

July 27, 2017

UTAH PUBLIC SERVICE COMMISSION
Heber M. Wells Building
160 East 300 South, 4th Floor
Salt Lake City, Utah 84111

RE: Docket No: 17-035-T10 In the Matter of: Rocky Mountain Power's Proposed Tariff Revisions to Electric Service Schedule No. 193, Demand Side Management (DSM) Cost Adjustment

Dear Public Service Commission,

These comments are being submitted by Utah Clean Energy and the Southwest Energy Efficiency Project (SWEET) regarding Rocky Mountain Power's proposed suspension of Schedule 193.

Through its Schedule 193, Rocky Mountain Power reports that they collected \$11.9 million more than their DSM expenses as of May 2017, and the Company's estimates show that it is expected to be over-collected by \$17 million by December 2017 and \$28.9 million in December 2018. In response the Company is proposing to suspend the Schedule 193 demand-side management (DSM) surcharge for the months of August, September, October, and November and then reinstate it effective December 1, 2017 at a slightly lower rate of 3.58%. The Company states that the reinstatement of Schedule 193 would be filed along with its November 1st forecast, but it also notes that the suspension period (August – November 2017) and/or the Schedule 193 rate (3.58%) may change from the assumptions in the exhibits included with its filing.

Utah Clean Energy and SWEET believe that it is reasonable to temporarily suspend Schedule 193 to better align the Company's expenditures on DSM programs with revenues from the Schedule 193 surcharge.

However, in its filing, the Company leaves their request open ended and does not commit to reinstating on a date certain. Energy efficiency is a least regrets resource, it lowers risks for rate payers, it improves our economy, and it delivers cost effective energy resources to Utah and the utility system. Energy efficiency is a key component of *Utah's 10-Year Strategic Energy Plan*¹ and the premise of the subsequent *Utah Energy Efficiency and Conservation Plan*² both of which

¹ Governor's Office of Energy Development, *Utah's 10-Year Strategic Energy Plan* (2011), <http://energy.utah.gov/resource-areas/energy-information/10-year-strategic-energy-plan/>

² Utah Governor's Office of Energy Development, *Utah Energy Efficiency and Conservation Plan* (2014) <http://energy.utah.gov/utah-energy-efficiency-conservation-plan/>

were developed at the request of Governor Herbert. Pursuing “energy conservation, energy efficiency, and environmental quality” is also a recognized part of the state energy policy for the State of Utah.³ The Company has a history of delivering cost effective DSM programs that help meet Utah’s growing energy demand in a manner that reduces risk for all customers, and the DSM surcharge has been effectively used to pay for these cost-effective least risk programs since the early 2000’s. Customers are accustomed to the DSM surcharge. A long and open-ended hiatus from the DSM surcharge is not in the best interest of customers and the long-term viability of cost effective DSM in Utah.

We request that rather than approve the filing as proposed by Rocky Mountain Power, the Commission order a “date certain” reinstatement of Schedule 193 effective December 1, 2017. Under this scenario, the Schedule 193 surcharge would be set to be automatically reinstated on December 1, 2017 at 3.58%, and if the Company’s more up-to-date November 1st forecast shows a need for a change to the DSM surcharge rate, it could file for an adjustment along with its November 1st forecast report.

We’re proposing this approach based upon the following reasons:

The forecast provided with the Company’s filing is based on DSM program data through only May 2017. There is a 6-month time lag between May 2017 and the date when the Company will file its November 1st forecast, which doesn’t account for possible changes to the surcharge or DSM program expenses between June and November.

It has been a long standing and important priority of the Company, DSM stakeholders, and the DSM steering committee, to keep the DSM tariff rider fairly constant and to work to avoid significant “ups” and “downs.” A complete stop of the tariff rider is a significant “down” and we believe that it is preferable to re-start collection sooner rather than later to continue predictable collection and to avoid a potential under-collection scenario, to which the Company would have to respond with either decreasing cost-effective investments in DSM or an increased to the surcharge, which also does not align with the practice of avoiding “ups” and “downs” to the surcharge rate. In other words, a “date certain” reinstatement of the DSM surcharge at 3.58% maximizes the stability of the surcharge and therefore Rocky Mountain Power’s energy efficiency and demand response programs that provide utility customers cost-effective, risk free energy resources that simultaneously improve the economy of the State of Utah by making our

³ Utah Code 63M-4-301. State energy policy <https://le.utah.gov/xcode/Title63M/Chapter4/63M-4-S301.html>

homes and businesses more energy efficient while also supporting many of the estimated 30,000 efficiency jobs in our state.⁴

We note that in its filing, the Company did not provide explanations about why the DSM surcharge account is over-collected. This additional information provides a more complete picture of the situation. Also, in filings like this it would be helpful for the Company to provide an estimate of the capacity and energy savings targets expected in the forecast compared to the most recent Integrated Resource Plan, in addition to information about expenditures (as required by the Commission for November 1st forecasts⁵). We request that in future requests to adjust the Schedule 193 surcharge, the Company provide the abovementioned information.

Thank you for considering these comments.

Sincerely,



Kevin Emerson
Energy Efficiency Program Director
UTAH CLEAN ENERGY

⁴ United States Department of Energy, *2017 U.S. Energy and Employment Report* (January 2017)
<https://energy.gov/downloads/2017-us-energy-and-employment-report>

⁵ Utah Public Service Commission Docket No. 09-035-T08, <https://psc.utah.gov/2016/06/22/docket-no-09-035-t08/>

CERTIFICATE OF SERVICE

Docket No. 17-035-T10

I hereby certify that on July 27, 2017, a true and correct copy of the foregoing was served by electronic mail to the following:

Bill Comeau, Rocky Mountain Power
Michael Snow, Rocky Mountain Power
Michele Beck, Office of Consumer Services
Cheryl Murray, Office of Consumer Services
Gavin Mangelson, Office of Consumer Services
Chris Parker, Division of Public Utilities
William Powell, Division of Public Utilities
Erika Tedder, Division of Public Utilities
Brenda Salter, Division of Public Utilities
Howard Geller, Southwest Energy Efficiency Project