

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Rocky Mountain Power for Approval to Revise Demand Side Management Annual Energy Efficiency and Peak Load Reduction Report Requirements	<u>DOCKET NO. 17-035-04</u> <u>ORDER</u>
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ISSUED: February 16, 2017

PROCEDURAL HISTORY

On January 18, 2017, PacifiCorp, dba Rocky Mountain Power ("PacifiCorp"), filed an application with the Public Service Commission of Utah ("PSC") requesting approval to revise the Demand Side Management ("DSM") Annual Energy Efficiency and Peak Load Reduction Report ("Annual Report") requirements ("Application"). The PSC issued a notice of filing and comment period on January 20, 2017, and the Division of Public Utilities ("DPU") and the Office of Consumer Services ("OCS") filed comments on February 2, 2017. No reply comments were filed.

PACIFICORP'S APPLICATION

PacifiCorp's Application seeks authorization to "update the formal Annual Report requirements, remove ambiguity, and to consolidate [Annual Report] requirements under one docket and order."¹ According to PacifiCorp, it has discussed the Annual Report requirements with the DSM Steering Committee on several occasions and has made adjustments and clarifications to the information provided in the Annual Report to increase its value. PacifiCorp

¹ Application at 2.

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represents its proposal is based on these discussions. PacifiCorp requests an effective date of February 17, 2017 for its proposed changes to the reporting requirements.

Table 1 of PacifiCorp's Application, attached as Appendix A, presents one new and 17 existing requirements for the Annual Report, identifies the related PSC dockets² and orders adopting the existing requirements, and presents descriptions of the current and proposed requirements.³

Among the proposed changes, PacifiCorp seeks to: 1) modify the Annual Report filing date in Requirement 1 from May 1st of each year to between May 1st and June 1st of each year in order to avoid requests for extensions which have been common due to PacifiCorp's workload in the second quarter of each year; 2) eliminate part of Requirement 6 relating to providing calculations for reported savings in the Annual Report because of the large volume of measures involved and because PacifiCorp uses proprietary tools to generate the reported savings from custom projects; 3) modify Requirement 9 to add reporting savings at the portfolio and sector levels in addition to reporting savings at the measure and program levels; 4) modify Requirement 10 relating to cost effectiveness tests by replacing current IRP avoided costs in the calculations

² The Commission approved PacifiCorp's current DSM reporting requirements in the following dockets and orders: Docket No. 09-035-27, In the Matter of the Proposed Revisions to the Utah Demand Side Resource Program Performance Standards, Orders dated October 7, 2009 and December 21, 2009; Docket No. 11-035-74, In the Matter of the Utah Demand-Side Management Annual Report for 2010, Order dated July 14, 2011 and PSC Correspondence dated February 15, 2012; Docket No. 12-035-57, In the Matter of the DSM Annual Report Filing by Rocky Mountain Power, Order dated June 12, 2012; Docket No. 12-035-116, In the Matter of the DSM Annual Report Filing by Rocky Mountain Power, Order dated January 15, 2013; Docket No. 12-035-117, In the Matter of Rocky Mountain Power's Annual Report Cost-Effectiveness Testing Requirements, Order dated January 15, 2013; Docket No. 13-035-20, In the Matter of the Application of Rocky Mountain Power for Authority to Cancel Electric Service Schedule No. 96A Irrigation Load Control Tariff; Approve a New Demand Side Management Contract and Approve a Schedule No. 105 Irrigation Demand Response, Order dated March 15, 2013; Docket No. 13-035-71, In the Matter of Rocky Mountain Power's Demand-Side Management 2012 Annual Energy Efficiency and Peak Load Reduction Report, Order dated September 11, 2013.

³ See Application, Table 1 – Current and Proposed Annual Report Requirements, at 3-7.

with planned assumptions asserting "[t]his will maintain symmetry and accuracy with the planned assumptions used in the applicable November 1st Report;"⁴ and 5) add a new Requirement 18 "clarifying that process and impact evaluation and annual reporting costs will be provided at the sector level, rather than program level, for cost effectiveness testing in the Annual Report[,]" for the purpose of providing "transparency of costs and more accurate budget forecasting."⁵ PacifiCorp seeks either no change, minor modifications, consolidations, updates, or clarifications to the remaining requirements.

