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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: June 21, 2022
Subject: Docket 22-035-T09

In the Matter of: Rocky Mountain Power's Proposed Tariff Changes to Electric Service Schedule No. 114, Load Management Program

INTRODUCTION

On June 6, 2022, Rocky Mountain Power (RMP) submitted a tariff filing to the Public Service Commission of Utah (PSC) requesting approval to implement a new voluntary demand-side management (DSM) program called Wattsmart Business. On June 8, 2022, the PSC issued a Notice of Filing and Comment Period establishing that interested parties may submit comments about the proposal on or before June 21, 2022 and reply comments on or before June 21, 2022. The Office of Consumer Services (OCS) provides the following comments pursuant to that schedule.

BACKGROUND

In its tariff filing, RMP proposes a new voluntary Commercial and Industrial DSM offering called the Wattsmart Business Demand Response Program (Program) to be administered through Schedule No. 114: Load Management Program. The Program was discussed with the DSM Steering Committee on March 2, 2022 and a draft of the proposal was circulated to committee members. RMP states in the filing that the purpose of the program is to "provide financial incentives to customers who curtail load during Company initiated events." The program may be utilized to provide:

- Peak load reduction
- Contingency reserves
- Frequency response
- Other grid services

Commercial and industrial customers qualify if they have curtailable loads greater than 500 kW and can commit to curtail with no or limited advance notice - within 50 seconds (real time) or 7 minutes (advanced notice) respectively. The filing also presents examples of energy reduction actions a program participant could take under the no or limited notice Program options. While the maximum participation incentive for either the no or limited notice options will be set at “up to” \$125 per kW, the initial offering will be set at \$100 per kW. There will also be a combination no and limited notice option with a maximum incentive “up to” \$190 per kW, but it will initially be set at \$175 per kW.

OCS COMMENTS

The OCS reviewed RMP’s tariff filing and the associated confidential cost-effectiveness estimates provided by the Company’s consultant Guidehouse. We acknowledge that even the lower participation estimates are projected to realize significant benefits that outweigh the projected costs of the program. All forecasts reported by RMP pass every applicable Benefit/Cost ratio test. Once Wattsmart Business is implemented, the OCS looks forward to reviewing actual outcomes to ensure this program is and remains beneficial to customers and the grid.

In Docket No. 21-035-53 (US Mag Electric Service Agreement or ESA), the OCS requested guidance from the PSC in requiring RMP to harmonize its use of demand-side resources (i.e. identify how demand-side resources can provide value to the system and develop tariffs open to all customers who can provide the value rather than using special contracts and DSM programs open to select customers only). In this memo, the OCS now notes that the tariff changes proposed in this docket are the type of tariffed service it prefers (instead of individually negotiated special contracts) for governing demand response resources. This type of tariffed approach ensures that similarly situated customers will not be treated with undue discrimination. In general, the OCS supports an expansion of demand response resources to the extent they are cost effective and have the ability to defer other investments including the request in this docket.

The OCS reiterates that having RMP better integrate or harmonize its use of various demand-side resources has advantages. The primary advantages are increased transparency so that all qualifying customers can participate in the same programs and the ability to maximize the benefits from cost-effective resources. As previously stated, the OCS will monitor progress of this program and hopes to evaluate whether all qualified participants have been informed about this demand response program and whether RMP has been able to maximize the potential demand resources.

In conclusion, the OCS believes that expansion of demand-side resources such as interruptibility are likely to increase, especially with the expansion of markets in the West. The OCS has advocated, and will continue to do so, that the treatment and use of these resources should be more transparent and consistent across various utility programs.

RECOMMENDATIONS

The OCS recommends that the PSC approve RMP's application to implement the Wattsmart Business Demand Response Program under Schedule 114.

cc:

Jana Saba, Rocky Mountain Power

Emily Wegener, Rocky Mountain Power

Chris Parker, Division of Public Utilities

Service List