

November 10, 2021

VIA ELECTRONIC FILING

Public Service Commission of Utah
 Heber M. Wells Building, 4th Floor
 160 East 300 South
 Salt Lake City, UT 84114

Attn: Gary Widerburg
 Commission Secretary

RE: Advice No. 21-07
 Proposed Changes to Schedule 140, Non-Residential Energy Efficiency Program
 Docket No. 21-035-T13

Enclosed for electronic filing are the proposed tariff sheets associated with Tariff P.S.C.U. No. 51 of PacifiCorp, d.b.a. Rocky Mountain Power (the “Company”), applicable to electric service in the State of Utah. Pursuant to the requirement of Rule R746-405-2(D), the Company states that the proposed tariff sheets do not constitute a violation of state law or Commission rule. The Company respectfully requests an effective date of January 1, 2022 for these changes.

| | | |
|-----------------------------------|--------------|-----------------------------------|
| First Revision of Sheet No. 140.2 | Schedule 140 | Non-Residential Energy Efficiency |
| First Revision of Sheet No. 140.4 | Schedule 140 | Non-Residential Energy Efficiency |
| First Revision of Sheet No. 140.5 | Schedule 140 | Non-Residential Energy Efficiency |
| First Revision of Sheet No. 140.7 | Schedule 140 | Non-Residential Energy Efficiency |
| First Revision of Sheet No. 140.8 | Schedule 140 | Non-Residential Energy Efficiency |
| First Revision of Sheet No. 140.9 | Schedule 140 | Non-Residential Energy Efficiency |

The purpose of this filing is to propose changes to the Non-Residential Energy Efficiency Program (“Program”) administered through Electric Service Schedule No. 140. These tariff changes align with targets illustrated in the table below, filed in the Demand Side Management November 1st Deferred Account and Forecast Report on November 1, 2021, in Docket No. 21-035-45.

2022 Budget and Savings Forecast

| *** | 2022 MWh Savings Forecast | 2022 Budget Forecast |
|--------------------|---------------------------|----------------------|
| Wattsmart Business | 194,904 | \$36,000,000 |

DESCRIPTION OF CHANGES

Proposed adjustments are listed below, with further explanation provided in subsequent sections.

1. Add new offerings for Whole Building New Construction.
2. Add new offerings for Controlled Environment Agriculture lighting.

3. Miscellaneous updates to incentives and eligibility criteria for the following measure categories:
 - a. Lighting;
 - b. Motors;
 - c. HVAC Equipment;
 - d. Building Shell;
 - e. Irrigation;
 - f. Small Business Enhanced;
 - g. Mid-Market Lighting; and
 - h. Whole Building New Construction.

WHOLE BUILDING NEW CONSTRUCTION

To better engage investors, owners, developers, general contractors, and specialty contractors in the commercial and industrial real estate new construction market, the Company has developed a new offering for Whole Building New Construction (WBNC). This measure offering incentivizes new construction projects from the design phase through the construction and performance phases of the building, and is intended to move the market towards high performance buildings.

The Early Engagement Design Charette is intended to establish energy efficient targets for operation of the completed building with the assistance of energy modeling, identify efficient mechanical, electrical, plumbing and building envelope systems that will deliver the owner’s project requirements, and ensure efficient operation of these systems. The Design Phase will incentivize the selection of energy efficient options. The Construction Phase will offer incentives based on the equipment installed and actual performance verified by Savings Verification Reports. The Performance Phase will offer incentives based on verified energy savings performance from meter data up to two years after commissioning is completed.

The proposed design and offerings were developed with advice and feedback from the Utah Commercial Real Estate task force. This collaborative process allowed the Company to solicit advice from key stakeholders in Utah to create a compelling program for the market. Incentives will vary by building size and by participation path as indicated by the tables below. The new WBNC table with maximum “up to” amounts is being added to Schedule 140 as Table 15. The offered incentives table for WBNC will be managed on the Company’s website.

