

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Rocky Mountain Power's Proposed Tariff Revisions to Electric Service Schedule No. 114, Air Conditioner Peak Management Program (Cool Keeper Program)	<u>DOCKET NO. 19-035-T05</u>
In the Matter of the Application of Rocky Mountain Power for Approval to Revise Demand Side Management Annual Energy Efficiency and Peak Load Reduction Report Requirements	<u>DOCKET NO. 17-035-04</u> <u>ORDER</u>

ISSUED: April 17, 2019

PROCEDURAL HISTORY

On March 22, 2019, PacifiCorp filed an application with the Public Service Commission of Utah (PSC) requesting approval to revise Electric Service Schedule No. 114 (Schedule 114), Air Conditioner Peak Management Program (Cool Keeper Program), Sheet Nos. 114.1 and 114.2 (Application).

On March 22, 2019, the PSC issued a Notice of Filing and Comment Period allowing interested parties to submit comments and reply comments on or before April 8, 2019 and April 15, 2019, respectively.

On April 8, 2019, the Division of Public Utilities (DPU), the Office of Consumer Services (OCS), and Utah Clean Energy (UCE) each filed comments.

On April 15, 2019, PacifiCorp filed reply comments.

No other party filed comments or otherwise opposed the Application, and the opportunity to do so has since passed.

PACIFICORP'S APPLICATION

PacifiCorp's Application seeks authorization to modify Schedule No. 114, Sheet Nos. 114.1 and 114.2 to: 1) change the structure of the tariff to an umbrella tariff for demand response offerings; 2) add Electric Service Schedule No. 2E, Residential Service – Electric Vehicle Time-of-Use Pilot Option – Temporary, as an applicable rate schedule; 3) extend the Cool Keeper Program dispatch period months and hours; 4) increase incentives and change the incentive structure; 5) add language to clarify that emergency events may be used to satisfy requirements of the North American Electric Reliability Corporation (NERC) standard for Contingency Reserve Obligations (CRO); and 6) make other administrative modifications.¹ PacifiCorp requests an effective date of April 22, 2019 for these proposed changes.

PacifiCorp represents it discussed the proposed changes with the Demand Side Management (DSM) Steering Committee on various dates in 2018 and 2019. According to PacifiCorp, there are no pending or anticipated disputes in need of resolution concerning the proposed changes as of its filing.

Regarding cost effectiveness of the Cool Keeper Program, PacifiCorp asserts it is expected to remain cost effective from a Utility Cost Test-perspective under all scenarios tested.

PARTY POSITIONS

A. The DPU

The DPU recommends the PSC approve PacifiCorp's proposed changes to Schedule 114. The DPU concludes the proposed changes are cost effective and consistent with the PSC's goal to promote cost-effective DSM programs that are just, reasonable, and in the public interest.

¹ Application at 2.

The DPU also recommends the PSC require PacifiCorp to include information on its use of the Cool Keeper Program to satisfy the NERC standard for CROs, in its DSM Annual Report approved in Docket No. 17-035-04.²

To address DPU's concern that the incentive structure change may cause customer confusion, the DPU recommends PacifiCorp track customer complaints associated with the Cool Keeper Program bill credit change and report these to the DSM Steering Committee in its 4th quarter meeting.

PacifiCorp's response to the DPU's recommendation:

PacifiCorp clarifies in its April 15, 2019 response that satisfying the NERC standard for CROs does not require an event to be called or dispatched. The added language to the tariff clarifies that the Cool Keeper Program can be used to help cover reserve obligations, which will reduce the need to use other capacity resources to satisfy NERC. PacifiCorp agrees to provide Cool Keeper Program dispatch event details in the DSM Annual Report. Regarding the Cool Keeper Program bill credit change, PacifiCorp agrees to track customer complaints.

B. The OCS

The OCS recommends the PSC approve the proposed revisions to Schedule 114. Specifically, the OCS supports the proposed modifications to extend the dispatch period and agrees it should increase the benefits provided by the Cool Keeper Program. However, the OCS

² See *In the Matter of the Application of Rocky Mountain Power for Approval to Revise Demand Side Management Annual Energy Efficiency and Peak Load Reduction Report Requirements* (Order issued February 16, 2017); Docket No. 17-035-04 (2017 DSM Reporting Order).

is concerned that the proposed incentive structure change may increase customer dissatisfaction, or at least increase the number of customer calls regarding the program.³

The OCS recommends: 1) PacifiCorp provide information in the Annual DSM report identifying how often the Cool Keeper Program is deployed to meet emergency needs during NERC CROs; 2) PacifiCorp and the DPU track any customer complaints concerning the Cool Keeper Program monthly bill credit; and 3) PacifiCorp modify Schedule 114 to include a description of the new monthly credit design.

