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DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: Public Service Commission

From: Office of Consumer Services
Michele Beck, Director
Gavin Mangelson, Utility Analyst

Date: August 19, 2016

Subject: Docket 16-035-T11

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

Background

On August 5, 2016 Rocky Mountain Power Company (Company) filed with the Public Service Commission (Commission) a proposal to change Electric Service Schedule 140. The Commission posted a Notice of Filing and Comment Period on August 9, 2016.

Schedule 140 details the Demand-Side Management (DSM) programs intended to reduce load by providing energy efficiency measures to consumers on non-residential service schedules (the tariff also specifies inclusion of dairy barns on residential rate schedules).

The proposed change is to add a program that will provide direct installation of energy efficiency measures for small businesses, participants will be required to pay for a percentage of the cost of the measures they receive. Schedule 140 does not currently have a program targeted at small businesses. The previous small business program in Schedule 140 was suspended in docket 15-035-T08 on June 19, 2015 (effective July 1, 2015), due to cost overruns and an identified need for program redesign. The proposal before the Commission in this docket is a redesigned program to serve small businesses, referred to in the advice letter as the Small Business Direct Install Program (SBDI).

The DSM Steering Committee was informed that the redesign or restructuring of the small business offer was nearing completion at a Steering Committee meeting on June 16, 2016. At that time certain specifics of the proposal had not yet been determined. A preliminary draft of the proposal was circulated to Steering Committee members in July. The Office of Consumer Services (Office) provided to the Company some feedback, along with some requested changes and supplements. The Company then incorporated some of the feedback into the proposal and filed it with the Commission. The Office did not have an opportunity to review the final proposal in advance of the filing.

Discussion

The Office supports the fundamentals of the proposed direct install program as it will reintroduce energy efficiency incentives for small businesses, a segment of ratepayers that are currently underserved by the Company's DSM portfolio. The proposed small business offer will not be available to all small businesses at all times; rather measures will only be available as a direct install to businesses within the targeted geographic area, for the time allotted to that area. Although the Office would prefer that measures be available on a more fixed basis, the Office agrees that the proposed direct install program design will help to control costs and ensure that the program is managed effectively.

However, the Office has some remaining concerns about the actual tariff revisions, and about the informational materials provided along with the proposal.

Program Information on Company Website

In order to more easily facilitate changes to DSM programs, the Company's recent DSM tariff changes have omitted detailed program descriptions from tariff language and included language that refers to the Company's website for the specific details. Information not available in the tariff includes program descriptions, lists of qualifying equipment, and the actual incentive amount currently available for each measure. This allows the Company to change incentive amounts, and other program details without filing a tariff change. The Office has supported some of these changes; for example, in dockets 16-035-T03 and 15-035-T13 the Office supported listing incentives as "up-to" amounts in the tariffs, thus allowing the Company more flexibility

in matching incentives to market conditions. Generally, the Company has agreed to prominently post on their website a 45-day notice for pending changes to programs to ensure that customers can factor upcoming changes into participation decisions. Certain programs use qualifying equipment lists from Energy Star, and changes to Energy Star certified equipment lists are not noticed by the Company.

However, because program descriptions, qualifying equipment lists, and actual incentive amounts are not part of the tariff itself, one of the supplements requested by the Office in advance of the current Schedule 140 filing was an exhibit displaying what exactly will be posted to the Company's website regarding the SBDI. The Office also requested that this pertinent information be included in the advice letter, for this and future filings. The Office asserts that these specific details are necessary for the Commission, the Steering Committee, and other interested stakeholders to complete a thorough review of any proposal. The Office therefore requests that the Commission order the inclusion of an exhibit displaying the anticipated Company web pages for this and all future tariff change proposals.

Regarding Exhibit A, proposed tariff sheet no. 140.25, nothing in the proposed tariff provides a thorough explanation of the program, a list of qualifying equipment, actual incentive or customer co-pay amounts, or where any of this information can be found for the SBDI. Notes and footnotes at the bottom of the page clearly refer only to the mid-market incentives and table 13. The Office asserts that this tariff must be revised to clearly indicate the location of this information pertaining to the SBDI, including a clear description of how changes to the program are made and how they are communicated must also be included in the tariff.

The Office further recommends that the language used in referencing the Company website and describing the method of communicating program changes should be standardized and applied to other similar tariffs that utilize the Company website for program details.

Finally, the Office believes that there is an uncertainty between members of the Steering Committee and the Company regarding what kinds of program changes must be communicated to the Steering Committee or the Commission, and what types of program administration changes can be made without notice. The Office requests that the Commission include in its order for this docket a requirement that the Company

work with the Steering Committee to develop an agreement regarding what changes to DSM programs and program administration will be communicated to members of the DSM Steering Committee as well as the specifics and frequency of these communications.

Recommendation

The Office recommends that the Commission take the following actions:

1. Reject the tariff revisions as they are currently filed.
2. Require that the tariff be refiled clearly identifying the following information:
 - a. Location of detailed program information,
 - b. Timeframe of changes and how they are noticed.
3. To allow time for the Commission and others to review the revised filing, the Office further requests that the Commission suspend the proposed tariff revisions so that they do not go into effect thirty days after filing. The Office supports the tariff going into place as soon as practical for the Company to update the filing and others to review the updates.
4. Require that all proposed tariff revisions filed with the Commission for tariffs that defer some of the information to the Company website must contain an exhibit demonstrating what will be posted on the website.
5. Require that the Company develop an agreement with the DSM Steering Committee regarding how all changes to DSM programs are communicated.

Copies To: Rocky Mountain Power
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