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UTAH DEPARTMENT OF COMMERCE

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To: The Public Service Commission of Utah
From: The Office of Consumer Services
Michele Beck, Director
Alex Ware, Utility Analyst

Date: July 22, 2022
Subject: Docket 22-035-27 – Reply Comments

In the Matter of: Rocky Mountain Power's Demand-Side Management (DSM) 2021 Annual Energy Efficiency and Peak Load Reduction Report

BACKGROUND

On June 7, 2022, Rocky Mountain Power (RMP or the Company) filed with the Public Service Commission of Utah (PSC) its 2021 Demand Side Management (DSM) Energy Efficiency and Peak Load Reduction Annual Report. This followed RMP receiving a one-week extension. On June 14, 2022, the PSC issued a Notice of Filing and Comment Period establishing that interested parties may submit comments about the filing on or before July 7, 2022 and reply comments on or before July 22, 2022. The Office of Consumer Services (OCS) provides the following reply comments pursuant to that schedule.

Besides initial comments filed by the OCS, two additional sets of initial comments were filed in this docket by: 1) the Division of Public Utilities (DPU), and 2) Utah Clean Energy (UCE) in partnership with the Southwest Energy Efficiency Project (SWEEP). The OCS reviewed all comments and takes this opportunity in reply comments to indicate our general agreement with UCE/SWEEP that certain RMP DSM issues deserve additional review.

OCS REPLY COMMENTS

In their initial comments, UCE/SWEEP highlight that RMP reports its DSM portfolio as a whole (and individual energy efficiency (EE) and peak load reduction (PL) programs) continues to achieve annual outcomes of increasing net benefits and exceeds its integrated resource plan (IRP) forecasted targets. UCE/SWEEP argue that IRP targets “should not be used to set a **hard cap** on the cost-effective amount of efficiency savings

in any given year” and that “it is appropriate for RMP to procure as many actual cost-effective savings as possible, even if those savings exceed forecasted or IRP amounts.”¹ Further, UCE/SWEEP argue that the IRP process “has never been intended to identify specific resources or amounts for actual procurement.” UCE/SWEEP conclude that considering the success of RMP’s DSM program to return significant net benefits to customers, the PSC should require RMP to provide an assessment to stakeholders of potential steps that could further increase the cost-effectiveness of the program.

The OCS believes UCE/SWEEP raise an issue that should be further evaluated. We generally agree that RMP should not consider IRP-selected DSM resources as a hard cap on the quantity of DSM resources to be pursued. The OCS supports UCE/SWEEP’s recommendation that RMP be required to evaluate if it is in the public interest to acquire quantities of highly cost-effective DSM programs above the levels selected in the IRP.

We note that there have been instances in the past when the Company procured supply-side resources at levels that are different from what was selected in the IRP. When the Company models the bids received in resource request for proposals (RFPs) for cost-effectiveness and for meeting system needs, the final list of selected resources often differs from what the IRP selected. Thus, the OCS would anticipate that analysis be performed to demonstrate that acquiring additional DSM resources would not displace more cost-effective or better-suited resources than otherwise would be procured in the immediate or near-term.

Finally, as presented in our initial comments, the OCS does not support changes to RMP’s DSM program until it can adequately justify or correct the unusually large increase in reported benefits from the Home Energy Report (HER) program in this year’s DSM annual report.

RECOMMENDATIONS

The OCS recommends that the PSC adopt UCE/SWEEP’s recommendation that RMP be required to provide an assessment in its DSM program annual report of actions that it can take to further increase cost-effective outcomes. In conjunction, the OCS further recommends that such an assessment should ensure that acquiring more DSM would not displace a more cost-effective or better-suited resource.

¹ 22-035-27 UCE/SWEEP Comments, July 7, 2022, p.3 [bold emphasis added]

cc:

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Service List