Maximum “up to” Incentives for Whole Building New Construction

| Category | Current Maximum “up to” Incentive | Proposed Maximum “up to” Incentive |
|--|--------------------------------------|---------------------------------------|
| Early Engagement Design Charrette | N/A | \$2,500/project |
| Design Phase | | \$0.35/sq-ft |
| Construction Phase | | \$0.24/kWh |
| Performance Phase | | \$0.05/kWh |

Currently Offered Incentives for Whole Building New Construction

| Category | Minimum Requirements | Currently Offered Incentive | Proposed Offered Incentive | | |
|---|---|-----------------------------|-----------------------------|------------------------------|-----------------------------|
| | | | Small Building ¹ | Medium Building ² | Large Building ³ |
| Early Engagement Design Charette | Requires design charrette at programming | N/A | \$1,500 | \$2,000 | \$2,500 |
| Design Phase | Must engage with 3 rd party energy performance modelling support | N/A | \$0.35/sq-ft up to \$15,000 | \$0.25/sq-ft up to \$15,000 | \$0.15/sq-ft up to \$15,000 |
| Construction Phase | New Construction Base Efficiency Target | N/A | \$0.17/kWh | \$0.15/kWh | \$0.12/kWh |
| | New Construction Energy Use Intensity Target (requires early engagement) | N/A | \$0.20/kWh | \$0.17/kWh | \$0.15/kWh |
| | Early Engagement Bonus (must complete design charrette) | N/A | \$0.04/kWh | \$0.03/kWh | \$0.02/kWh |
| Performance Phase | -- | N/A | \$0.05/kWh up to \$75,000 | | |

MEASURE UPDATES

As a result of the Company’s ongoing analysis of its offerings, including reviews of eligibility requirements, savings assumptions, and incentive levels, several proposed changes have been identified to improve Program offerings. The purpose of these changes is to better align with current measure research and market conditions, and cost-effectiveness thresholds. The sections below describe the proposed changes for each measure category. It should be noted that the sections and tables below only reference measures with proposed changes and do not constitute a comprehensive list of all Program offerings in each category. Current Program offerings that are not specifically mentioned in the sections below will remain unchanged.

Table 1a – Lighting System Retrofits

- **Controlled Environment Agriculture (CEA)** – It is proposed to add a new measure for CEA lighting with a maximum “up to” of \$0.05/kWh. Initially offered incentives will be split between fixtures and replacement lamps, set at \$0.05/kWh and \$0.03/kWh, respectively. CEA lighting is installed in facilities that grow plants to help produce high quality crops.

Maximum “up to” Incentives for Lighting System Retrofits

| Equipment Type | Current Maximum “up to” Incentive | Proposed Maximum “up to” Incentive |
|---|-----------------------------------|------------------------------------|
| Controlled Environment Agriculture | N/A | \$0.05/kWh |

Currently Offered Incentives for Lighting System Retrofits

| Equipment Type | Category | Currently Offered Incentive | Proposed Offered Incentive |
|---|-------------------|-----------------------------|----------------------------|
| Controlled Environment Agriculture | Fixtures | N/A | \$0.05/kWh |
| | Replacement Lamps | N/A | \$0.03/kWh |

¹ Buildings less than 20,000 square feet are considered small.

² Buildings greater than or equal to 20,000 square feet and less than 75,000 square feet are considered medium.

³ Buildings greater than or equal to 75,000 square feet are considered large.

Table 1b – New Construction/Major Renovation (NCMR) Lighting Incentives

- **Interior/Exterior Lighting** – All measure offerings for interior and exterior lighting are being replaced with the new WBNC program described above. However, to allow the market to transition to the new WBNC program, the Company will continue offering the existing interior/exterior measures until March 31, 2022.
- **Controlled Environment Agriculture** – Add the new proposed measure offering for controlled environment agriculture lighting for NCMR with a maximum “up to” incentive of \$0.05/kWh. Initially offered incentives will be split between fixtures and replacement lamps, set at \$0.05/kWh and \$0.03/kWh, respectively.

