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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Artie Powell, Manager
Brenda Salter, Utility Technical Consultant Supervisor
Paul Hicken, Technical Consultant

Date: July 1, 2022

Re: **Docket No. 22-035-27**, Rocky Mountain Power's Demand Side Management 2021 Annual Energy Efficiency and Peak Load reduction Report.

Recommendation (Acknowledge)

The Division of Public Utilities (DPU or Division) recommends that the Public Service Commission (PSC or Commission) acknowledge the Utah Demand-Side Management (DSM) Annual Energy Efficiency and Peak Load Reduction report for 2021 (DSM Annual Report), filed by Rocky Mountain Power (RMP or Company) as it appears to comply with the Commission requirements as outlined in the Company's Appendix A included with the initial filing.

Issue

On June 7, 2022, the Company filed with the Commission, its DSM 2021 Annual Energy Efficiency and Peak Load Reduction report. On June 7, 2022, the Commission issued an Action Request for the Division to review the filing and make recommendations by July 7, 2022. The Commission also issued a Notice of Filing and Comment Period on June 14, 2022, requesting interested parties submit comments on or before July 7, 2022, with reply

Division of Public Utilities

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comments submitted on or before July 22, 2022. On June 9, 2022, the Commission approved RMP's May 31, 2022, one week extension request. This memorandum represents the Division's comments on the 2021 DSM Annual Report.

Background

Rocky Mountain Power applies energy efficiency and peak reduction programs as cost-effective alternatives to the acquisition of supply-side resources. External implementers are employed to administer the programs and evaluations are performed for each of the programs by independent external evaluators to validate the energy savings derived from the energy efficiency programs. The Company seeks input regarding its energy efficiency programs from both the Utah DSM Steering Committee and the Utah DSM Advisory Group, and throughout the year the Company consulted with these groups on various matters. This report provides details on program results, activities, and expenditures of the DSM Cost Adjustment Tariff Rider (Schedule 193) as of the reporting period from January 1, 2021, through December 31, 2021.

Discussion

The 2021 DSM Annual Report provides details and results of the activities and evaluations for the following energy efficiency and peak reduction programs:

- **Energy Efficiency Programs:**
 - Wattsmart Homes
 - Home Energy Reports
 - Low Income Weatherization
 - Wattsmart Business

- **Peak Reduction Programs:**
 - Irrigation Load Control
 - Cool Keeper
 - Wattsmart Batteries

Rocky Mountain Power invested \$62 million in energy efficiency and peak reduction resource acquisitions during the reporting period. The investment yielded approximately 347,024 megawatt hours (MWh) in first year energy savings,¹ with 4,255,237 MWh of lifetime savings from the 2021 energy efficiency acquisition.² Net benefits based on the projected value of the energy savings over the life of the individual measures is estimated at \$214.6 million.³

The DSM portfolio was cost effective based on the Utility/Administrator Cost Test (UCT), which is the primary cost benefit test observed in Utah. The Residential programs scored a UTC rating of 3.30 for cost effectiveness, while the Commercial & Industrial programs scored a UTC rating of 2.30 for cost effectiveness. The Class 1 – Load Control Programs including A/C Load Control, Wattsmart Batteries, and Irrigation Load Control passed the UTC cost tests. Overall, the total DSM portfolio scored a 2.70 UTC rating⁴ for cost effectiveness. It appears the DSM programs are encouraging energy efficiency and load reduction while doing so cost effectively.

Conclusion

The Division has reviewed the report and found that it complies with the Commission requirements. Therefore, the Division recommends that the Commission acknowledge the Company's DSM Annual Report for 2021 as complying with Commission orders.

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

¹ Reported ex-ante savings are gross at generation.

² Estimated lifetime savings of the 2021 Energy Efficiency Acquisitions was calculated by multiplying First Year Acquisitions (ex-ante, measured at generator) by the weighted average measure life of the portfolio of 12.2 years.

³ 2021 DSM Report, Appendix B. Total Portfolio Cost Effectiveness - Utility Cost Test Net Benefits. Table 4, p.3.

⁴ Ibid, Table 3, p.2