



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: November 16, 2016

Re: **RMP Advice No. 16-12, Proposed changes to Schedules 110 and 111 – New Homes Program and Home Energy Savings Program respectively**

Docket No. 16-035-T13

RECOMMENDATION

The Division of Public Utilities (Division) recommends that the Public Service Commission (Commission) approve Rocky Mountain Power's (RMP or Company) proposed cancellation of the New Homes Program as contained in Electric Service Schedule 110 and the proposed revisions to Schedule 111 with the recommendation that the Commission require the Company to remove Note 6 on Table 6 of Electric Service Schedule 111 pending the approval of Questar Gas Company's (Questar) Weatherization Pilot Program.

ISSUE

On November 1, 2016, the Company filed proposed changes to Utah Tariff Schedules 110 and 111 Residential New Homes Program and Home Energy Savings Program with a requested effective date of December 1, 2106. On November 2, 2016, the Commission issued an Action Request for the Division to investigate the proposed changes to both schedules and report its findings and recommendation to the Commission by November 16, 2016. Subsequently the

Commission issued a Notice of Filing and Comment Period giving interested parties until November 16, 2016 to provide comments with reply comments due November 23, 2016. The Division provides these comments in response to the Commission's Action Request and consistent with the comment period date noted on the Notice of Filing and Comment Period.

DISCUSSION

In this filing the Company is proposing consolidating the New Homes Program with the Home Energy Savings Program (HES) and cancelling Electric Service Schedule 110. The New Homes Program has struggled the last few years with low participation and attaining cost effectiveness. The Company's proposal for the New Homes program is moving away from individual measures, with a few exceptions, to an offering based on a Home Energy Rating System (HERS) index whole-home performance measure. The HERS index is a scoring mechanism for whole home efficiency. The Company is including two standalone measures for central air conditioners and gas furnaces with electronically commutated motors. The HES Program is cost effective at the Program level with the changes to the New Homes Program although New Homes is only cost effective at the measure level for the Utility Cost Test (UCT) and the Participant Cost Test (PCT). The Division notes that other measures don't always pass all of the cost effectiveness tests but as a whole, the program is cost effective. Retaining New Homes addresses a market niche and, as proposed, provides additional net kWh savings to the program. As with all programs, the Division will monitor the changes to New Homes and report to the Commission anything noteworthy.

The Company is proposing measure changes to lighting, appliance, building envelope, and HVAC. The proposed changes are in response to the changing energy efficiency landscape. A restructuring of Schedule 111 to better organize and group the measures, similar to the non-residential energy efficiency tariff, is also proposed.

The Company is evaluating partnering with Questar in a Weatherization Pilot Program¹ to address insulation measures in underserved communities. If the Pilot Program is approved,

¹ Docket No. 16-057-15, Application for Approval of the 2017 Year Budget for Energy Efficiency Programs and Market Transformation Initiative, October 18, 2016.

Questar would work with qualified contractors to provide direct install weatherization measures. With this change the Company is anticipating lower administrative costs with higher participation rates.

This being said, the Division is concerned with two things; the proposed wording of Schedule 111, specifically Table 6 – Insulation Incentives including the note for Table 6² and the effective dates of the Rocky Mountain Power and Questar filings. First, Rocky Mountain Power insulation incentives are currently offered for both non-self-install and self-install options. The proposed partnership with Questar, as indicated in the notes for Table 6, appears to remove the self-install option from the program but the Company is not proposing to remove the self-install incentive from the tariff. Second, Questar is asking for a January 1, 2017 effective date which is well after RMPs proposed effective date of December 1, 2016 in this docket. The Division is recommending that in order to eliminate the confusion, the Company remove the Note to Table 6 pending the approval of the Questar partnership Pilot Program by the Commission. If the Pilot Program is approved, RMP could then file for approval to modify the tariff with specifics to the Pilot Program.

On October 25, 2016, a draft filing of the proposed changes to Schedules 110 and 111 were provided to the DSM Steering Committee. The changes were also discussed at the DSM Steering Committee Meeting held on October 26, 2015. The draft filing provided to the Steering Committee included a change to the amount of time customers have to submit their incentive application. The Division and other parties did not agree with the proposed change therefore the Company removed it from the filing. Unfortunately, on page 2 of the application, a brief reference to the proposed change for the application submittal time remained. The amount of time customers have to submit an incentive application will remain at 180 days.

² Notes for Table 6:

1. Insulation incentives in Table 6 are available through Questar Gas Company's Direct Install Weatherization Pilot Program

CONCLUSION

The Division has reviewed the changes as proposed by the Company and recommends that the Commission approve the cancelation of Electric Service Schedule 110 and the proposed revisions to Schedule 111 with the recommendation that the Commission require the Company to remove Note 6 on Table 6 of Electric Service Schedule 111 pending the approval of Questar's Weatherization Pilot Program.

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