Maximum “up to” Incentives for New Construction/Major Renovation Lighting

| Equipment Type | Category | Current Maximum “up to” Incentive | Proposed Maximum “up to” Incentive |
|---|----------------------------|-----------------------------------|------------------------------------|
| Interior Lighting | Troffer | \$10/Fixture | \$0/Fixture |
| | Linear Ambient | \$10/Fixture | \$0/Fixture |
| | Highbay | \$20/Fixture | \$0/Fixture |
| | Other (not listed above) | \$0.50/Fixture Wattage | \$0/Fixture Wattage |
| | Advanced Lighting Controls | \$0.80/W controlled | \$0/W controlled |
| Exterior Lighting | Advanced Lighting Controls | \$0.40/W controlled | \$0/W controlled |
| Controlled Environment Agriculture | Fixtures | N/A | \$0.05/kWh |
| | Replacement Lamps | N/A | \$0.03/kWh |

*The current Interior and Exterior Lighting incentives will be offered until March 31, 2022

Currently Offered Incentives for New Construction/Major Renovation Lighting

| Equipment Type | Category | Currently Offered Incentive | Proposed Offered Incentive |
|---|----------------------------|-----------------------------|----------------------------|
| Interior Lighting | Troffer | \$10/Fixture | \$0/Fixture |
| | Linear Ambient | \$10/Fixture | \$0/Fixture |
| | Highbay | \$20/Fixture | \$0/Fixture |
| | Other (not listed above) | \$0.50/Fixture Wattage | \$0/Fixture Wattage |
| | Advanced Lighting Controls | \$0.80/W controlled | \$0/W controlled |
| Exterior Lighting | Advanced Lighting Controls | \$0.40/W controlled | \$0/W controlled |
| Controlled Environment Agriculture | Fixtures | N/A | \$0.05/kWh |
| | Replacement Lamps | N/A | \$0.03/kWh |

*The current Interior and Exterior Lighting incentives will be offered until March 31, 2022

Table 2 – Motor Incentives

- **Electronically Commutated Motors** – Increase the maximum “up to” and offered incentive from \$50/hp for HVAC applications to \$100/hp to better promote ECMs.
- **Variable Frequency Drives (VFD)** – Increase the maximum “up to” and offered incentive amounts from \$65/hp to \$200/hp to better promote VFDs and account for higher incremental costs for this measure.

Maximum “up to” Incentives for Motors

| Equipment Type | Current Maximum “up to” Incentive | Proposed Maximum “up to” Incentive |
|---------------------------------|-----------------------------------|------------------------------------|
| Electronically Commutated Motor | \$1/watt or \$50/hp | \$1/watt or \$100/hp |
| Variable Frequency Drives | \$65/hp | \$200/hp |

Currently Offered Incentives for Motors

| Equipment Type | Minimum Requirements | Sub-Category | Currently Offered Incentive | Proposed Offered Incentive |
|---|----------------------|---------------------|-----------------------------|----------------------------|
| Electronically Commutated Motor (Retrofit only) | ≤ 1 hp | HVAC application | \$50/hp | \$100/hp |
| | >1hp and ≤ 10hp | HVAC application | N/A | \$100/hp |
| Variable Frequency Drives (HVAC fans and pumps) | ≤ 100 hp | HVAC fans and pumps | \$65/hp | \$200/hp |

Table 3a – HVAC Incentives

- **Heat Pump Loop** – Increase the maximum “up to” and offered incentive from \$25/ton to \$125/ton to encourage more participation and account for higher incremental costs and deemed savings for this measure.

Maximum “up to” Incentives for HVAC

| Equipment Type | Current Maximum “up to” Incentive | Proposed Maximum “up to” Incentive |
|----------------|-----------------------------------|------------------------------------|
| Heat Pump Loop | \$25/ton | \$125/ton |

Currently Offered Incentives for HVAC

| Equipment Type | Minimum Requirements | Sub-Category | Currently Offered Incentive | Proposed Offered Incentive |
|----------------|----------------------|-------------------------------|-----------------------------|----------------------------|
| Heat Pump Loop | All equipment sizes | Ground source, closed loop | \$25/ton | \$125/ton |
| | | Groundwater source, open loop | \$25/ton | \$125/ton |

