



July 22, 2022

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

RE: Docket No. 22-035-27

Rocky Mountain Power's Demand-Side Management (DSM) 2021 Annual Energy Efficiency and Peak Load Reduction Report
Reply Comments of Western Resource Advocates

On June 7, 2022, PacifiCorp (d/b/a Rocky Mountain Power, "RMP") filed its 2021 Annual Energy Efficiency and Peak Load Reduction Report ("Annual Report"). The Public Service Commission ("Commission") issued a notice inviting interested parties to file comments by July 7, 2022, and reply comments by July 22. The Division of Public Utilities, the Office of Consumer Services, and (jointly) Utah Clean Energy ("UCE") and the Southwestern Energy Efficiency Project ("SWEEP") filed initial comments and recommendations.

Western Resource Advocates ("WRA") appreciates the opportunity to provide reply comments. Our comments are limited to responding to the recommendation of UCE and SWEEP that the Commission should "direct Rocky Mountain Power to include a list of actions for increasing the savings from its energy efficiency and demand response programs if the cost effectiveness of the programs is above 1." Comments of UCE and SWEEP, page 2. As explained below, WRA supports using the DSM annual report (and associated comment period) as an opportunity to evaluate how RMP can achieve additional savings from cost-effective DSM programs.

Since 2006, DSM program costs have been recovered through a tariff rider on customer bills and program approval (prudence review) happens through a relatively quick evaluation of any proposed program in a tariff approval filing (as opposed to a general rate case). As a result of this, in 2009 when the Commission was reviewing DSM program performance standards, the Commission was careful to build into both program approval and program review processes safeguards to ensure RMP's DSM programs delivered on their promises of cost-effectiveness for customers. As noted by UCE and SWEEP, the Commission was thoughtful about how to address situations where a DSM program was not quite cost-effective: "a list of remedial actions for improving program performance should be provided or the program should be terminated." 09-035-29 Order (October 7, 2009), page 14; UCE and SWEEP Comments, page 4.

In 2009, however, the Commission did not address what to do when a DSM program was so cost-effective under the utility cost test that it begged the question of whether RMP should acquire more of it to increase customer value. In their comments referencing the Commission's 2009 Order, UCE and SWEEP state, "While the Commission did not explicitly require a similar list of actions for programs achieving a benefit/cost ratio of over 1.0, the intent was to use the annual reporting process as a forum

for evaluating portfolio and program performance and for making any necessary recommendations to maximize customer benefits.” UCE and SWEEP Comments, page 4. WRA agrees.

As noted by UCE and SWEEP, RMP’s DSM programs are very cost-effective. In 2021, RMP’s energy efficiency programs had a benefit/cost ratio of 2.73 and demand response programs had a benefit/cost ratio of 2.70 under the utility cost test. In other words, customers received over two and a half times the benefit relative to the utility cost of the program. In other words, at a specific \$/MWh or \$/MW cost, RMP could procure over two and a half times more of those programs and still save ratepayers money relative to available supply-side resource options. With such cost-effective programs, it is appropriate to evaluate whether there are opportunities to procure additional DSM resources for customers. It would be imprudent not to.

WRA supports using the annual reporting process as a forum for evaluating how to acquire additional DSM resources that have been shown to be cost-effective. RMP should include in the annual report actions it can take to increase procurement of those resources. WRA acknowledges that efforts to increase procurement of existing cost-effective DSM resources could potentially impact cost-effectiveness results (although strategic communications and outreach initiatives are not subject to economic tests under the 2009 Order). Therefore, WRA recommends that PacifiCorp prioritize programs or portfolios with a benefit/cost ratio of 1.5 or more under the utility cost test.

WRA recommends that that Commission direct RMP to include the following in its annual report:

- Analysis of whether it is possible to acquire more of the DSM resources shown in program evaluations to be cost-effective (with a priority for programs with a benefit/cost ratio of 1.5 or higher under the utility cost test), as well as an evaluation of how much more acquisition is achievable within the coming year;
- A list of actions RMP can take to increase acquisition of those programs; and
- Analysis of how such procurement would affect the DSM budget and tariff rider.

Thank you for the opportunity to provide comments.



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CERTIFICATE OF SERVICE
Docket No. 22-035-27

I hereby certify that a true and correct copy of the foregoing was served by email this 22nd day of July 2022 on the following:

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