

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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

DOCKET NO. 15-035-T08  
ORDER APPROVING PROPOSED  
REVISIONS TO TARIFF SHEETS

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ISSUED: June 19, 2015

**SYNOPSIS**

The Commission approves PacifiCorp's request to revise Electric Service Schedule No. 140 ("Schedule 140"), Non-Residential Energy Efficiency Program, by suspending the enhanced lighting incentives for small businesses, effective July 1, 2015, pending evaluation of this component of Schedule 140.

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**PROCEDURAL HISTORY**

On May 22, 2015, PacifiCorp, dba Rocky Mountain Power ("PacifiCorp"), filed Advice Letter No. 15-09 proposing changes to Electric Service Schedule No. 140 ("Schedule 140"), Non-Residential Energy Efficiency Program ("Program") with an effective date of July 1, 2015. On May 22, 2015, the Public Service Commission of Utah ("Commission") issued an action request to the Utah Division of Public Utilities ("Division") for review of PacifiCorp's filing. On May 27, 2015, the Commission issued a Notice of Filing and Comment Period with comments due June 8, 2015, and reply comments due June 15, 2015.

On June 8, 2015, the Division and Utah Clean Energy ("UCE") filed comments. On June 15, 2015, the Utah Office of Consumer Services ("Office") filed reply comments.

**PARTIES' POSITIONS**

**A. PacifiCorp**

PacifiCorp proposes to change Schedule 140 by suspending the enhanced lighting incentives for small businesses. PacifiCorp's proposal includes removing the enhanced lighting incentives for small businesses from Sheet No. 140.2, cancelling Sheet Nos. 140.25 and 140.26, and revising the table of contents on Sheet No. B.1.

PacifiCorp proposes to suspend the enhanced lighting incentives for small businesses pending evaluation of the enhanced small business incentive delivery model. PacifiCorp states the current acquisition level indicates the planning and implementation assumptions for the enhanced lighting incentives for small businesses are not correct. As of May 1, 2015, PacifiCorp notes it has achieved 121 percent of its 2015 goal in the Utah market. Absent suspension or modification in 2015, the costs for providing the enhanced lighting incentives for small businesses are on pace to exceed \$8.71 million compared to the original budget of \$1.78 million. PacifiCorp is proposing to suspend the incentives to stabilize the costs and allow time for re-evaluation of a delivery model that balances costs with expected kWh savings. When its evaluation is completed, PacifiCorp will request to lift the suspension and to provide an updated offering to the small business market in 2016.

PacifiCorp states the changes to the Program were reviewed with the Utah Demand Side Management ("DSM") Steering Committee ("Steering Committee") on May 19, 2015, and asserts a majority of Steering Committee members support the suspension.

PacifiCorp notes the Program is funded through the Electric Service Schedule No. 193, DSM Cost Adjustment (“Schedule 193”). PacifiCorp suggests any proposed adjustment to Schedule 193 will be informed by analysis, which will examine the combined effect of the current balance, forecasted revenues and forecasted expenditures for all programs. PacifiCorp is not recommending an adjustment to Schedule 193 as part of this filing.

**B. Division**

The Division recognizes the budget issues associated with Schedule 140, and specifically the issues regarding the enhanced lighting incentives for small businesses noted above. The Division states the DSM balancing account was under-collected by approximately \$18.4 million at the end of 2014, and the collection rate was increased by the Commission in March of 2015 to move the balancing account toward a neutral position. If the enhanced lighting incentives for small businesses offered are not suspended, the Division expects the under-collected DSM balance will increase.

The Division notes PacifiCorp provided an overview of possible solutions for the enhanced lighting incentives for small businesses to the DSM Steering Committee on May 19, 2015. The Division participated in the review and provided comments. The Division concludes the proposed changes to Schedule 140 are needed to allow PacifiCorp time to re-evaluate the incentives in the program while remaining within the 2015 budget and recommends the Commission approve the proposed modifications.

**C. Office**

The Office states it participated in the May 19 DSM Steering Committee to discuss the proposed suspension of certain provisions of Schedule 140. The Office agrees with PacifiCorp

and the other parties that elements of Schedule 140 should be suspended pending re-evaluation by PacifiCorp. The Office shares UCE's concerns regarding the timing of re-introducing the incentives and that an extended suspension may reduce the effectiveness of the Program. As the incentives are evaluated, the Office also requests PacifiCorp provide regular detailed updates on the status of the Program's re-design and the anticipated date for the introduction of the revised Program.

**D. UCE**

UCE views the overwhelming interest in the small business enhanced lighting incentives as a positive sign the Program is meeting customers' demands and asserts this is an indication that Utah businesses desire this type of incentive. While UCE would prefer to see the incentive modified and continued without suspension, it realizes the \$/kWh incentive cost and design need to be addressed to further improve the incentive's cost-effectiveness. UCE supports PacifiCorp's proposal to temporarily suspend the enhanced lighting incentives for small businesses pending re-evaluation and offers recommendations for consideration by PacifiCorp. UCE requests that PacifiCorp: a) review the current incentive with the goal to introduce a revised incentive in January or February of 2016, b) involve "on the ground" contractors and take their concerns into account as a part of the revised incentive, c) investigate the opportunities to expand the incentives to other cost-effective measures beyond lighting, and d) convene the DSM Steering Committee for a follow-up meeting during the re-design process to explain how the recommendations of the parties are being considered.

**DISCUSSION, FINDINGS AND CONCLUSIONS**

Based on our review and the recommendations of the parties, we find the proposed changes to Schedule 140 reasonable and we agree with the parties that suspension of the enhanced lighting incentives for small businesses pending re-evaluation of the incentives is prudent and in the public interest. We encourage PacifiCorp to work with the parties on the re-design of the incentives and to provide regular updates to the DSM Steering Committee regarding the timing for implementing revised incentives.

**ORDER**

PacifiCorp's proposed revisions to Electric Service Schedule No. 140, are approved as filed, effective July 1, 2015.

DATED at Salt Lake City, Utah, this 19<sup>th</sup> day of June, 2015.

/s/ David R. Clark, Commissioner

/s/ Thad LeVar, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg  
Commission Secretary

DW#266996

CERTIFICATE OF SERVICE

I CERTIFY that on the 19<sup>th</sup> day of June, 2015, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Electronic-Mail:

Data Request Response Center ([datarequest@pacificorp.com](mailto:datarequest@pacificorp.com))  
PacifiCorp

Bob Lively ([bob.lively@pacificorp.com](mailto:bob.lively@pacificorp.com))  
Michael S. Snow ([michael.snow@pacificorp.com](mailto:michael.snow@pacificorp.com))  
Daniel E. Solander ([daniel.solander@pacificorp.com](mailto:daniel.solander@pacificorp.com))  
Rocky Mountain Power

Patricia Schmid ([pschmid@utah.gov](mailto:pschmid@utah.gov))  
Justin Jetter ([jjetter@utah.gov](mailto:jjetter@utah.gov))  
Rex Olsen ([rolsen@utah.gov](mailto:rolsen@utah.gov))  
Assistant Utah Attorneys General

By Hand-Delivery:

Division of Public Utilities  
160 East 300 South, 4<sup>th</sup> Floor  
Salt Lake City, Utah 84111

Office of Consumer Services  
160 East 300 South, 2<sup>nd</sup> Floor  
Salt Lake City, Utah 84111

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Administrative Assistant