Table 3b – Other HVAC Incentives

- **Advanced Rooftop Unit (ARC) Control (Retrofit)** – Increase the maximum “up to” incentive from \$4,500 to \$6,500 for the retrofit category, and differentiate incentive offerings for ARC retrofits between gas-fired Rooftop Units (RTU) and heat pump RTUs to accommodate a higher incentive for heat pumps given that they capture more savings than controls in buildings with gas-fired RTUs. The current offered amounts for gas-fired RTUs will remain unchanged. The current offered amounts for heat pump RTUs will be increased as reflected in the table below.
- **Advanced Rooftop Unit Control (New RTU)** – Increase the maximum “up to” incentive from \$2,800 to \$4,000 for the New RTU category, and differentiate incentive offerings for New RTUs between gas-fired and heat pumps to accommodate higher incentives for heat pumps in alignment with the proposed updates to the retrofit category. The current offered amounts for gas-fired RTUs will remain unchanged. The current offered amounts for heat pump RTUs will be increased as reflected in the table below.

Maximum “up to” Incentives for Other HVAC

| Equipment Type | Current Maximum “up to” Incentive | Proposed Maximum “up to” Incentive |
|--|-----------------------------------|------------------------------------|
| Advanced Rooftop Unit Control (Retrofit) | \$4,500 | \$6,500 |
| Advanced Rooftop Unit Control (New RTU) | \$2,800 | \$4,000 |

Currently Offered Incentives for HVAC Equipment

| Equipment Type | Size Parameters | Currently Offered Incentive | | Proposed Offered Incentive | |
|--|-------------------------|-----------------------------|---------------|----------------------------|---------------|
| | | Gas-fired RTU | Heat Pump RTU | Gas-fired RTU | Heat Pump RTU |
| Advanced Rooftop Unit Control (Retrofit) | ≥ 5 tons and ≤ 10 tons | \$2,000 | | No Change | \$2,900 |
| | > 10 tons and ≤ 15 tons | \$2,800 | | | \$4,000 |
| | > 15 tons and ≤ 20 tons | \$4,000 | | | \$5,800 |
| | > 20 tons | \$4,500 | | | \$6,500 |
| Advanced Rooftop Unit Control (New RTU) | ≥ 5 tons and ≤ 10 tons | \$1,200 | | No Change | \$1,700 |
| | > 10 tons and ≤ 15 tons | \$1,800 | | | \$2,600 |
| | > 15 tons and ≤ 20 tons | \$2,500 | | | \$3,600 |
| | > 20 tons | \$2,800 | | | \$4,000 |

Table 4a – Building Envelope Incentives (Retrofit)

- **Cool Roof** – Decrease the maximum incentive from \$0.10/square foot to \$0.04/square foot to ensure this measure remains cost effective under current savings and costs assumptions.
- **Roof/Attic Insulation** – Increase the maximum incentive from \$0.05/square foot to \$0.20/square foot to account for increased incremental costs and savings.
- **Wall Insulation** – Increase the maximum incentive from \$0.07/square foot to \$0.15/square foot to account for increased incremental costs and savings.
- **Windows** – Increase the maximum incentive from \$0.35/square foot to \$0.50/square foot to account for increased incremental costs and savings.

Maximum “up to” Incentives for Building Envelope Retrofits

| Equipment Type | Current Maximum “up to” Incentive | Proposed Maximum “up to” Incentive |
|-----------------------|-----------------------------------|------------------------------------|
| Cool Roof | \$0.10/square foot | \$0.04/square foot |
| Roof/Attic Insulation | \$0.05/square foot | \$0.20/square foot |
| Wall Insulation | \$0.07/square foot | \$0.15/square foot |
| Windows | \$0.35/square foot | \$0.50/square foot |

