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DEPARTMENT OF COMMERCE  
Office of Consumer Services

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To: Utah Public Service Commission

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

Date: April 2, 2019

Subject: Proposed Tariff Revisions to Electric Service Schedule No. 118, Low Income Weatherization. Docket No. 19-035-T04.

## Background

On March 19, 2018, Rocky Mountain Power (Company) filed with the Public Service Commission (Commission) Advice No. 19-05 – proposing revisions to Schedule 118, Low Income Weatherization Program (Program). The Company requests an effective date of April 19, 2019, for the proposed tariff changes.

On March 20, 2019, the Commission issued a notice of filing and comment period allowing interested parties to submit comments regarding the proposed changes on or before April 2, 2019, and reply comments on or before April 9, 2019. The Office responds to that notice herein.

## Discussion

The Office of Consumer Services (Office) and other members of the Demand Side Management (DSM) Steering Committee requested that the Company explore the possibility of making changes to the Low Income Weatherization Program that could better meet the needs of low-income customers, while remaining cost effective. The Company's research in response to that request resulted in the current filing.

In this filing the Company proposes a number of modifications to the existing tariff, such as: add eligibility criteria to insulation measures, add crisis measure funding, add efficient evaporative cooler replacement offering, and extend energy education funding to all participating customers. The Company states that the proposed changes align with the 2019 MWh savings (180MWh) and 2019 budget forecast (\$75,000) presented in the Company's 2019 Budget and Savings Forecast from its November 1<sup>st</sup> Report.

## **Proposed Program Changes**

Following are the proposed Program changes with a brief description of each change. Additional information can be found in the Company's March 19, 2019 filing.

### *Add eligibility criteria to insulation measures.*

The current program limits eligibility for ceiling and wall insulation measure to homes with permanently installed operable electric space heating systems. This proposed change would allow homes with central air conditioning systems or evaporative coolers to benefit from insulation measures. Thus, homes can be cooled more efficiently and use less energy during warmer months. Since home cooling can require significant energy use the Office believes it is appropriate to include cooling equipment as a factor for insulation incentive eligibility.

### *Evaporative Cooler Replacement*

Currently, inefficient central air conditioning units may be replaced with evaporative coolers. This tariff change would permit the replacement of inefficient evaporative coolers and window air conditioning units with more efficient evaporative coolers when found to be cost-effective. Recognizing that cooling equipment can have significant energy requirements the Office supports replacement of inefficient cooling units with more efficient evaporative coolers, thus saving the low-income customer money and contributing to reducing overall energy use.

### *Crisis Measure Funding*

In an emergency situation, the Housing and Community Development Division of the Utah Department of Work Force Services (HCD) will repair and/or replace heating and cooling systems for customers. The Company proposes to add a provision to the tariff that would allow reimbursement for 50 percent of associated costs during emergency situations.

### *Energy Education*

Energy Education provided from curriculum developed by the HCD is currently reimbursed at \$50 for electrically heated households served through Schedule 118. With the proposed change energy education would be provided to all participating households, regardless of heat type, thereby educating more customers on their energy use, using energy more efficiently and ways to save energy, thus saving the customer money and saving the system energy. The Office supports this change as energy education is applicable for all electric customers as the issues are more expansive than just relating to heating.

### **Cost-Effectiveness**

The Company provided its cost-effectiveness analysis for expected participation, high participation and low participation. Based on the Company's analysis the Program is expected to remain cost effective from the utility cost test perspective in all three cases.

### **OCS Comments**

As noted DSM Steering Committee Members on a number of occasions have expressed interest in a review of the Low Income Weatherization tariff. The Office appreciates the Company's reaching out the HCD to explore potential changes that would benefit customers served under Schedule 118. We also appreciate HCD for offering insights to provide enhancements to the Program.

The Office has reviewed the Company's filing and cost effectiveness reports provided as attachments to the filing and we support the proposed Program changes. The Office asserts that these changes will provide additional benefits to Schedule 118 participants while remaining cost effective.

### **Recommendation**

The Office recommends that the Commission approve the Company's proposed revisions to Electric Service Schedule No. 118, Low Income Weatherization Program effective April 19, 2019.