



State of Utah

Department of Commerce Division of Public Utilities

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Action Request Response

To: Utah Public Service Commission

From: Utah Division of Public Utilities
Artie Powell, Director
Brenda Salter, Utility Technical Consultant Supervisor
Paul Hicken, Utility Technical Consultant

Date: September 16, 2020

Re: **Docket No. 20-035-T06 Approval of Tariff Sheet Changes**, Rocky Mountain Power's Proposed Tariff Revisions to Electric Service Schedule No. 140, Non-Residential Energy Efficiency Program.

Recommendation (Approval)

The Division of Public Utilities ("Division") recommends the Public Service Commission ("Commission") approve Rocky Mountain Power's ("RMP" or "Company") proposed revisions to Schedule 140, effective October 2, 2020.

Issue

On September 2, 2020, RMP filed Advice No. 20-07 with the Commission proposing revisions to Electric Service Schedule No. 140, Non-Residential Energy Efficiency Program ("Program"), to streamline the tariff sheets to accommodate necessary flexibility with its offerings.

Additionally, the Company hopes that current measure research and updates will improve cost-effectiveness of the program offerings. RMP requests an effective date of October 2, 2020. On September 2, 2020, the Commission issued an action request to the Division requesting it to investigate RMP's filing and make recommendations. The Commission asked the Division to report back by September 17, 2020. On September 3, the Commission issued its Notice of Filing and Comment Period. Any party may submit comments on or before September 17, 2020 and

reply comments on or before September 24, 2020. This memorandum represents the Division's response to the Commission's request to investigate RMP's filing.

Background

The Schedule 140 tariff sheets were originally proposed in Docket No. 13-035-89 and approved with an effective date of July 1, 2013. The level of content and formatting of Schedule 140 has remained largely the same for the past seven years. At that time, the Company felt it was important to have more granular information and details in the tariff from a control and risk standpoint given the Program was still in its infancy. Over the past decade, it has become increasingly more difficult to achieve energy efficiency savings cost-effectively and adapt quickly to market conditions. Accordingly, the Company proposes to streamline the Schedule 140 tariff sheets to accommodate necessary flexibility with its offerings.

Discussion

The streamlined Schedule 140 tariff sheets will remove some of the granularity in various tables, such as category, sub-category, minimum eligibility requirements, size requirements, table notes, equipment category, and other information the Company feels is non-essential for the tariff. All requirements, eligibility, and other detailed information necessary for participation will be posted and maintained on the Company's website and in the application materials and other prominent places for transparency to keep customers informed.

The Company claims that the vast majority of customers turn to their website for information concerning energy savings programs, current offerings, and any program changes, as opposed to looking up Schedule 140. Regardless of the content within Schedule 140, the Company currently ensures all relevant information concerning its programs is transparent and readily available to customers, contractors, stakeholders, etc. Streamlining the Schedule 140 tariff sheets as proposed is not anticipated to reduce the level of detail transparency displayed or readily available. Program information will continue to be displayed, with changes conveyed as they occur.

Also, included in the filing are updates to measures and incentives to better align the Program with current market research and market conditions. By so doing, the Company hopes to improve

cost-effectiveness of the Program offerings. The proposed measure adjustments are described as follows:

- Lighting System Retrofits – restructured from a “one size fits all” to small, medium and large customers in order to focus on the specific needs of each segment.
- Motor Incentives – specify that the offering is available to retrofit applications only, and increase the maximum “up to” incentive for refrigeration.
- Other HVAC Incentives – the maximum incentive for all Rooftop Unit equipment sizes will decrease slightly.
- Food Service Equipment Incentives – changes are intended to more clearly designate and specify various types and sizes of equipment in the food services industry and to make the incentives more inclusive.
- Office Equipment Incentives – changes intend to eliminate smart plug and occupancy sensors that are no longer cost effective and specify those load sensing power strips that are eligible.
- Appliance Incentives – update all reference from Home Energy Savings Program to Wattsmart Homes Program.
- Irrigation Incentives – some adjustments to provide higher incentives due to higher cost of retrofit equipment, other types of equipment will be eliminated due to lack of participation and/or cost-effectiveness.
- Farm and Dairy Equipment Incentives – some specific gasket measures are eliminated due to lack of participation.
- Mid-Market Incentives Lighting – changes include the use of the greater than symbol (>) to specify what sizes are eligible and some equipment is eliminated due to lack of availability.
- HVAC Check-up Incentives – adjustments to specify which thermostats and economizer equipment will be eligible for the program.

The proposed changes are expected to be cost-effective under the Utility Cost Test and the Participant Cost Test. The program changes show they are not cost-effective under the Total Resource Cost Test and the Rate Impact Test.

In review of RMP's advice letter for this matter, the Division reviewed Utah Administrative Code R746-405-2(D)(3)(g), which requires a statement that the tariff sheets proposed do not constitute a violation of state law or Commission rule. However, the rule also states that the filing of proposed tariff sheets shall of itself constitute the representation of the filing utility that it, in good faith, believes the proposed sheets or revised sheets to be consistent with applicable statutes, rules and orders. The filing does not appear to violate statute or rule.

Conclusion

The Division concludes that RMP's filing is reasonable and appropriate to streamline the Schedule No. 140 and provide agility to respond to market conditions. The non-residential measure changes are expected to be cost-effective under the Utility Cost Test which the Commission has determined to be the determining cost-effective test. The Division recommends that the Commission approve RMP's filing with an effective date of October 2, 2020.

Cc: Michael Snow, RMP
Michele Beck, OCS