PARTIES' COMMENTS

The DPU recommends that the PSC approve PacifiCorp's proposed revisions to the reporting requirements of the Annual Report. The DPU states: "[t]he purpose of this filing is to consolidate and update the filing requirements of the DSM Annual Report. The Division understands that the Company is not proposing to eliminate requirements from prior Commission orders nor is it changing the format of the report but is working to consolidate the requirements in order to provide clarity to the report."⁶

The OCS also recommends the PSC approve the proposed revisions. In its comments, the OCS stressed the importance of maintaining a direct reporting link between the DSM portfolio performance and the goals laid out in PacifiCorp's Integrated Resource Plan ("IRP"). The OCS states the comparison of the realized outcomes to the IRP targets is essential in developing the DSM portfolio and that the historical performance should be considered when determining future IRP targets. The OCS believes the proposed Requirement 3 addresses its concerns.

⁴ *Id.* at 9.

⁵ *Id.* at 11.

⁶ DPU February 2, 2017 Comments at 2.

DISCUSSION, FINDINGS AND CONCLUSIONS

We approved the current DSM reporting requirements over time in many dockets in response to issues identified by parties and the PSC. As such, we welcome PacifiCorp's efforts to consolidate reporting requirements in one order. With the exceptions and clarifications noted below we find PacifiCorp's proposal as filed reasonable.

Requirement 6: PacifiCorp proposes to eliminate the requirement that the Annual Report present the calculations for reported savings. As an alternative, PacifiCorp offers to allow the Steering Committee members or PSC staff to view its savings' verifications at its offices. PacifiCorp explains that the calculations involve both many measures and proprietary models for custom projects.

While our December 21, 2009 Order in Docket No. 09-035-27 states: ". . . within the body of the report or in an appendix, provide the calculations for reported savings and identify if reported savings are ex-post or ex-ante estimates[,]"⁷ we understand that this requirement may now be impractical. We find value in ensuring interested parties have the opportunity to understand the process, formulas, and inputs PacifiCorp uses to calculate reported savings consistent with our orders. Accordingly, we approve PacifiCorp's modification to Requirement 6, with the understanding that PacifiCorp will allow the Steering Committee Members or PSC staff to view the process, formulas, and inputs underlying the savings calculations at PacifiCorp's offices.

⁷ Docket No. 09-035-27, In the Matter of the Proposed Revision to the Utah Demand Side Resource Program Performance Standards Pursuant to Commission Order in Docket No. 07-035-T04, Order issued December 21, 2009, at 2.

Requirement 8: The current Requirement 8 directs PacifiCorp to provide "DSM capacity benefits in terms of system coincident peak and for each individual program."⁸ PacifiCorp proposes to consolidate this requirement with the proposed revised Requirement 3 which states: "The Company shall report Class 1 capacity reduction, estimated Class 2 megawatt savings during system peak, and Class 2 megawatt-hour savings achieved, all compared against the Integrated Resource Plan targets and forecast targets submitted in the applicable DSM November 1st Deferred Account and Forecast Report."⁹ Since the proposed revised Requirement 3 does not mention program level reporting and given the DPU's statement that PacifiCorp is not proposing to eliminate any requirements from prior PSC decisions, we approve the consolidation of these requirements. We have not been asked to eliminate the requirement for program level reporting, and therefore maintain that requirement.

Requirement 12: The current Requirement 12 directs PacifiCorp to "perform cost effectiveness tests using initial avoided cost assumptions only for new programs through the first year of implementation or for existing programs that incur significant changes within a given program year." PacifiCorp proposes to consolidate this requirement with the proposed revised Requirement 10 which states: "The Company shall perform cost effectiveness tests using avoided costs from planned assumptions." Our October 7, 2009 Order in Docket No. 09-035-27 states: "[t]he Company shall perform the tests assuming its most recent IRP avoided costs."¹⁰ We modified this requirement in our January 15, 2013 Order in Docket 12-035-117 by allowing use

⁸ Application at 5.

⁹ *Id.* at 3, 4, and 8.

¹⁰ Docket No. 09-035-27, In the Matter of the Proposed Revision to the Utah Demand Side Resource Program Performance Standards, Order dated October 7, 2009, at 14.

of the initial avoided cost assumptions from the time of program inception (*i.e.*, planned assumptions) for the first year of the program and for programs undergoing major changes in a given year. Given the DPU's statement that PacifiCorp is not proposing to eliminate any requirements from prior PSC orders, we approve the consolidation of these requirements. We have not been asked to eliminate Requirement 8's provision limiting PacifiCorp's use of initial avoided cost assumptions in its evaluations, and therefore maintain that requirement.

