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DEPARTMENT OF COMMERCE  
Office of Consumer Services

MICHELE BECK  
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To: Public Service Commission of Utah

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

Date: December 2, 2019

Subject: In the Matter of Rocky Mountain Power's Annual Demand Side Management Nov. 1<sup>st</sup> Deferred Account and Forecast Reporting. Docket No. 19-035-28

### Background

On November 1, 2019, Rocky Mountain Power (Company) filed with the Public Service Commission (Commission) its Annual Demand Side Management (DSM) Nov. 1<sup>st</sup> Deferred Account and Forecast Reporting (Report). On November 5, 2019, the Commission issued a Notice of Filing and Comment Period wherein December 2 and December 17, 2019, 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 1<sup>st</sup> 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.<sup>1</sup> 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).<sup>2</sup> Additionally, the Company is required to include an estimate of total program participation and contribution to peak system load for the Irrigation Load Control Program.<sup>3</sup>

As required by the Commission, on November 1, 2019, the Company submitted its projected 2020 DSM savings and expenditures and DSM Surcharge balancing account analysis.

<sup>1</sup> Commission Order dated August 25, 2009, Docket No. 09-035-T08.

<sup>2</sup> Commission Order dated December 21, 2011, Docket No. 10-035-57.

<sup>3</sup> Commission Acknowledgement Letter dated February 10, 2012, Docket No. 10-035-57.

*Acquisition Targets and 2020 Forecast Savings Compared to DSM Targets in the IRP*

Attachment 1 provides an estimate of the capacity and energy savings targets for approved programs in the 2020 program forecast in comparison to DSM program targets included in the Company’s *most recent* Integrated Resource Plan.<sup>4</sup> Following is the information related to Class 1 DSM.

	2020 Program Forecast		Resource Plan	
	MWH @ Gen	MW	MWH	MW
Class 1 DSM - Residential, Commercial, Industrial	2020	2020	2020	2020
Air Conditioner Load Control - Res. & Small Com. (Sch. 114)		119		119
Irrigation Load Control - Industrial (Sch. N/A)		20		20
<b>Total Class 1</b>		139		139

Although locating the Resource Plan numbers within the 2019 IRP has proven to be somewhat time-consuming,<sup>5</sup> the Office was able to locate the amounts for Irrigation Load Control (20 MW) and Total Class 2 (254,270 MW), but was unable to locate the 119 MW associated with the Air Conditioner Load Control program. It is the Office’s understanding that Utah Class 1 amounts are provided to the IRP team by the DSM group based on the enrolled subscription amounts. If this understanding is incorrect the Office invites the Company to clarify how the Class 1 IRP numbers are derived in reply comments in this docket.

The Office recommends that in future reports the Company identify precisely where in the IRP the resource plan numbers are located to better enable parties to verify that the Company has provided a comparison of the actual IRP amounts to the DSM program forecast. This should prove helpful to persons new to DSM reporting especially if they are unfamiliar with or do not work on IRP issues. This would also alleviate the need for parties to request that information from the Company for each report. The Office further recommends that the Company include a statement regarding how the Class 1 DSM numbers for the IRP are derived (e.g. does the IRP inform the DSM forecast or does the DSM group inform the IRP).

*Class 2 Individual Program Results*

For Class 2 DSM residential and non-residential programs MWhs and MWs are specified for the 2020 Program Forecast. However, for the Resource Plan MW and MWh amounts are only provided at the total Class 2 level; amounts are not provided for individual programs. Note 1 on Attachment 1 explains that “Class 2 DSM resource plan results are not selected at a program level (no program level IRP targets available).” This explains why the IRP Class 2 results in the report are only provided at the total class level.

<sup>4</sup> Note 5 on Attachment 1 reads, “2019 IRP Utah 2020 Energy Efficiency coincident peak contribution from supporting data used to create 2019 IRP Table 8.18”. The Office notes that the Company’s 2019 IRP was filed October 18, 2019 (Docket No. 19-035-02) and the docket has not yet concluded.

<sup>5</sup> The Office encountered similar issues regarding locating IRP numbers last year.

The Office observed a small error in Attachment 1. Note 4 on Attachment 1 includes the following statement:

“Forecast of coincident peak MW for *Utah's* Class 2 DSM resource is derived through the following formula:

Forecasted Class 2 DSM energy savings	301,246	MWh
Divided by 2020 Utah energy selections from the 2019 IRP Appendix D	254,270	MWh
Multiplied by Utah 2020 coincident peak value from the 2019 IRP	37	MW

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Estimated coincident peak impact of 2020 Utah Class 2 DSM programs      **38.3    MW”**

The Office notes that the formula as written does not result in 38.3 MW. The formula in the excel spreadsheet provided with the filing includes an additional step, removal of the MWh associated with Home Energy Reporting. The Office appreciates the inclusion of the written formula but suggests that future reports be corrected so the written description matches the actual formula in the spreadsheet and thus results in the correct answer.<sup>6</sup>

*Demand –Side-Management Balancing Account Analysis*

Attachment 2 contains a balancing account analysis by month with actual results through September 2019 and projected DSM expenditures through 2020. As of September 30, 2019 the DSM balancing account is over-collected by \$18.1 million but is projected to be over-collected by \$14.8 million by December 31, 2019. If no adjustments are made, the over-collection is anticipated to be \$15.8 million by December 31, 2020. The over-collection has been discussed with the Steering Committee and the Company stated it anticipated making a filing in November 2019 to address the over-collected balance. However, as of December 2, 2019, the Company has yet to make such filing.

*Forecast of expenditures for approved programs for the next calendar year*

Attachment 3 to the Report identifies the monthly forecast expenditures for 2020 broken out by Residential, and Commercial and Industrial (C&I) Sector Programs. The attachment also identifies forecast costs for: 1) Outreach and Communications; 2) Program Evaluations (C&I and Residential); 3) 2019 Potential Study; and 4) Portfolio (TRL, DSM Central and Training).

*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. This analysis is included in Attachment 4, 2020 Utah Irrigation Load Reduction Potential Forecast. The Company notes that the 2020 expected impact is based on weekly load availability results for the program during the 2015 – 2019 control seasons and that the actual impact at peak will depend on when monthly peaks occur throughout the 2020 control months.

<sup>6</sup> The Office also notes that this formula is modified from the prior report.

December 2, 2019

### **Recommendation**

The Office recommends that the Commission require the Company, in future reports, to identify where in the relevant IRP the resource plan amounts used in the forecast savings comparison is located. The Office further recommends that the Company be required to provide additional information on how the IRP Class 1 MW savings are determined in reply comments in this docket.

CC: Michael Snow, Rocky Mountain Power  
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