Currently Offered Incentives for Building Envelope Retrofits

| Equipment Type | Sub-Category | Currently Offered Incentive | Proposed Offered Incentive |
|-----------------------|--------------|-----------------------------|----------------------------|
| Cool Roof | -- | \$0.05/square foot | \$0.04/square foot |
| Roof/Attic Insulation | -- | \$0.05/square foot | \$0.20/square foot |
| Wall Insulation | -- | \$0.07/square foot | \$0.15/square foot |
| Windows | Site-built | \$0.35/square foot | \$0.50/square foot |
| | Assembly | | |

Table 4b – Building Envelope Incentives (New Construction/Major Renovation)

- **Cool Roof** – Decrease the maximum incentive from \$0.10/square foot to \$0.02/square foot to maintain measure cost effectiveness.
- **Roof/Attic Insulation** – Decrease the maximum incentive from \$0.05/square foot to \$0.03/square foot to maintain measure cost effectiveness.

Maximum “up to” Incentives for Building Envelope Retrofits

| Equipment Type | Current Maximum “up to” Incentive | Proposed Maximum “up to” Incentive |
|-----------------------|-----------------------------------|------------------------------------|
| Cool Roof | \$0.10/square foot | \$0.02/square foot |
| Roof/Attic Insulation | \$0.05/square foot | \$0.03/square foot |

Currently Offered Incentives for Building Envelope Retrofits

| Equipment Type | Currently Offered Incentive | Proposed Offered Incentive |
|-----------------------|-----------------------------|----------------------------|
| Cool Roof | \$0.05/square foot | \$0.02/square foot |
| Roof/Attic Insulation | \$0.05/square foot | \$0.03/square foot |

Table 8a – Irrigation Incentives – Measures for Wheel Line, Hand Line, and Other Portable Systems (Retrofit Only)

- **Sprinkler Replacement** – Consolidate the new or rebuilt rotating and impact sprinkler offerings into a “Sprinkler Replacement” measure category, and decrease the maximum and offered incentive amounts from \$2.50 each to \$0.50 each in accordance with the most recent revision to unit energy savings in the Regional Technical Forum (RTF).
- **Nozzle Replacement** – Increase the maximum and offered incentive amounts from \$0.50 each to \$1.50 each in accordance with the most recent revision to unit energy savings in the RTF.
- **Drain Replacement** – Decrease the maximum and offered incentive amounts from \$3 each to \$2 each in accordance with the most recent revision to unit energy savings in the RTF.
- **Pipe Repair** – Decrease the maximum and offered incentive amounts from \$10/repair to \$8/repair in accordance with the most recent revision to unit energy savings in the RTF.
- **Leveler Replacement** – Decrease the maximum and offered incentive amounts from \$3 each to \$1 each in accordance with the most recent revision to unit energy savings in the RTF.

Maximum “up to” Incentives for Irrigation Wheel Line, Hand Line, or Other Portable Systems (Retrofits)

| Equipment Type | Current Maximum “up to” Incentive | Proposed Maximum “up to” Incentive |
|-----------------------|-----------------------------------|------------------------------------|
| Sprinkler Replacement | \$2.50 | \$0.50 |
| Nozzle Replacement | \$0.50 | \$1.50 |
| Drain Replacement | \$3 | \$2 |
| Pipe Repair | \$10 | \$8 |
| Leveler Replacement | \$3 | \$1 |

Currently Offered Incentives for Irrigation Wheel Line, Hand Line, or Other Portable Systems (Retrofits)

| Equipment Type | Sub-Category | Currently Offered Incentive | Proposed Offered Incentive |
|-----------------------|---|-----------------------------|----------------------------|
| Sprinkler Replacement | Rotating sprinkler | \$2.50 | \$0.50 |
| | Impact sprinkler | \$2.25 | \$0.50 |
| Nozzle Replacement | Replacement of worn nozzle | \$0.50 | \$1.50 |
| Drain Replacement | Replacing leaking drain | \$3 | \$2 |
| Pipe Repair | Cut & press or weld repair of leaking line | \$10 | \$8 |
| Leveler Replacement | Replacing leaking or malfunctioning leveler | \$3 | \$1 |

Table 8b – Irrigation Incentives – Measures for Pivots and Linear Systems (Retrofit Only)

