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# Office of Consumer Services

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: December 4, 2023

Subject: Docket 23-035-31

**In the Matter of:** Rocky Mountain Power's Annual Demand-Side Management Deferred Account and Forecast Report

## INTRODUCTION

On November 1, 2023, Rocky Mountain Power (RMP or Company) filed with the Public Service Commission of Utah (PSC or Commission) its Annual Demand-Side Management (DSM) Deferred Account and Forecast Report. On November 3, 2023, the PSC issued a Notice of Filing and Comment Period establishing that interested parties may submit initial comments about the DSM report on or before December 4, 2023 and reply comments on or before December 19, 2023. The Office of Consumer Services (OCS) provides the following comments pursuant to that schedule.

## BACKGROUND

The purpose of RMP's annual DSM deferred account and forecast report is to inform the PSC and stakeholders such as the OCS of its estimated DSM expenditures and energy savings for the upcoming calendar year.

## OCS REVIEW OF RMP'S ANNUAL DSM FORECAST REPORT

The OCS reviewed RMP's 2023 report and all pages of Exhibit A which contained spreadsheets of the energy savings forecast, accounting analysis, DSM expenditures, and irrigation load peak impact data. We also compared this information to RMP's annual DSM report from the prior year (2022).

RMP proposes a total DSM expenditure budget in 2024 of about \$79.1 million, which is a 1% increase from the prior year. However, due to continued economic uncertainties in the market driving lower than anticipated participation, RMP only spent about 86% of its original 2023 budget. The OCS notes the following notable changes to the budget forecast for 2024:

- *A/C Load Control Program.* In 2023, RMP experienced higher than expected participation that drove costs almost \$1.5 million above the budgeted amount. Therefore, the Company proposes a 26% increase for 2024 for a total of \$8.8 million budgeted.
- *Wattsmart Batteries Program.* RMP experienced lower than expected participation in 2023, so is lowering the budgeted amount by \$800,000 for 2024.
- *Home Energy Report.* Due to changes in the customer comparison groups, the budget for the reports is anticipated to be about \$250,000 lower for 2024 – a total budget of \$1.3 million.
- *Wattsmart Business Program.* RMP is anticipating increased participation in 2024 with an increased budget total of about \$39.3 million, or an increase of about 8%.
- *C&I Load Control Program.* Following much lower than anticipated participation in 2023, RMP is proposing to reduce the budget by about 60% to \$2.6 million.
- The budgeted amounts for all other DSM program areas generally remain the same with the exception of \$162,500 budgeted in 2024 for a new electric vehicle demand response pilot program, which is pending approval before the Commission in Docket No. 23-035-T11.
- The DSM estimated surcharge rate is forecast to remain unchanged at 3.56% through 2024, but is currently forecast to increase in 2025.

Overall, the OCS continues to be supportive of RMP's DSM program and believes the proposed programmatic changes are reasonable. We are concerned with the decrease in program participation this last year, however, we note there are some areas mentioned above where participation appears to be growing.

## **RECOMMENDATION**

Based on the OCS's review of RMP's DSM forecast report filing, the OCS recommends that the PSC approve the 2024 energy savings and expenditure forecasts.

cc:

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