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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: Public Service Commission of Utah

From: Office of Consumer Services
Michele Beck, Director
Cheryl Murray, Utility Analyst

Date: December 3, 2018

Subject: In the Matter of Rocky Mountain Power's Annual Demand Side Management Nov. 1st Deferred Account and Forecast Reporting. Docket No. 18-035-27

Background

On November 1, 2018, Rocky Mountain Power (Company) filed with the Public Service Commission (Commission) its Annual Demand Side Management (DSM) Nov. 1st Deferred Account and Forecast Reporting (Report). On November 5, 2018, the Commission issued a Notice of Filing and Comment Period wherein December 3 and December 18, 2018, were set as the dates by which interested parties may submit comments and reply comments, respectively. The Office of Consumer Services (Office) provides the following comments pursuant to that schedule.

Discussion

The Company is required to provide to the Commission and the DSM Steering Committee by November 1st of each year a forecast of expenditures for approved programs for the next calendar year as well as their acquisition targets in MWh and MW.¹ The Company is also required to provide an estimate of the capacity and energy savings targets for approved programs in the forecast in comparison to DSM program targets included in the Company's most recent Integrated Resource Plan (IRP).² In Docket No. 10-035-57 the Company was required to include an estimate of total program participation and contribution to peak system load for the Irrigation Load Control Program.

As required on November 1, 2018, the Company submitted its projected 2019 DSM savings and expenditures and DSM Surcharge balancing account analysis.

¹ Commission Order dated August 25, 2009, Docket No. 09-035-T08.

² Commission Order dated December 21, 2011, Docket No. 10-035-57.

Forecast of expenditures for approved programs for the next calendar year

Attachment 3 to the Report identifies the forecast expenditures for 2019 broken out by Residential and Commercial and Industrial Sector Programs. Outreach and Communications, Program Evaluation costs, 2019 Potential Study and Portfolio costs are also identified.³ The second page of Attachment 3 includes projected costs by month for 2019. The Office notes that the monthly identifiers at the top of the page should be 2019, rather than 2018. The two final columns are correctly identified as 2019 Totals and 2019 Budget Forecast.

Demand-Side-Management Balancing Account

The DSM balancing account analysis, provided in Attachment 3 to the Report, shows an over collection of \$11.2 million as of September 30, 2018 and projects an over collection of \$18.7 million by December 31, 2019, at the current DSM Surcharge collection rate. The Company stated its intent to file a request to adjust the collection rate and issue a one-time refund to customers to reduce the projected balance by December 31, 2019.

On November 9, 2018, the Company filed with the Commission proposed tariff sheets to decrease Schedule 193 (Demand Side Management Cost Adjustment) rates and offer a one-time refund through Schedule 194 (Demand Side Management Credit). (Docket No. 18-035-T05) The Office and the Division of Public Utilities provided comments supporting the Company's proposals on November 27, 2018. No other party provided comments. Reply comments are due by December 4, 2018.

2019 Forecast Savings Compared to Integrated Resource Plan Targets and Acquisition Targets in MWh and MW

Estimates of the capacity and energy savings targets for approved programs compared to DSM targets in the Company's most recent IRP are identified in Attachment 1. In making this comparison the Company also identifies the acquisition targets for approved programs in MWh and MW for the next calendar year. The Company identifies the 2019 Program Forecast MWs for Class 1 DSM⁴. The program forecast numbers match the 2017 IRP numbers for those programs. For Class 2 DSM residential and non-residential programs MWh at generation and MWs are specified for the 2019 Program Forecast. However, for the 2017 IRP no specific amounts are provided except for total Class 2 MWh and MW so the comparison of Program Forecast to IRP amounts is limited to the totals. The Company explains that Class 2 DSM resource plan results are not selected at a program level so there are no program level IRP targets available. At the Class 2 level the 2019 Program Forecast is 298,720 MWh and 57 MW and the 2017 IRP numbers are 255,190 MWh and 49 MW.⁵

³ The Portfolio category includes TRL, DSM Central and Training.

⁴ Class 1 DSM consists of Air Conditioner Load Control and Irrigation Load Control.

⁵ The Report also identifies a 2019 Program Forecast total Class 2 (with HER Incremental Savings) range of 242,430 - 267,949 MWh and 48 MW.

December 3, 2018

Attachment 1 satisfies the requirements related to the comparison of acquisition targets for approved DSM programs to IRP DSM targets as well as the requirement to provide acquisition targets in MW and MWh. However, matching the specific information provided in the Report with the Company's IRP was not entirely straightforward. The Office worked with Rocky Mountain Power to identify where the required information was presented in the IRP and appreciates the assistance provided. The Office intends to bring the issue to the DSM Steering Committee for further discussion so that improvements can be made going forward.

Irrigation Load Control Program

The Company is required to provide an estimate of total program participation and contribution to peak system load for the Irrigation Load Control Program. The analysis is included in Attachment 4.

Recommendation

The Office recommends that the Commission acknowledge Rocky Mountain Power's Annual Demand Side Management November 1st Deferred Account and Forecast Report as meeting the Commission's requirements.

CC: Joelle Steward, Rocky Mountain Power
Chris Parker, Division of Public Utilities