

August 16, 2018

State of Utah
Public Service Commission
PO Box 146751
Salt Lake City, UT 84114-6751

Subject: Additional Comments for Docket No. 18-035-32

The purpose of this letter is to provide background information and specific details related to this formal complaint.

I am the President of Commercial Lighting Supply, Inc. (CLS) located in Salt Lake City. CLS has been an active participant in Rocky Mountain Power (RMP) lighting incentive programs since 11/2/2002. Our company has received fourteen awards from RMP and we are currently listed as one of four wattsmart Preferred Vendors with over 91 projects completed, 3,635,009 in kwh saved and \$311,051 paid in incentive payments. We know these programs, we use these programs and we have earned significant profits by implementing these programs.

My formal complaint is that the current SBDI program is not a cost-effective way to use ratepayer funds. I have included three exhibits to explain my argument.

Exhibit A is a simple calculation of the incentive dollars paid by RMP for a typical Small Business Direct project. The example is from www.rockymountainpower.net. The bottom line is the payment by RMP nets out to be \$0.29 per kwh saved.

Exhibit B is a simple calculation of the incentive dollars paid by RMP for a typical Instant Incentive project. The bottom line is the payment by RMP nets out to be \$0.05 per kwh saved.

Exhibit C is a quote from the RMP website detailing the eligible customers for Small Business Direct and the areas served as of approximately August 1st. Based on many conversations with RMP employees and their business partners who manage these programs, SBDI was created to offer incentives to ratepayers paying into the incentive funds but not participating in the incentive programs. This was explained to be RMP customers in rural areas not served by current Trade Allies and the expected overlap of customers served by SBDI and Instant Incentive would be minimal.

With the change in areas served by SBDI in August to include major cities currently served by existing Trade Allies, RMP is now paying 6 times per kwh saved with SBDI compared to Instant Incentive for the same customers.

In addition, the rate schedules and incentive payment caps are not effective in limiting the SBDI to small business. The eligibility requirement of less than 200 kw per month includes many large businesses that can be more cost effectively served with the Instant Incentive and wattsmart Business programs. Current Trade Allies are finding customers with overlapping proposals from SBDI and Instant Incentive where the customers don't understand why one program is so generous and the other is not. A partial list of customers includes Freeport Center, LDS Church properties, Zion's Bank locations and IHC. I suspect and simple analytic cross check of the RMP database of incentives paid to each program would confirm this overlap.

My sincere intent is to work in a constructive and collaborative way to improve the Instant Incentive and Small Business Direct Install programs to allow them to coexist and efficiently use ratepayer dollars to save energy. These programs need to be more thoughtfully managed and I suggest the following changes be implemented immediately:

- 1) Reduce the SBDI incentive to 50% of the project cost.
- 2) Reduce the SBDI project cap to \$2500 to truly make it for small business.
- 3) Re-instate the Instant Incentive Program to pre-July 1 level.
- 4) Find a way to limit large claims on the Instant Incentive funds by large users who are not the intended target.

Thank you for your consideration of my complaint.

Sincerely,

Mark S. Barton
President
Commercial Lighting Supply, Inc.

Exhibit A**Example of Typical Small Business Direct Project**

Hours of operation (Example: M-F 7 a.m.- 8 p.m.)	Annual energy savings/kWh	Total project cost	Instant incentive (75% of project costs)	25% customer co-pay (applied on invoice)	Simple payback (months)
3,750	10,245	\$3,920	\$2,940	\$980	13

Year 1----Project Cost Paid by RMP/Annual KWH saved

$$\$2940/10245 = \$0.29 \text{ per kwh saved}$$

\$0.29 per kwh saved paid in incentive

Exhibit B**Example of Typical Instant Incentive**

Upgrade 32-watt T8 fluorescent to 15 Watt TLED

17 lamp watts saved

Year 1 based on 3750 hours to match above

Instant incentive Paid by RMP= \$3.00

KWH Hours saved= (17 watts saved x 3750 annual hours)/1000= 63.75

$$\$3.00 \text{ per lamp instant incentive}/63.75 = \$0.05$$

\$0.05 per kwh saved paid in incentive

Exhibit C

Per Rocky Mountain Power website:

Small Business Direct

Rocky Mountain Power will be enrolling customers in:

Towns	Enrollment period starts	Enrollment period ends
Park City and Coalville	June 11, 2018	September 14, 2018
Moab, Green River, Elmo and Cleveland	July 30, 2018	September 14, 2018
North Salt Lake	July 30, 2018	September 28, 2018
Salt Lake	September 10, 2018	December 31, 2018

“Eligible Utah small business customers defined as: On rate schedules 6, 6A, 6B and 23 with a monthly demand of less than 200 kW a month in the past 12 months.”

CERTIFICATE OF SERVICE

I CERTIFY that on August 16, 2018, a true and correct copy of the foregoing was served upon the following as indicated below:

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