



State of Utah

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August 26, 2022

Ms. Jana Saba
Rocky Mountain Power
1407 W North Temple, Suite 330
Salt Lake City, UT 84116

Data Request Response Center
PacifiCorp
825 NE Multnomah St., Suite 2000
Portland, OR 97232

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

Dear Ms. Saba:

The Public Service Commission (PSC) reviewed Rocky Mountain Power's (RMP) June 7, 2022 filing of its Demand-Side Management (DSM) 2021 Annual Energy Efficiency and Peak Load Reduction Report ("Report"). The Report was filed pursuant to the PSC's February 16, 2017 Order in Docket No. 17-035-04, *Application of Rocky Mountain Power for Approval to Revise Demand Side Management Annual Energy Efficiency and Peak Load Reduction Report Requirements*. The PSC also reviewed the July 1, 2022 comments of the Division of Public Utilities (DPU), the July 6, 2022 comments of the Office of Consumer Services (OCS), the July 7, 2022 joint comments of Utah Clean Energy and Southwest Energy Efficiency Project (UCE/SWEEP), the July 21, 2022 reply comments of UCE/SWEEP and Western Resource Advocates (WRA), and RMP's and OCS's July 22, 2022 reply comments.

DPU recommends the PSC acknowledge that the Report complies with the PSC's ordered reporting requirements. OCS recommends the PSC not acknowledge the Report, and that it require RMP to provide additional information about how it calculated the Home Energy Report (HER) benefits, including evidence supporting the observed increases in cost-benefit results, and an explanation of the first year versus incremental savings estimates. In its reply comments, OCS recommends RMP be required to provide an assessment in its DSM program annual report of actions it can take to further increase cost-effective outcomes, but that such an assessment should ensure acquiring more DSM would not displace a more cost-effective or better-suited resource. UCE/SWEEP recommends the PSC direct RMP 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; and that

RMP explain why the UCT benefit/cost score for the HER program is substantially higher this year than in previous years. WRA recommends the PSC direct RMP to include the following in its annual report: 1) 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; 2) A list of actions RMP can take to increase acquisition of those programs; and 3) Analysis of how such procurement would affect the DSM budget and tariff rider.

In reply, RMP responds to parties' concerns about the HER program's cost-benefit values. It explained its approach to using deemed savings (instead of evaluated savings), program expansion, and the avoided costs used in the calculation. RMP also responded to UCE/SWEEP's comments regarding whether it treats the IRP selected value for energy efficiency in a given year as hard cap, noting that it has consistently over-achieved relative to the IRP targets.

Based on the PSC's review of the Report, and the comments and recommendations filed by DPU, OCS, UCE/SWEEP, and WRA, the PSC acknowledges that the Report complies with the PSC's reporting requirements. Given the concerns expressed regarding the calculation and magnitude of the benefits associated with the HER program, the PSC directs RMP to file with the PSC, within 60 days after the date of this acknowledgment letter, an explanation of why the method of calculating benefits had to be changed, and whether the implementation of the expanded program was consistent with the assumptions of the deemed savings study RMP submitted with its reply comments. To the extent the DSM Advisory Group has been designated as the forum for RMP to solicit input, receive suggestions, and facilitate general discussions of DSM programs and issues, including other DSM issues of general concern,¹ the PSC directs RMP to discuss issues related to the HER program expansion at the next DSM Advisory Group as well as with the DSM Steering Committee.

Sincerely,

/s/ Gary L. Widerburg

PSC Secretary

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¹ See *In the Matter of a Request for Agency Action for Creation of a DSM Steering Committee for DSM Issues Involving Sensitive, Confidential or Proprietary Information or Settlement Negotiations* (Report and Order dated May 23, 2012 at 3); Docket No. 12-035-69.