



Public Service Commission

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Commissioner

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State of Utah

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January 11, 2024

Mr. Michael S. Snow
Rocky Mountain Power
1407 West 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 Semi-Annual Demand-Side Management Forecast Reports*; Docket No. 23-035-31

Dear Mr. Snow:

The Public Service Commission (PSC) reviewed the Annual Demand-Side Management (DSM) Deferred Account and Forecast Report and Exhibit A ("Report") filed by Rocky Mountain Power (RMP) on November 1, 2023. RMP is required to provide the PSC an annual forecast of DSM expenditures, acquisition targets, and capacity and energy savings targets under the Phase I Stipulation (the "Stipulation") approved by PSC order in Docket No. 09-035-T08 and under the PSC's order in Docket No. 10-035-57 (together, the "Prior Orders").¹ The Division of Public Utilities (DPU) and the Office of Consumer Services (OCS) filed comments on December 4, 2023.

DPU reviewed the Report's energy savings forecast comparing DSM Program projected savings to targets mentioned in RMP's most recently filed Integrated Resource Plan (IRP). DPU states the Report includes actual results through September 2023 and projected expenditures and revenues through December 2030. It explains the Report projects the Schedule 193 surcharge rate to remain flat through 2024 and states that RMP, therefore, does not propose a rate adjustment at this time. DPU also highlights the Net Regulatory Asset balance of \$273.8 million for Year End 2023, an increase of \$68.4 million from the \$205.4 million balance in 2022. DPU highlights a regulatory liability reflecting Coal Accelerated Depreciation Applications

¹ See *In the Matter of the Approval of Rocky Mountain Power's Advice No. 09-08 Schedule 193 - Demand Side Management (DSM) Cost Adjustment*, Docket No. 09-035-T08, Order Granting Approval of Phase I Stipulation, issued August 25, 2009 and *In the Matter of the Rocky Mountain Power Demand-Side Management 2010 Semi-Annual Forecast*, Docket No. 10-035-57, Order issued December 21, 2011.

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and mentions the coal plant depreciation buydown of \$185.2 million in 2020, and another buydown of \$66.2 million that occurred in 2023. DPU further comments the 2024 program budget of \$79 million is a 16.9 percent increase compared to \$67.6 million in total DSM Program expenditures projected through end of year 2023. DPU also mentions the Report's estimated irrigation load control participation and contribution for 2024. DPU concludes that, based on its review, the Report complies with the Prior Orders and recommends the PSC acknowledge the Report.

The OCS indicates it reviewed the Report and spreadsheets of the energy savings forecast, accounting analysis, DSM expenditures, and irrigation load peak impact data, and compared the information to RMP's 2022 annual DSM report. OCS states the 2024 budget of \$79.1 million is a 1 percent increase from RMP's approved 2023 budget, but that due to continued economic uncertainties in the market driving lower than anticipated participation, RMP only expects to spend 86 percent of its original 2023 budget. OCS also mentioned notable changes to the 2024 budget forecast of several programs including, without limitation, (1) the A/C load control program experienced higher than expected participation in 2023 so RMP seeks a 26 percent increase for 2024 for a total of \$8.8 million budgeted; (2) the Wattsmart batteries program experienced lower than expected 2023 participation; thus, RMP lowered the 2024 budgeted amount by \$800,000; and (3) the C&I load control program also experienced much lower than anticipated participation; therefore, RMP proposed a reduction to the budget by 60 percent to \$2.6 million. OCS states that, overall, it continues to support RMP's DSM program and the proposed changes are reasonable. OCS is concerned with the decrease in program participation from last year but notes that participation appears to be growing in a few areas including the Wattsmart Business Program. In conclusion, OCS recommends the PSC approve the 2024 energy savings and expenditure forecasts.

Based on the PSC's review of the Report, and DPU's and OCS's comments and recommendations, and there being no objection, the PSC acknowledges the Report's compliance with the Prior Orders.

Sincerely,

/s/ Gary L. Widerburg
PSC Secretary
DW#331792