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## UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

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Division Director

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### Action Request Response

**To:** Public Service Commission of Utah

**From:** Utah Division of Public Utilities

Chris Parker, Director

Brenda Salter, Assistant Director

Abdinasir Abdulle, Utility Technical Consultant Supervisor

Paul Hicken, Technical Consultant

**Date:** September 21, 2023

**Re:** **Docket No. 23-035-26**, Rocky Mountain Power's Compliance Filing – Supplemental Report to Demand Side Management 2022 Annual Energy Efficiency and Peak Load Reduction Report.

### Recommendation (Acknowledge)

The Division of Public Utilities (DPU or Division) recommends the Public Service Commission (PSC or Commission) acknowledge the Supplemental Report to the 2022 Utah Demand Side Management (DSM) Annual Energy Efficiency and Peak Load Reduction Report (DSM Annual Report), filed by Rocky Mountain Power (RMP or Company) to comply with the Commission's directive in its Acknowledgement Letter dated August 1, 2023.

### Issue

On August 31, 2023, the Company filed with the Commission a Supplemental Report on the Wattsmart Battery Demand Response program. This was done to comply with a directive by the Commission in its Acknowledgement Letter dated August 1, 2023. The Commission issued an Action Request on September 1, 2023, for the Division to review the filing and make recommendations by October 2, 2023. This memorandum represents the Division's comments on the Supplemental Report.

Division of Public Utilities

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## Background

The DSM Annual Report filed on June 1, 2023, indicated that most energy savings programs in the review passed the Utility Cost Test (UCT) but scored low on other efficiency indicators. However, one program, the Wattsmart Battery Program (Program), failed all energy efficiency tests, including the Utility Cost Test, which is the standard measurement of efficiency approved by the Commission. In the DSM Steering Committee meeting on June 28, 2023, the Company explained that the Annual Report had mistakenly used UCT results for a one-year period rather than the four-year customer commitment period, which resulted in the failure of all cost/benefit tests. The PSC in its Acknowledgement Letter dated August 1, 2023, directed the Company to file a supplemental report within 30 days and include: 1) a cost/benefit analysis of the Wattsmart Battery Program using a four-year minimum contract commitment rather than the useful life of the battery; 2) an estimate of any drop in Program participation after the expiration of the four-year contract commitment; and 3) an estimate of the ongoing annual benefit of a program on a kW basis.

## Discussion

The cost/benefit analysis included in the Supplemental Report indicates the Wattsmart Battery Program is cost effective with all measures when estimated over a 4-year basis. The benefit to cost ratio for the UCT measurement was [REDACTED]. The ratio for the Total Resource Cost Test (PTRC) was [REDACTED], and the ratio for the Rate Impact Test (RIM), and Total Resource Cost (no adder) were [REDACTED].

The Company noted that the battery program was initiated in December 2020, less than the 4-year commitment, and no participants have opted out. After the 4-year commitment customers will continue to receive an annual incentive and the expectation is that customers will participate through the entire useful life of their battery. The Company estimates the ongoing annual benefit to the Program will remain consistent throughout the life of the battery as long as customers continue to enroll and participate on a consistent basis.<sup>1</sup> The expected annual attrition rate is estimated at between 1-6 percent.

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<sup>1</sup> RMP's Supplemental Report on the Wattsmart Battery Program, August 31, 2023. p1.

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## **Conclusion**

The Division has reviewed the Supplemental Report and found that it responds adequately to the Commission's directive. Therefore, the Division recommends that the Commission acknowledge the Company's Supplemental Report to the 2022 DSM Annual Report as complying with Commission's directive.

cc: Michael Snow, RMP.  
Michele Beck, OCS.  
Service List.