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Division of Public Utilities

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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Artie Powell, Director

Brenda Salter, Utility Technical Consultant Supervisor

Paul Hicken, Technical Consultant

Date: November 25, 2020

Re: **Docket No. 20-035-31**, Rocky Mountain Power's Semi-Annual Demand-Side Management Deferred Account and Forecast Reports for 2021.

Recommendation (Acknowledge)

The Division of Public Utilities (Division) recommends that the Utah Public Service Commission (Commission) acknowledge Rocky Mountain Power's (Company) Annual Demand-Side Management (DSM) Deferred Account and Forecast Report for 2021 as complying with Commission Orders in Dockets Nos. 09-035-T08 and 10-35-57.

Issue

In compliance with the Commission Order of August 25, 2009 in Docket No. 09-035-T08, on November 2, 2020, 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 2021. On November 2, 2020, the Commission issued an Action Request to the Division to review the application and make recommendations on the Company's filing by December 2, 2020. Subsequently, on November 4, 2020, the Commission issued a Notice of Filing and Comment Period for interested parties to submit comments on the filing on or before December

2, 2020 with reply comments due December 17, 2020. This memorandum responds to the Commission's Action Request.

Background

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 of the balancing account. In compliance with the above Orders, the Company filed on November 2, 2020, its 2021 DSM Deferred Account and Forecast Report. The Division has reviewed the Company's filing and it appears to comply with Commission Orders.

Discussion

The savings forecast shown in Attachment 1 of the report includes a comparison of the 2021 forecast savings compared to the most recent Integrated Resource Plan (IRP) targets. According to the report, the Company's 2021 DSM forecast savings is expected to meet or exceed the IRP target.

The total Class 1 DSM Load Control savings for 2021 is forecasted to be 274 MW which significantly exceeds the 2019 IRP target of 146 MW.¹ Most of the forecast savings is with air conditioner load control in residential and small commercial settings. The 2021 forecast savings is slightly more than the actual savings realized in 2018 and 2019 of 258 MW² and 202 MW³ respectively. The change 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 significantly more load over shorter periods of time without creating a

¹ Docket No. 20-035-31 – Rocky Mountain Power's Annual Demand Side Management Nov. 2nd Deferred Account and Forecast Reporting for 2021, Attachment 1, Note 1.

² Docket No. 19-035-22 – Rocky Mountain Power's Demand Side Management 2018 Annual Energy Efficiency and Peak Load Reduction Report, Table 2, page 7.

³ Docket No. 20-035-27 – Rocky Mountain Power's Demand Side Management 2019 Annual Energy Efficiency and Peak Load Reduction Report, Table 2, page 7.

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.”⁴

The Company used the same cycling strategy for load control in 2019, and they plan to continue this method of load management through 2021.

Attachment 2 of the report provides the forecasted balancing account analysis for the period ending December 31, 2021. The attachment projects 2021 program expenditures of approximately \$64.9 million with the rate recovery of approximately \$63.6 million. The forecast shows that the balancing account at the current rate of recovery will over-collect on a cash basis by approximately \$9.9 million and \$9.4 million at the end of December 2020 and December 2021, respectively. The Company reviewed the analysis and options to address the over-collected balance and Schedule 193 rates with the Steering Committee on October 20, 2020. Due to the continued uncertainty of COVID-19, the Company recommends no adjustment to Schedule 193 be made at this time. The Company will continue to monitor the balancing account and discuss with Steering Committee members to determine when/if an adjustment should be made

Based on past performance and expected participation, the Company’s 2021 DSM forecast is reasonable and flexible enough to include additional measure adoption if the need 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 the Company’s 2021 Annual Deferred Account and Forecast Report complies with Commission Orders. The Division recommends acknowledgement of the filing.

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

Cc: Michael Snow, Rocky Mountain Power
Michele Beck, Office of Consumer Services
Service List