PacifiCorp's response to the OCS's recommendation:

In PacifiCorp's April 15, 2019 response, it agrees with the first two recommendations outlined above. Regarding, the OCS's third recommendation, PacifiCorp contends further revisions to Schedule 114 are unnecessary because customers generally turn to its website for information about the Cool Keeper Program and, if the PSC approves PacifiCorp's Application, PacifiCorp will provide direct notice to all participating customers via email or in a letter explaining the program changes and the new bill credit structure.

C. UCE

UCE supports the proposed changes to Schedule 114. UCE maintains the proposed changes are an important step in improving PacifiCorp's demand response capabilities and in preparing the grid for higher integration levels of renewable energy resources.

³ The OCS explains at 3-4: "Our concern arises from the way [PacifiCorp's] billing system will show the monthly credit on bills. Because the number of days in any particular customer's billing cycle will likely not precisely match a calendar month, on the first and last month of the dispatch period customers may see a credit related to the Cool Keeper incentive of either under or over the \$6 per month (for level 1 ACs) incentive offering. This could result in increased calls to [PacifiCorp's] call center, the [DPU's] customer service staff and perhaps to the [PSC]. It should also be noted that due to the variance in monthly billing cycles over the five months of the Program[,] some customers will receive slightly more than the \$30 credit, but [PacifiCorp] asserts no customer will receive less."

DISCUSSION, FINDINGS, AND CONCLUSIONS

Based on PacifiCorp's Application and the associated cost-effectiveness analysis, the comments of the DPU, the OCS, and UCE, and there being no opposition, we find that PacifiCorp's proposed changes to the Cool Keeper Program are in the public interest. Therefore, we approve PacifiCorp's modifications to the Cool Keeper Program implemented through revisions to Schedule No. 114, Sheet Nos. 114.1 and 114.2.

We find PacifiCorp's commitments to provide information on the Cool Keeper Program in the DSM Annual Report are reasonable and address the DPU's and the OCS's requests. Accordingly, we modify our 2017 DSM Reporting Order in Docket No. 17-035-04 to include the following requirement going forward: PacifiCorp shall include in the DSM Annual Report information identifying each instance the Cool Keeper Program is dispatched, the length of the event, and other relevant event information. In addition, for each system emergency, PacifiCorp shall identify whether the emergency is within the dispatch parameters defined in Schedule 114 or outside the dispatch parameters.

We find PacifiCorp's commitments to track customers' complaints related to the new Cool Keeper Program monthly bill credit structure and report this information to the DSM Steering Committee address the DPU's and the OCS's concerns regarding evaluating customer confusion. As recommended by the OCS, we also find it reasonable for the DPU to track and report on Cool Keeper Program inquiries and complaints it receives and report them to the DSM Steering Committee to ensure a complete assessment of the issue.

Regarding the OCS's recommendation for PacifiCorp to modify Schedule 114, PacifiCorp contends that customers generally use PacifiCorp's website to obtain information on

the Cool Keeper Program, and PacifiCorp commits to provide direct notice to all participating customers via email or in a letter explaining the Cool Keeper Program changes and the new bill credit structure. Therefore, we find the OCS's recommendation for PacifiCorp to modify Schedule 114 to include a description of the new monthly incentive credit design is currently unnecessary. We find PacifiCorp's approach to informing customers of the details of the revised Cool Keeper Program reasonable and we conclude that future modification to Schedule 114 to increase its clarity should be based on an evaluation of the complaint tracking information provided to the DSM Steering Committee by PacifiCorp and the DPU later this year.

ORDER

1. We approve the Application as filed.
2. We approve, as filed, Schedule 114, Sheet Nos. 114.1 and 114.2, effective April 22, 2019.
3. PacifiCorp shall include in the DSM Annual Report information identifying each instance the Cool Keeper Program is dispatched, the length of the event, and other relevant event information. In addition, for each system emergency, PacifiCorp shall identify whether the emergency is within the dispatch parameters defined in Schedule 114 or outside the dispatch parameters.
4. PacifiCorp and the DPU shall monitor the number, type, and resolution of complaints associated with the modifications to the Cool Keeper Program and report this information to the DSM Steering Committee in its 4th Quarter Meeting.

DATED at Salt Lake City, Utah, April 17, 2019.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#307736

Notice of Opportunity for Agency Review or Rehearing

Pursuant to §§ 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this Order by filing a written request with the PSC within 30 days after the issuance of this Order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC does not grant a request for review or rehearing within 20 days after the filing of the request, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a petition for review with the Utah Supreme Court within 30 days after final agency action. Any petition for review must comply with the requirements of §§ 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on April 17, 2019, a true and correct copy of the foregoing was delivered upon the following as indicated below:

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