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VIA ELECTRONIC FILING

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, Utah 84111

Re: **Docket No. 18-035-27—In the Matter of Rocky Mountain Power’s Semi-Annual Demand-Side Management (DSM) Forecast Reports.**

Utah Clean Energy is submitting these comments in response to Rocky Mountain Power’s July 2, 2018 filing of its semi-annual demand-side management (DSM) forecast report. The information presented in the filing is informative, yet it does raise some questions. Utah Clean Energy is concerned that Rocky Mountain Power (the Company) is not actively looking into opportunities to reallocate currently collected DSM funds to other cost-effective DSM programs that are currently available to ratepayers.

The Company has projected a decrease in expenditures, but will maintain the same collection schedule. This will result in approximately \$6.7 million of revenue beyond its projected expenditures that will be collected by December 2018, yet the Company has not indicated that it plans to reinvest these ratepayer funds in cost-effective DSM programs. The combination of this over collection of revenue and the abstention from reinvesting the excess funds into DSM programs could indicate that the Company may be planning a suspension of the DSM surcharge, as it did in 2017.¹ If the DSM surcharge were suspended, the Company would

¹ See Docket No: 17-035-T10, found at <https://psc.utah.gov/2017/07/14/docket-no-17-035-t10/>; and Docket No: 17-035-T13, found at <https://psc.utah.gov/2017/11/15/docket-no-17-035-t13/>.

miss an opportunity to acquire additional cost-effective DSM savings with funds already scheduled for collection.

Section 54-3-1 of the Utah Code requires all utility services and rates to be “just and reasonable,” which includes “methods of reducing wide periodic variations in demand of such products, commodities or services, and means of encouraging conservation of resources and energy.”² To maintain just and reasonable services and rates, the Company should be exploring any and all options to reduce demand and conserve energy. Especially when they do not need to increase the percentage of revenue collected under Schedule 193 to achieve additional energy savings.

We request that the Company provide an explanation addressing why it is not re-investing the difference in revenue between the 2017 forecast and the June 2018 forecast into additional cost-effective DSM programs. The additional \$6.7 million of revenue that the Company predicts they will retain by the end of 2018 represents an opportunity to benefit ratepayers with money the Company is already planning to collect. The Company’s 2017 DSM report shows that for each dollar invested in efficiency programs, ratepayers save \$2.23. Ratepayers would likely be better off if the Company reinvests collected ratepayer funds in DSM programs, as opposed to simply holding onto it and ultimately giving it back to ratepayers. This strategy does not take advantage of an available opportunity to reduce demand and conserve energy through DSM programs. This would be a missed opportunity to support additional

² Utah Code Ann. Section 54-3-1, found at https://le.utah.gov/xcode/Title54/Chapter3/54-3-S1.html?v=C54-3-S1_1800010118000101.

conservation and would not be in the public interest. We are supportive of maintaining the current DSM collection rate, but we request that the Company explain what current, cost-effective programs may be an appropriate fit to reallocate the estimated \$6.7 million of over-collected revenue before the end of 2018. Alternatively, we request an explanation for why refraining from making additional investments in DSM programs provides greater benefit to ratepayers.

Additionally, in future semi-annual DSM reports, we request that the Company provide an explanation for why the projected expenditures for each program increase or decrease. For example, why are the industrial and commercial wattsmart business program expenditures projected to drop approximately \$4 million dollars from the 2017 projection to the June 2018 projection? Are market forces driving this change? If so, what are they? Please provide evidence of market transformation. This information will help reviewing parties “monitor and assess DSM activities” by providing some detail related to the company’s decision to increase, decrease, or refrain from adjusting the amount collected through Schedule 193.³

Utah Clean Energy appreciates the opportunity to provide comments related to the semi-annual DSM forecast report.

Sincerely,

/s/ Hunter Holman

Hunter Holman
Staff Attorney

³ Public Service Commission Order in Docket No. 09-035-T08, *found at* <https://pscdocs.utah.gov/electric/09docs/09035T08/6330609035T08ogaopis.pdf>.

Utah Clean Energy