Requirement 18: PacifiCorp proposes adding a new requirement to the Annual Report, clarifying that process and impact evaluation and annual reporting costs will be submitted at the sector level, rather than program level, for cost effectiveness tests. We accept this addition to the annual report but clarify that it does not replace other program level reporting requirements from our previous orders (for example, see Requirement 8 discussed above).

Based on the DPU's and OCS's comments and recommendations we find the proposed changes to reporting requirements, with the clarifications and exceptions noted above, to be just, reasonable and in the public interest. Accordingly we approve the Application subject to the conditions stated above.

ORDER

1. We approve PacifiCorp's Application subject to PacifiCorp continuing to provide program level reporting and using IRP avoided cost values in its evaluations as required by our previous orders, effective February 17, 2017.

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2. PacifiCorp will allow the Steering Committee Members or PSC staff to view the process, formulas, and inputs underlying the savings calculations at PacifiCorp's offices.

DATED at Salt Lake City, Utah, February 16, 2017.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#291768

Notice of Opportunity for Agency Review or Rehearing

Pursuant to §§ 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this Order by filing a written request with the Commission within 30 days after the issuance of this Order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission does not grant a request for review or rehearing within 20 days after the filing of the request, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a petition for review with the Utah Supreme Court within 30 days after final agency action. Any petition for review must comply with the requirements of §§ 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

Appendix A

Table 1 – Current and Proposed Annual Report Requirements

Requirement No.	Docket/Order Reference	Current Requirement	New Proposed Requirement
1.	Order Issued 1/15/13 in 12-035-116, p. 2	The annual filing date of the Annual Report is May 1.	The Company will file the Annual Report between May 1 and June 1.
2.	Order Issued 12/21/09 in 09-035-27, p. 3	In the executive summary table, include the estimate of megawatt savings at the time of system peak corresponding to the mega-watt hour savings for energy efficiency programs.	Consolidate this requirement with proposed Requirement No. 3.
3.	Order Issued 12/21/09 in 09-035-27, p. 3	In the executive summary table, include the Integrated Resource Plan megawatt and megawatt-hour targets.	The Company shall report Class 1 capacity reduction, estimated Class 2 megawatt savings during system peak, and Class 2 megawatt-hour savings achieved, all compared against the Integrated Resource Plan targets and forecast targets submitted in the applicable DSM November 1 st Deferred Account and Forecast Report. ¹¹
4.	Order Issued 9/11/13 in 13-035-71, pp. 6-7	The Company shall report Class 1 and Class 2 DSM planned megawatts for Utah	Consolidate this requirement with proposed Requirement No. 3.

¹¹ Pursuant to the Phase I Stipulation filed August 3, 2009, in Docket No. 09-035-T08, and approved in the order dated August 25, 2009, in the same, the Company must provide a forecast of expenditures for approved programs and their acquisition targets for the next calendar year by November 1st of each year.

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Requirement No.	Docket/Order Reference	Current Requirement	New Proposed Requirement
		when planned megawatts at the program level are unavailable in the Company's portfolio. The Company may use the DSM November 1 st Deferred Account and Forecast Report for reporting the program by program comparison of forecast and actual megawatt hours when the IRP preferred portfolio does not contain this information. The Company shall report the IRP planned DSM megawatts for Utah at the time of system peak corresponding to the DSM report year, as shown in the Company's IRP preferred portfolio.	
5.	Order Issued 12/21/09 in 09-035-27, p. 3	In the executive summary table, include the lifetime megawatt-hour savings in addition to first year savings.	In the executive summary, include the lifetime megawatt-hour savings in addition to first year megawatt-hour savings.
6.	Order Issued 12/21/09 in 09-035-27, p. 3	In the executive summary table, provide the calculations for reported savings and identify if reported	Remove this requirement. Portion duplicative of Requirement No. 7.