- **Pressure Regulator and Low Pressure Sprinkler** – Replace individual measure offerings with new packaged offerings to better align with the RTF.
- **Sprinkler Replacement Package** – Add a sprinkler replacement package offering category with a maximum incentive of \$7 each. Initially offered incentives will be broken out between High Pressure, Mid-Elevation Spray Application (MESA), Low-Elevation Spray Application (LESA), Low-Elevation Precision Application (LEPA), and Mobile Drip Irrigation (MDI) categories:
 - **High Pressure** – The initially offered incentive for high pressure sprinkler package replacements will be set at \$7 each.
 - **MESA** – The initially offered incentive for MESA sprinkler package replacements will be set at \$4 each.
 - **LESA/LEPA/MDI** – The initially offered incentives for LESA, LEPA, and MDI sprinkler package replacements will be set at \$2 each.
- **Pivot/Linear Upgrade** – Add an upgrade offering category with a maximum incentive of \$7 each. Incentives will be broken out between upgrades from high pressure to MESA, high pressure to LESA/LEPA/MDI, and MESA to LESA/LEPA/MDI, with initially offered incentives set at \$7, \$7, and \$5, respectively, for each upgrade type.

Maximum “up to” Incentives for Irrigation Pivots and Linear Systems (Retrofits)

| Equipment Type | Current Maximum “up to” Incentive | Proposed Maximum “up to” Incentive |
|--|-----------------------------------|------------------------------------|
| Pressure regulator replacing new pressure regulator | \$3 | \$0 |
| Low pressure sprinkler replacing impact sprinkler | \$3 | \$0 |
| Low pressure sprinkler replacing worn low pressure sprinkler | \$1.50 | \$0 |
| Sprinkler Replacement Package | N/A | \$7 |
| Pivot/Linear Upgrade | N/A | \$7 |

Currently Offered Incentives for Irrigation Pivots and Linear Systems (Retrofits)

| Equipment Type | Sub-Category | Currently Offered Incentive | Proposed Offered Incentive |
|-------------------------------|--|-----------------------------|----------------------------|
| Pressure regulator | Replacing new pressure regulator of same design pressure or less | \$3 | \$0 |
| Low Pressure Sprinkler | Replacing impact sprinkler | \$3 | \$0 |
| | Replacing worn low pressure sprinkler | \$1.50 | \$0 |
| Sprinkler Replacement Package | High Pressure | N/A | \$7 |
| | MESA | N/A | \$4 |
| | LESA/LEPA/MDI | N/A | \$2 |
| Pivot/Linear Upgrade | High Pressure to MESA | N/A | \$7 |
| | High Pressure to LESA/LEPA/MDI | N/A | \$7 |
| | MESA to LESA/LEPA/MDI | N/A | \$5 |

Table 12 – Small Business Enhanced (Retrofit Only)

- Update the offering name from “Small Business Direct Installation” to “Small Business Enhanced” and increase the maximum customer co-pay to 50 percent. Increasing the maximum co-pay percentage will enable the Company to encourage small business customers to utilize both lighting and non-lighting measures, while maintaining cost effectiveness. Customers who add non-lighting measures to their lighting project, such as smart thermostats or an HVAC Check-up, will have a lower co-pay and higher incentive percentage, while customers who only install lighting measures will have a higher co-pay and lower incentive percentage.

For example, customers who only install lighting measures may receive a 50 percent incentive with a required 50 percent co-pay for their project, whereas customers who install lighting measures plus one non-lighting measure may receive a 60 percent incentive with a required 40 percent co-pay for their project. The required co-pay percentages will be determined on a project-by-project basis dependent upon what measures customers choose to install.

