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DEPARTMENT OF COMMERCE
Office of Consumer Services

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To: Public Service Commission

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Date: June 4, 2014

Subject: Docket 14-035-T03

In the Matter of: Rocky Mountain Power's Proposed Revisions to Electric Service Schedule No. 140, Non-Residential Energy Efficiency

Background

On May 7, 2014 Rocky Mountain Power Company (Company) filed with the Public Service Commission (Commission) proposed revisions to Schedule No. 140, Non-Residential Energy Efficiency. The Commission subsequently issued a Notice of Filing and Comment Period.

In preparation for this filing the Company had previously submitted preliminary proposals to both the Demand-Side Management (DSM) Steering Committee and Advisory Group. Some discussions were held with these groups and they were able to provide feedback in advance of the filing.

Electric Service Schedule 140 Non-Residential Energy Efficiency defines the DSM program for non-residential customers known as wattsmart Business.

Discussion

The Office of Consumer Services (Office) participates in both the Steering Committee and Advisory Groups; the Office offered suggestions to the Company regarding the preliminary proposals and participated in follow up discussions. The Company has incorporated some of the Office's suggestions into this filing.

The Company proposes some changes to typical upgrade measures in order to better respond to current market conditions. The proposed changes have been designed to better align the incentives with current market prices, market conditions, as well as present and expected changes to code. The Office supports incentives that encourage adoption of energy efficient products while mitigating free ridership.

The Company is proposing a new enhanced offer for small businesses. The Company's analysis of past program participation revealed that 96% of small businesses have not previously participated in the Company's DSM programs. The Company has designed the enhanced offer with an aim to overcome the barriers that have inhibited participation in the past by this group. The Company did not state what constitutes a small business for the cited analysis, however, the Company is proposing to define businesses eligible for the enhanced offer as those on Schedule 23 (General Service Distribution Small Customer) and those on Schedules 6, 6A, and 6B that do not exceed 130,000 kWh in a year. The Office agrees that the threshold of 130,000 kWh is appropriate in order to reach the target group that has been underserved by DSM programs. Including larger customers in the enhanced offer at this time would have the effect of detracting attention from the target group by allowing contractors to seek contracts with larger usage first, as the larger customers may be seen by contractors as more profitable. Thus, the Office supports this offer as designed to reach smaller businesses.

The Office notes that the Company's filed Tariff sheet 140.26 contains "Notes for enhanced incentives for small business customers." Note #2 states that incentives are capped at 80% of Energy Efficiency project costs. The Office supports this design and asserts that participants in voluntary DSM programs should pay a portion of the associated costs, as having a financial stake is a good way to ensure that the measures will be maintained properly.

The Office also expressed concern about adequately communicating to customers that incentives are subject to change. In response the Company has added footnote number 2 to filed Tariff sheet 140.25, this footnote declares in the Tariff that incentives are subject to change; the Company also assures us that the same communication is relayed in the website, printed materials, and in person to person interactions.

The Office supports the proposed revisions to program incentives and the efforts that the Company has made to encourage adoption of DSM measures by groups that have previously demonstrated low rates of participation.

Recommendations

The Office recommends that the Commission approve the proposed revisions to Schedule No. 140.