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State of Utah
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: November 16, 2016

Subject: Docket 16-035-T13

In the Matter of: Rocky Mountain Power's Proposed Revisions to Schedule No. 110, New Homes Program and Schedule No. 111, Home Energy Savings Program

Background

On November 2, 2016 Rocky Mountain Power Company (RMP or Company) filed with the Public Service Commission (Commission) a proposal to make changes to Electric Service Schedules 110 and 111. The Commission posted a Notice of Filing and Comment Period on November 3, 2016.

The Company's Demand-Side Management (DSM) Steering Committee met on October 26, 2016 and discussed the Company's intent to merge the New Homes Program (Sch. 110) with the Home Energy Savings Program (Sch. 111). The Steering Committee also discussed the rebranding of the Home Energy Savings Program as Wattsmart Homes.

Discussion

The Office of Consumer Services (Office) participated in the aforementioned Steering Committee discussions, reviewed the proposal prior to filing before the Commission, and the Office has also examined the materials filed on November 2, 2016. The Office offers the following comments.

New Homes Program

The Company proposes to merge the New Homes Program into the Wattsmart Homes Program. Originally, the New Homes Program had been determined to be cost effective by such a narrow margin that it was implemented only after it was agreed that the program results would be reported to the DSM Steering Committee on a monthly basis. According to the Company some of the measures have required higher administrative costs, while providing lower energy savings when compared to other measures. As part of the changes to this program, the new construction measures will be based on the Home Energy Rating System (HERS). These changes should provide more simplified administration of the program, while still taking advantage of potential savings from new construction. If approved, the measures available for new construction will be located in table 5 of the tariff and are anticipated to be more cost effective than some of the existing measures currently available in the Home Energy Savings Program. The Office supports the proposed program merger and changes to new residential construction measures.

Smart Thermostats

The Company proposes adding Smart Thermostats as equipment qualifying for an incentive under the revised Wattsmart Homes Program. Previously in docket 16-035-T01, the Office filed Comments requesting that Smart Thermostats not be added as qualifying equipment under Schedule 118¹. The Office noted that the Company's application stated that the *"the majority of savings from smart thermostats are a result of occupancy sensing"*, and the Office highlighted specific problems with Nest Learning Thermostats occupancy sensor called "Auto-Away." The Company removed Smart Thermostats from the proposal in Reply Comments filed on February 10, 2016. Since that time Nest has eliminated the "Auto-Away" feature and replaced it with a feature called "Home/Away Assist". This revised feature resolves some of the shortcomings of the previous version and provides more accurate occupancy information to the device. This feature more closely resembles technology employed by the Smart Thermostat offering from Honeywell. Due to the improvements to the technology of

¹ OCS Comments February 3, 2016, docket 16-035-T01.

Smart Thermostats, specifically in regards to occupancy sensing, the Office supports the addition of Smart Thermostats to Wattsmart Homes.

Questar Gas Company Weatherization Pilot Program

On September 29, 2016 Questar Gas Company (Questar) discussed with their DSM Advisory Group a plan to pilot a weatherization direct install targeted at underserved neighborhoods. On October 18, 2016 Questar filed the application for this pilot program with their 2017 DSM budget proposal under docket 16-057-15.

On page 9 of the application to change Schedule 111, the Company has stated that they intend to partner with Questar in their weatherization pilot program. The Company intends to utilize the Questar pilot as the delivery vehicle for Wattsmart Homes insulation measures.

The Office does not support this request for several reasons. First of all, not only has the Questar pilot program not been approved, but the Commission has not yet received comments from interested parties in that docket (16-057-15, Comments due November 18, 2016). Furthermore, the proposed tariff sheet 111.6 directly states that the insulation incentives from table 6 are available through the Questar program. If this RMP tariff sheet is approved in this docket before the Commission orders on the Questar docket, then the tariff would reference a non-existent program. The same would be true if the Commission rejected Questar's proposed pilot program. The Office asserts that it is inappropriate to file tariff changes that reflect undecided issues both to avoid the scenarios described above, as well as to avoid any undue influence on other open dockets.

The Office also notes that the Questar pilot program is proposed to function in addition to the current weatherization installation method, not replace it. Whereas according to page 10 of the Schedule 111 application RMP proposes to provide insulation measures through the Questar pilot "*in lieu of providing insulation incentives through the current post purchase application process*". This would result in any residence outside of the Questar targeted area becoming ineligible to participate in the insulation measures of Wattsmart Homes.

The Office recommends that the Commission reject the current RMP proposal to deliver insulation measures through the Questar direct install pilot and reject tariff sheet 111.6 on the basis that it contains provisions referencing a non-existent program, and that it will exclude homes outside of the areas specifically targeted by Questar.

Recommendation

The Office recommends that the Commission take the following action:

1. Approve the proposal to combine Schedule 110 with Schedule 111.
2. Reject the proposed tariff sheet 111.6 and all changes relating to the pilot program proposed by Questar Gas Company.

Copies To: Rocky Mountain Power
Bill Comeau, Director, Demand-Side Management

Division of Public Utilities
Chris Parker, Director
Artie Powell, Energy Section Manager