Table 13a – Mid-Market Incentives Lighting

- **A-Lamps, Reflector Lamps, and Decorative Lamps** – Maintain maximum incentive amounts, but reduce offered incentives for certain A-lamps, reflectors, and decorative lamps as reflected in the table below to account for reduced incremental costs.
- **Pin-based Lamps** – Decrease the maximum “up to” incentive from \$15/Lamp to \$12/Lamp to maintain cost effectiveness. Currently offered incentive amounts will remain unchanged.
- **Downlight Kits** – Modify equipment category title from “Recessed Downlight Kit” to “Downlight Kits” to better align with the DesignLights Consortium product category.
- **Linear Replacement Lamps** – Modify equipment category title from “TLED Lamps” to “Linear Replacement Lamps” to better align with the DesignLights Consortium product category, and decrease the maximum “up to” incentive from \$25/Lamp to \$11/Lamp to maintain cost effectiveness. Currently offered incentive amounts will remain unchanged.

Maximum “up to” Incentives for Mid-Market Lighting

| Equipment Type | Category | Current Maximum “up to” Incentive | Proposed Maximum “up to” Incentive |
|----------------|--------------------------|-----------------------------------|------------------------------------|
| LED | Pin-based Lamps | \$15/Lamp | \$12/Lamp |
| | Linear Replacement Lamps | \$25/Lamp | \$11/Lamp |

Currently Offered Incentives for Mid-Market Lighting

| Measure Category | Equipment | Currently Offered Incentive | Proposed Offered Incentive |
|------------------|-------------------------------|-----------------------------|----------------------------|
| A-Lamps | A-19 Lamp, < 8 W, Medium Base | \$2/Lamp | \$1/Lamp |
| Reflector Lamps | BR Lamp | \$3/Lamp | \$2/Lamp |
| Decorative Lamps | Decorative Lamp | \$2.50/Lamp | \$2/Lamp |

COST-EFFECTIVENESS

The cost effectiveness analysis for the Wattsmart Business Program, attached hereto as Exhibit B, was based on the maximum “up to” incentive levels. Table 5 below, pulled from Exhibit B, presents the expected cost effectiveness of the Program for years 2022-2023 assuming the proposed changes in this filing. Additional details and inputs are included in Exhibit B. Sensitivity analyses are also included as Exhibits C and D. The Program is expected to remain cost effective from the Utility Cost Test perspective under all scenarios.

Table 5 – Wattsmart Business Program Cost Effectiveness Results PY2022-2023 (Expected Participation)

| Cost-Effectiveness Test | Levelized \$/kWh | Costs | Benefits | Net Benefits | Benefit/ Cost Ratio |
|--|------------------|---------------|---------------|----------------|---------------------|
| Total Resource Cost Test (PTRC) + Conservation Adder | \$0.0614 | \$91,896,487 | \$89,103,428 | -\$2,793,059 | 0.97 |
| Total Resource Cost Test (TRC) No Adder | \$0.0614 | \$91,896,487 | \$81,003,117 | -\$10,893,371 | 0.88 |
| Utility Cost Test (UCT) | \$0.0296 | \$44,297,609 | \$81,003,117 | \$36,705,507 | 1.83 |
| Rate Impact Test (RIM) | | \$198,986,759 | \$81,003,117 | -\$117,983,643 | 0.41 |
| Participant Cost Test (PCT) | | \$96,110,008 | \$186,110,342 | \$90,000,333 | 1.94 |
| Lifecycle Revenue Impacts (\$/kWh) | | | | | \$0.0006953 |

STAKEHOLDER COLLABORATION

On October 19, 2021, the Company circulated a draft of this advice letter to DSM Steering Committee members for initial review and comment. On October 27, 2021, the Company held a meeting with Steering Committee members to further discuss these proposed changes.

Public Service Commission of Utah

November 10, 2021

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It is respectfully requested that all formal correspondence and staff requests regarding this matter be addressed to:

By E-mail (preferred): datarequest@pacificorp.com
michael.snow@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah Blvd., Suite 2000
Portland, OR 97232

Informal inquiries regarding this matter may be directed to me at (801) 220-4214.

Sincerely,

A handwritten signature in blue ink that reads "Michael S. Snow". The signature is fluid and cursive, with the first name "Michael" being the most prominent part.

Michael S. Snow
Manager, Regulatory Affairs

Enclosures

cc: Division of Public Utilities
Office of Consumer Services