the report.

The Company's report also outlined the DSM regulatory activities in 2013. The Office participates in both the DSM Steering Committee and Advisory Groups and offers input and discussion and files Comments when appropriate.

Recommendations

Having reviewed the reporting requirements and identifying the information provided by the company to fulfill those requirements, the Office recommends that the Commission acknowledge the 2013 Energy Efficiency and Peak Load Reduction Report.