



State of Utah

SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor

Public Service Commission

THAD LeVAR
Chair

DAVID R. CLARK
Commissioner

JOHN S. HARVEY, Ph.D.
Commissioner

August 1, 2023

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 2022 Annual Energy Efficiency and Peak Load Reduction Report*; Docket No. 23-035-26

Dear Ms. Saba:

The Public Service Commission (PSC) reviewed Rocky Mountain Power's (RMP) June 1, 2023 filing of its Demand-Side Management (DSM) 2022 Annual Energy Efficiency and Peak Load Reduction Report ("Report"). The Report was filed in compliance with the PSC's February 16, 2017 Order in Docket No. 17-035-04.¹

On June 27, 2023, the Division of Public Utilities (DPU) filed comments recommending the PSC acknowledge RMP's compliance with the PSC's ordered reporting requirements (the "DPU Comments"). The DPU Comments indicate the Wattsmart Battery Program (the "Program") failed all tests, including the utility cost test ("UCT") and recommends the PSC require RMP to provide justification for approving programs that fail the UCT or, in the alternative, that the PSC reevaluate the current cost effectiveness tests to determine their future applicability.

On July 5, 2023, the Office of Consumer Services (OCS) filed comments (the "OCS Comments") reiterating that RMP's DSM portfolio is cost effective overall under the UCT. OCS also comments that on June 28, 2023, RMP held the Q2 DSM Steering Committee meeting and clarified an error was mistakenly reported in Table 13 of the Report regarding

¹ On February 16, 2017, the PSC approved RMP's application requesting approval to revise the DSM Annual Energy Efficiency and Peak Load Reduction Report requirements, subject to RMP continuing to provide program level reporting and using avoided cost values from its Integrated Resource Plan for its evaluations as required by previous PSC orders.

the cost effectiveness of the Program. Instead of reporting the UCT results across the useful life of a battery (which would result in a passing UCT score), OCS comments that RMP mistakenly provided a UCT over a one-year period that resulted in the program failing the UCT. Recognizing this was in error, OCS recommends that RMP file a corrected Table 13 (and relevant Appendix information) with the PSC in reply comments. OCS represents that it informally communicated with RMP about this issue and anticipates RMP will update the metric to correct the record. OCS nonetheless expressed concern that RMP had not provided information in its Report explaining the downward trend in cost effectiveness across all its DSM programs. According to OCS, RMP committed to hold an additional steering committee meeting to delve deeper into the issue. In conclusion, OCS recommends the PSC acknowledge the 2022 DSM annual report.

On July 20, 2023, RMP filed Reply Comments, including a confidential updated cost effectiveness memo for the Program from its third-party provider, as Confidential Exhibit A, that incorporates benefits across the useful life of the batteries. RMP reports the update has resulted in the Program passing the previously failed tests (reflected in the updated Table 13). RMP also reported that during the June 28, 2023 DSM Steering Committee meeting it committed to hold discussions with Steering Committee members during future discussions to reevaluate the current cost effectiveness tests and find potential solutions that it may submit to the PSC for consideration at a later date.

Based on the PSC's review of the Report, and the comments and recommendations filed by DPU and OCS, and the Reply Comments, the PSC acknowledges that the Report complies with the PSC's reporting requirements. The PSC nevertheless directs RMP to file a supplemental report, within thirty days of the date of this letter, that includes: (1) a cost/benefit analysis of the Wattsmart Battery Program using the four-year minimum contract commitment rather than the useful life of the battery; (2) an estimate (and the methodology used in the estimate) of any drop in Program participation after the expiration of the initial four-year contract commitment; and, (3) an estimate (and its derivation) of the ongoing annual benefit of a program on a kW basis. RMP should also initiate a meeting to discuss this additional information with the DSM Steering Committee.

Sincerely,

/s/ Gary L. Widerburg
PSC Secretary
DW#329022