



GARY HERBERT  
*Governor*

SPENCER J. COX  
*Lieutenant Governor*

## State of Utah

### Department of Commerce Division of Public Utilities

FRANCINE GIANI  
*Executive Director*

CHRIS PARKER  
*Director, Division of Public Utilities*

## Action Request Response

**To:** Utah Public Service Commission

**From:** Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Manager

Brenda Salter, Utility Technical Consultant Supervisor

**Date:** December 2, 2019

**Re:** **Docket No. 19-035-28, Rocky Mountain Power's Annual Demand Side Management November 1<sup>st</sup> Deferred Account and Forecast Reporting**

### **Recommendation (Acknowledge with Recommendation)**

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) acknowledge Rocky Mountain Power's (Company) Annual Demand-Side Management Deferred Account and Forecast Report for 2020 as complying with the Commission Orders in Docket Nos. 09-035-T08, 10-035-57 and 13-035-136. The Division recommends the Commission require the Company include reference information for all Integrated Resource Plan (IRP) values included in the report. Also, the Commission should require the Company update this report, and provide in future reports the Cool Keeper forecast savings using the 100% cycling method.

### **Issue**

In compliance with the Commission Order of August 25, 2009 in Docket No. 09-035-T08, on November 1, 2019, the Company filed its Annual Demand-Side Management Deferred Account and Forecast Report, which contains an analysis of the DSM balancing account and the forecast

for 2020. On November 1, 2019, the Commission issued an Action Request to the Division to review the application and make recommendations on the Company's filing by December 2, 2019. Subsequently, the Commission issued a Notice of Filing and Comment Period for interested parties to submit comments on the filing on or before December 2, 2019 with reply comments due December 17, 2019. This memorandum responds to the Commission's Action Request.

## **Discussion**

On August 25, 2009, the Commission issued an Order approving the Phase I Stipulation in Docket No. 09-035-T08. The Phase I Stipulation required the Company to file semi-annually an analysis and forecast of the balancing account similar to that provided by the Company in Advice No. 09-08. In compliance with the above Orders, on November 1, 2019, the Company filed its 2020 Demand-Side Management Deferred Account and Forecast Report. The Division has reviewed the report and it appears to comply with Commission Orders.

Attachment I, included in the report is the 2020 forecast savings compared to the 2019 IRP targets. According to the report, the Company's 2020 DSM forecast savings is expected to meet or exceed the IRP target.

Class 1 DSM Load Control savings for 2020 is estimated to be equal to the 2019 IRP target of 139 MW.<sup>1</sup> The 2020 Class I target is an increase from the 2018 and 2019 Class I targets of 127<sup>2</sup> and 135<sup>3</sup> MW, respectively, but is substantially less than the 258 MW actual achieved savings in 2018. The increased 2018 achieved savings is explained by the Company as follows:

During the 2018 control season, the Company modified the cycling strategy for events approximately 30 minutes or less. For short events, the cycling strategy was modified to a 100% cycling compared to a 50% cycling for longer events. The modified cycling strategy is allowing the program to curtail

---

<sup>1</sup> Class I MW can be found in the 2019 IRP Vol. 1, Table 5.11, page 107.

<sup>2</sup> Docket No.17-035-41 - Rocky Mountain Power's Annual Demand Side Management Nov. 1st Deferred Account and Forecast Reporting for 2018, Table 1.

<sup>3</sup> Docket No. 18-035-27 - Rocky Mountain Power's Annual Demand Side Management Nov. 1st Deferred Account and Forecast Reporting for 2019, Table 1.

significantly more load over shorter periods of time without creating a negative customer experience. The program called more events during 2018 compared to previous years, but the length of each event was significantly shorter. The majority of customers are unaware control events are occurring and there is no noticeable increase to the temperature in their residence. Customer satisfaction for the overall program was very high during 2018 based on customer surveys performed by the program administrator.<sup>4</sup>

The Company has shown the value of cycling Cool Keeper 100% for short durations and the method was continued in 2019. The Company indicated in informal discussions that the expected 2019 Cool Keeper savings will be comparable to the 2018 achieved savings, thus the 2020 Cool Keeper forecast would continue this trend. The Division requests the Commission require the Company update this report, and provide in future reports, the Cool Keeper forecast savings using the 100% cycling method. This would provide a more accurate picture of the Company's expected savings for the program.

The Company provided the forecasted 2020 Class 2 DSM savings range from 286,184 MWh to 316,308 MWh. The Company forecasted the midpoint of 301,246 MWh as achievable. The Class 2 forecasted savings of 301,246 MWh exceeds the 2019 IRP target of 254,270 MWh<sup>5</sup>.

Because of the voluminous nature of the IRP, the Division has found it difficult to reconcile the IRP Resource Plan Targets as presented in the Annual DSM report with the Company's IRP filing. The Division recommends the Commission order the Company to include in the report an IRP reference to all Resource Plan forecasts contained within the report.

The Company's Attachment 2 provides the balancing account analysis for the period ending December 31, 2020. Attachment 2 projects 2020 program expenditures of approximately \$64.9 million with the rate recovery of approximately \$63.8 million. The forecast shows that the balancing account at the current rate of recovery will over-collect by approximately \$14.8

---

<sup>4</sup> Docket No. 19-035-22 – Rocky Mountain Power's Demand-Side Management 2018 Annual Energy Efficiency and Peak Load Reduction Report. Page 19.

<sup>5</sup> Class 2 MWh can be found in the 2019 IRP Vol II, Table D.4, page 72. Class 2 MW can be found in the 2019 IRP Volume I, Tab 8.19, page 259.

million and \$15.8 million at the end of December 2019 and December 2020, respectively. In January 2020, the Company will make a filing to address the over-collected balance.

Based on past performance and expected participation, the Company's 2020 DSM forecast is reasonable and flexible enough to include additional measure adoption if it arises. The Division will continue to monitor Schedule 193 and present additional recommendations if needed.

### **Conclusion**

Based on its review of the Company's filing, the Division concludes that Company's 2020 Annual Forecast complies with Commission Orders. The Division requests the following be included in the Company's Annual Forecast;

- Require the Company include reference information for all Integrated Resource Plan (IRP) values included in the report.
- Require the Company update this report, and provide in future reports, the Cool Keeper forecast savings using the 100% cycling method.

Cc: Michael Snow, Rocky Mountain Power  
Jana Saba, Rocky Mountain Power  
Michele Beck, Office of Consumer Services