



State of Utah
Department of Commerce
Division of Public Utilities

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ACTION REQUEST RESPONSE

To: Utah Public Service Commission

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Energy Section Manager

Brenda Salter, Technical Consultant

Date: February 22, 2016

Re: **RMP Advice No. 16-02, Proposed changes to Schedule 117 – Residential Refrigerator Recycling Program**

Docket No. 16-035-T02

RECOMMENDATION

The Division of Public Utilities (Division) recommends that the Public Service Commission (Commission) approve Rocky Mountain Power's (RMP or Company) request to cancel the Residential Refrigerator Recycling Program with an effective date of March 6, 2016.

ISSUE

On February 5, 2016, the Company filed modified tariff pages to Utah Tariff Schedule 117 Residential Refrigerator Recycling Program requesting to cancel the program effective March 6, 2016. On February 5, 2016, the Commission issued an Action Request for the Division to investigate the proposed changes to Schedule 117 and report its findings and recommendation to the Commission by February 22, 2016. On February 8, 2016, the Commission issued a Notice of Filing and Comment Period allowing interested parties until February 22, 2016 to provide

comments with reply comments due February 26, 2016. This memorandum represents the Division's response to the Commission's Action Request.

DISCUSSION

The Company is proposing to cancel the Residential Refrigerator Recycling Program also known as "See ya later refrigerator" (SYLR) currently on suspension through Schedule 117. On November 23, 2015, JACO Environmental (JACO) discontinued services to Rocky Mountain Power's SYLR program. On December 23, 2015 the Commission issued an order to suspend Schedule 117 based on the program vendor entering into receivership. The Company has since completed a cost-effectiveness analysis using the results from a competitive Request for Proposal (RFP) issued in the third quarter of 2015. The outcome of the analysis shows a benefit/cost ratio of 0.70 for the Utility Cost Test (UCT). In addition, the benefit/cost ratio for the Total Resource Cost Test (TRC), Total Resource Test plus Conservation Adder (PTRC), Rate Impact Test (RIM), and Participant Cost Test (PCT) were all below 1.00. The Company is proposing to cancel the program based on its evaluation.

The Company has indicated that in the future it will include refrigerator recycling in its analysis of possible energy efficiency measures and that it may be possible to bring back a similar program at a later date.

On February 4, 2016, the Company provided an update to the Steering Committee regarding the progress of the clean-up services provided to customers. It is anticipated that all services will be completed by March 1, 2016 and that any outstanding incentives will be honored by the Company.

CONCLUSION

Based on the analysis performed on the results of the RFP, the SYLR program does not pass the UCT cost-effectiveness analysis. Therefore, the Division recommends that the Commission approve the Company's proposed cancelation of Electric Service Schedule 117.

CC Bill Comeau, Rocky Mountain Power
Bob Lively, Rocky Mountain Power
Michele Beck, Office of Consumer Services