UTAH CLEAN ENERGY
We Partner to Build the New Clean Energy Economy

June 22, 2016

UTAH PUBLIC SERVICE COMMISSION
Heber M. Wells Building
160 East 300 South, 4th Floor
Salt Lake City, Utah 84111

RE: Docket No. 16-035-17 – In the Matter of Rocky Mountain Power's Demand-Side Management 2015 Annual Energy Efficiency and Peak Load Reduction Report

Dear Public Service Commission:

On May 23, 2016, Rocky Mountain Power (the Company) filed its Demand-Side Management 2015 Annual Energy Efficiency and Peak Load Reduction Report. On May 25, 2016 the Commission issued a Notice of Filing and Comment Period asking interested parties to submit their comments on the Report on or before June 22, 2016. Utah Clean Energy (UCE) and Southwest Energy Efficiency Project (SWEEP) hereby submit joint comments, recommendations, and questions about the Company's Demand-Side Management 2015 Annual Energy Efficiency and Peak Load Reduction Report.

The report states that the Company invested $61.2 million in energy efficiency and peak load reduction during 2015, which yielded 311 GWh in first year energy savings and 2.7 million MWh of lifetime savings from energy efficiency acquisitions. This is a significant improvement in the Company's electricity savings to DSM investment ratio, as compared to 2014, where an investment of $81.6 million yielded 269 GWh in first year energy savings and 2.6 million MWh of lifetime savings. Achieving greater savings for lower costs shows a prudent use of ratepayer funds and demonstrates the continued cost effectiveness of energy efficiency as a utility resource. In addition, we applaud the Company for following through on its commitment to expand energy efficiency programs and energy savings as indicated in the current PacifiCorp Integrated Resource Plan. While the Company is working towards improving the cost efficiency of achieving this level of energy savings, we want to ensure that different customer classes are being served by Rocky Mountain Power's portfolio of energy efficiency and peak load reduction programs. That is, to the extent improvements in the savings to investment ratio are caused by

shifting funds from one customer class's programs to another**, we recommend that the Commission direct the Company to monitor and ensure that all classes that contribute to DSM programs are being served by those programs.**

We have included some data from the 2014 and 2015 Report in Tables 1-2 below. Table 1 shows that energy savings increased in 2015 as compared to 2014 and the program spending decreased by almost $20 million; however net economic benefits declined by over half from $140 million in 2014 to $62 million in 2015. The net benefits represent the benefits that the utility is able to realize through investments in energy efficiency and load reduction management. With increased energy savings and decreased spending, this significant decline in net economic benefit is counterintuitive. **We request that the Commission direct the Company to provide additional information about why the net economic benefits were lower in 2015 in comparison to 2014.**

Metric	2014	2015
DSM Program spending	$81.6 million	$61.2 million
Peak Reduction Achieved (at gen)	135 MW	115 MW
EE Savings (at gen)	269 GWh/yr	311 GWh/yr
Lifetime savings	2,661,424 MWh	2,724,606 MWh
Overall Portfolio Cost Effectiveness (UCT) – includes load reduction and energy efficiency programs	2.16	1.53
Net economic benefit	$ 140 million	$ 62 million

Table 1 – *Comparison between key metrics from Rocky Mountain Power Energy Efficiency and Peak Reduction Annual Report for 2014 and 2015*

The demand reductions achieved through Cool Keeper and Irrigation Load Control were lower in 2015 (115 MW) in comparison to 2014 (135MW) despite increasing the Irrigation Load Control season by 2 weeks and increasing the incentive. **We request the Commission to direct the Company to provide additional information about why reductions from peak load management programs were lower in 2015 in comparison to 2014.**

Energy savings from low income residential weatherization program was 157,713 KWh lower in 2015 in comparison to 2014 with 100 less homes participating in the program during the

reporting period, as shown in Table 2 below. The cost-effectives of the low income program is at 1.99 (UCT): making it the second most cost-effective residential program, after the refrigerator recycling program (UCT 2.47). However, the low-income program represented only 0.25% of total residential energy efficiency program expenditures in 2015. **We request the Commission to direct the Company to provide more information on the reasons for the lower electricity savings from the low income program and recommend the Company work with the DSM Steering Committee to identify possible ways to improve the program design, expand the program and participation in order to achieve higher savings. In addition, we request that the Company include an agenda item at the next DSM Steering Committee meeting on ways to enhance the low income weatherization program, and whether or not the Steering Committee supports doing so.**

Residential Energy Efficiency Programs	**2014**	**2015**
Low Income	383,040 KWh (gross at site) from 419 homes with UCT at 2.17	225,327 Kwh (gross at site) from 306 homes with UCT at 1.99
Refrigerator Recycling	12,753,660 KWh (gross at site) with UCT at 2.09	15,021,437 KWh (gross at site) with UCT at 2.47

Table 2 – ***Comparison between a few residential energy efficiency programs from Rocky Mountain Power Energy Efficiency and Peak Reduction Annual Report for 2014 and 2015***

The Company cancelled the Refrigerator Recycling program, effective March 6, 2016 as the program vendor JACO went out of business. **We request the Commission to direct the Company to investigate the potential for restarting this program and/or evaluate additional educational opportunities to encourage customers to get rid of old or second refrigerators and encouraging recycling**, especially of the Freon component of the refrigerator. Looking at the numbers from Table 2, it is clear that the refrigerator recycling program was one of the most cost-effective programs among the entire suite of residential energy efficiency programs offered by the Company. Not only did the program savings improve by 2,267,777 KWh from 2014 to 2015 but the cost effectiveness of the program (UCT) also improved from 2.09 in 2014 to 2.47 in 2015. We also note that other utilities in the Southwest that had to discontinue their Refrigerator Recycling program due to JACO going out of business have restarted (or are planning to restart) their program using a different vendor.

In the annual report, results for individual residential energy efficiency programs are well-presented. **We request the Commission to direct the Company to provide similar levels of information on individual non-residential program components that are offered within the overall Wattsmart business program** as part of the annual report in a similar manner as presented for the residential programs.

Finally, **we request the Commission to direct the Company to provide supplementary information on the number of program participants in 2015 by program and measure type**, similar to what was provided in previous annual energy efficiency and peak reduction reports. Participation data should be provided in future annual reports as well.

Thank you for the opportunity to provide comments.

Sincerely,

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