



## Public Service Commission

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DAVID R. CLARK  
*Commissioner*

### State of Utah

SPENCER J. COX  
*Governor*

DEIDRE M. HENDERSON  
*Lieutenant Governor*

March 2, 2023

Mr. Michael S. Snow  
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 Proposed Tariff Changes to Electric Service Schedule No. 111, Residential Energy Efficiency Program – Advice Letter 23-02; Docket No. 23-035-T04*

Dear Mr. Snow:

The Public Service Commission (PSC) reviewed Rocky Mountain Power's (RMP) February 3, 2023 Advice Filing 23-02, proposing revisions to Tariff P.S.C.U. No. 51, Electric Service Schedule No. 111, Residential Energy Efficiency Program, Sheet Nos. 140.2, 140.3, 140.4, and 140.5 ("Schedule 111 Revisions"). Schedule 111 provides pricing and terms and conditions for the various residential energy efficiency programs and measures (the "Program"). In general, RMP proposes to discontinue Light Emitting Diodes (LED) lighting incentives, reduce certain other incentives to reflect product retail price changes, and modify the "Whole Home" incentives from a deemed savings approach using the Home Energy Rating System to a site-specific pay for performance model. RMP explains that its proposed changes will align with the targets referenced in the Demand Side Management (DSM) November 1st Deferred Account and Forecast Report filed with the PSC on November 1, 2022, in Docket No. 22-035-37. RMP requests an effective date of March 6, 2023.

The PSC also reviewed the comments filed by the Division of Public Utilities (DPU) and the Office of Consumer Services (OCS). DPU expresses concern over the projected negative cost effectiveness of the Program under the Total Resource Costs ("TRC") test, the TRC plus Conservation Adder test, and the Rate Impact Test, commenting on the PSC's expectation that RMP will "design programs that pass all of the tests."<sup>1</sup> DPU nonetheless indicates the Program is cost effective under the Utility Cost Test which, DPU explains, the PSC considers to be the

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<sup>1</sup> DPU Comments, at 3 (quoting the PSC's Order in Docket No. 09-035-27).

threshold test.<sup>2</sup> DPU explains it will work with the steering committee to help determine what course the Program should take. Finally, DPU recommends the PSC approve the Schedule 111 Revisions, effective March 6, 2023.

The OCS also expresses concerns over the negative cost effectiveness of the Program and, like DPU, recommends the PSC approve the proposed Schedule 111 Revisions. The OCS states the negative results of the Program's cost effectiveness warrant an assessment of each of the Program's offerings to determine how their cost effectiveness can improve. On that basis, the OCS recommends the PSC require RMP to (1) prepare a cost-effectiveness analysis of the entire Wattsmart portfolio of incentives and (2) present its findings to the DSM steering committee.

Based on the PSC's review of the Schedule 111 Revisions, and the comments and recommendations of DPU and the OCS, the Schedule 111 Revisions are approved as filed, effective March 6, 2023. The PSC expects that RMP will prepare a cost-effectiveness analysis of the Wattsmart incentives and present its findings before the DSM steering committee.

Sincerely,

/s/ Gary L. Widerburg

PSC Secretary

DW#327165

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<sup>2</sup> *Id.*, at 4.