

October 25, 2022

VIA ELECTRONIC FILING

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

Attention: Gary Widerburg
Commission Secretary

Re: **Compliance Filing**
In the Matter of Rocky Mountain Power's Demand-Side Management 2021 Annual
Energy Efficiency and Peak Load Reduction Report
Docket No. 22-035-27

On August 26, 2022, the Public Service Commission of Utah (“Commission”) issued an Acknowledgement Letter (“Letter”) in the above referenced matter. The Letter directed Rocky Mountain Power (the “Company”) to file within 60 days of the Letter’s issuance an explanation of why the method of calculating benefits for the Home Energy Reports (“HER”) program had to be changed, and whether the implementation of the expanded program was consistent with the assumptions of the deemed savings study the Company submitted with its reply comments. The Letter also directed the Company to discuss issues related to the HER program expansion at the next Demand Side Management (“DSM”) Advisory Group as well as with the DSM Steering Committee.

DISCUSSION

The original design of the HER program in 2012 implemented a Randomized Control Trial (“RCT”) to determine savings, which included separate treatment and control groups of customers. As the number of HER program participants increased over time, separate and unique treatment and control groups were continually created to determine the associated energy savings. In 2019, the HER program had reached participation levels such that expanding the program further under the RCT design was no longer an option because it would require too many customers to be in a control group. Accordingly, in order to expand the HER program further, an alternative method for calculating program savings was necessary to alleviate the treatment and control group issue.

The Company requested The Cadmus Group, LLC (“Cadmus”) to assess whether the HER program in Utah could reliably be evaluated with a deemed savings approach given that the program had a long record of consistently delivering energy savings. With a deemed savings approach, the Company would claim savings equal to a percentage of a customer’s consumption if the customer received a minimum number of energy reports during the program year.

Cadmus' assessment found that the Company's Utah savings estimates from the RCT method were accurate indicators of past program performance and that these savings estimates could be used to develop deemed savings values going forward. Additionally, the energy savings from the HER programs followed a predictable time trend. Specifically, energy savings reached a steady state after three years of treatment and were maintained so long as customers receive energy reports. This suggested that deemed savings based on past savings estimates could be used to measure future program savings.

As a result of Cadmus' assessment, the Company implemented a deemed savings approach in July 2020 to calculate energy savings for HER program participants. The deemed savings values were obtained from regression-based savings estimates and vary by customers' pre-treatment consumption and length of treatment. Table 1 below is included as Table 6 in the deemed savings analysis provided as Exhibit A in the Company's reply comments submitted July 22, 2022 in the above referenced docket. Table 1 represents the recommended deemed savings values that the Company implemented in July 2020.

Table 1 - Recommended Deemed Percentage Savings Values

Pre-Treatment Annual Consumption Range (Kilowatt hours per year)	Program Year 1	Program Year 2	Program Year 3+
< 4,047	0.6%	1.0%	1.0%
> 4,047 to < 7,027	0.7%	1.3%	1.5%
> 7,027 to < 10,356	1.2%	2.4%	2.4%
> 10,356	1.4%	2.2%	2.5%

These deemed savings values assumed that home energy reports would continue to be delivered with the same frequency and cadence as previously implemented in years prior, otherwise the realization of energy savings would likely differ from the deemed values. The Company has continued to implement the HER program with the same frequency and cadence as the deemed savings study recommended, and has applied the deemed savings values from the table above.

On September 20, 2022, the Company held meetings with both the DSM Advisory Group and DSM Steering Committee to discuss issues related to the HER program in compliance with the Commission's direction. The Company discussed the HER deemed savings values, avoided costs and cost effectiveness, incremental versus first year HER energy savings, and how HER is accounted for in the Integrated Resource Plan. The Company also discussed the recently published HER program evaluation for the 2020-2021 period.

Table 2 below provides historical data for the HER program pulled from previous DSM annual report and program evaluations, and shows that the primary contributor to increased energy savings is directly correlated to increased participation levels.

Table 2 – Home Energy Reports Program History

Program Year	Program Participants	Annual kilowatt hour savings @ site	Program Expenditures
2012	50,000	7,859,888	\$ 534,106
2013	95,000	32,298,825	\$ 802,595
2014	220,000	38,860,085	\$ 1,263,240
2015	253,700	56,615,083	\$ 2,591,545
2016	267,084	49,244,502	\$ 2,758,456
2017	244,442	50,562,602	\$ 3,020,132
2018	321,197	35,934,000	\$ 1,033,101
2019	290,896	33,214,620	\$ 858,307
2020	418,611	67,613,670	\$ 1,063,863
2021	545,521	99,934,969	\$ 1,405,011

The deemed savings values were not implemented until July 2020, and 2021 was the first full year of deemed savings values.

CONCLUSION

Based on the information provided herein, the Company believes it has adequately complied with the Commission’s Letter.

Sincerely,



Michael S. Snow
Manager, Regulatory Affairs

CERTIFICATE OF SERVICE

Docket No. 22-035-27

I hereby certify that on October 25, 2022, a true and correct copy of the foregoing was served by electronic mail to the following:

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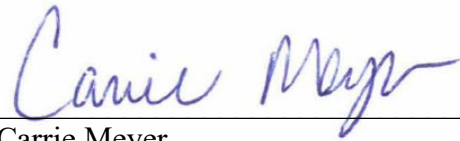
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