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Requirement No.	Docket/Order Reference	Current Requirement	New Proposed Requirement
		savings are ex-post or ex-ante estimates.	
7.	Order Issued 7/14/11 in 11-035-74, p. 7	The Company shall clearly state for each program and measure whether all reported savings are ex-post or ex-ante.	No Change to this requirement.
8.	Order Issued 2/15/12 in 11-035-74, p. 1	The Company shall provide DSM capacity benefits in terms of system coincident peak and for each individual program.	Consolidate this requirement with proposed Requirement No. 3.
9.	Order Issued 10/7/09 in 09-035-27, p. 14	Include all of the cost-effectiveness tests in the Program Performance Reporting stage of review, including portfolio analysis in addition to the program and measure level views.	The Company shall accurately and clearly report all cost effectiveness test results at the portfolio and sector level in addition to the program and measure category levels.
10.	Order Issued 10/7/09 in 09-035-27, p. 14	The most recent IRP avoided costs shall be used to evaluate program cost effectiveness, in addition to the avoided costs used when the program was approved.	The Company shall perform cost effectiveness tests using avoided costs from planned assumptions.
11.	Order Issued 7/14/11 in 11-035-74, p. 8	Accurately and clearly report cost effectiveness results to avoid confusion.	Consolidated this requirement with proposed Requirement No. 9.
12.	Order Issued 1/15/13 in 12-035-117, p. 1	The Company shall perform cost effectiveness tests	Consolidate this requirement with

Requirement No.	Docket/Order Reference	Current Requirement	New Proposed Requirement
		using initial avoided cost assumptions only for new programs through the first year of implementation or for existing programs that incur significant changes within a given program year.	proposed Requirement No. 10.
13.	Orders Issued 7/12/12, pp. 3-4 and 9/11/13, p. 8 in 12-035-57 and 13-035-71, respectively.	The Company shall provide cost-effectiveness results with associated decrement values and related inputs such that results regarding the associated year's performance of the Company's peak reduction programs are available in the record, subject to the confidentiality requirements of Utah Administrative Code R746-100-16.	The Company shall provide cost-effectiveness results with associated decrement values and program expenditures for the year's performance of the Company's Class 1 programs, subject to the confidentiality requirements of Utah Administrative Code R746-100-16.
14.	Order Issued 7/12/12 in 12-035-57, p. 2	For Irrigation Load Control program results, capacity savings should be stated in kilowatts, not megawatts.	For Class 1 programs, capacity reduction will be reported in megawatts.
15.	Order Issued 3/15/13 in 13-035-20, p. 5	The Company shall annually provide irrigation load control program data regarding loads available for curtailment, actual curtailment achieved,	The Company shall provide Class 1 program data regarding loads available for curtailment, actual curtailment achieved, and program expenditures.

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Requirement No.	Docket/Order Reference	Current Requirement	New Proposed Requirement
		and capacity and energy reduction payments in its Utah DSM Annual Report.	
16.	Order Issued 10/7/09 in 09-035-27, pp. 13-14	The term "reported" includes both ex-post and ex-ante energy savings. Include results of ex-post impact evaluations or the schedule for completion of ex-post impact evaluations to be conducted for each program.	The Company shall include published evaluations that have not previously been provided in an Annual Report, and also include a schedule of current and upcoming evaluations.
17.	Order Issued 10/7/09 in 09-035-27, p. 14	The Annual Report shall include a review of the IRP planned DSM amounts and the Annual Report's "actual" results.	Consolidate this requirement with proposed Requirement No. 3.
18.	N/A	N/A	The Company shall submit process and impact evaluation and annual reporting costs at the sector level for the cost effectiveness tests.

CERTIFICATE OF SERVICE

I CERTIFY that on February 16, 2017, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Electronic-Mail:

Data Request Response Center (datarequest@pacificorp.com)
PacifiCorp

Robert C. Lively (bob.lively@pacificorp.com)
Michael S. Snow (michael.snow@pacificorp.com)
Daniel E. Solander (daniel.solander@pacificorp.com)
Rocky Mountain Power

Patricia Schmid (pschmid@utah.gov)
Justin Jetter (jjetter@utah.gov)
Robert Moore (rmoore@utah.gov)
Steven Snarr (ssnarr@utah.gov)
Assistant Utah Attorneys General

Erika Tedder (etedder@utah.gov)
Division of Public Utilities

By Hand-Delivery:

Office of Consumer Services
160 East 300 South, 2nd Floor
Salt Lake City, UT 84111

Administrative Assistant