



State of Utah

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## Public Service Commission

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Commissioner

December 11, 2023

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 Proposed Changes to Electric Service Schedule No. 114, Load Management Program; Docket No. 23-035-T11*

Dear Mr. Snow:

The Public Service Commission of Utah (PSC) reviewed the November 14, 2023 tariff filing ("Filing") by Rocky Mountain Power (RMP) proposing changes to Electric Service Schedule No. 114, Load Management Program ("Schedule 114"). The Filing also includes proposed changes to Sheet Nos. 114.1 and 114.3 (the "Tariff Revisions") attached as Exhibit A; and, a confidential cost-effectiveness analysis demonstrating the cost effectiveness of the proposed Program (defined below), attached as Confidential Exhibit B. The Tariff Revisions establish a new Demand Side Management (DSM) Electric Vehicle (EV) Demand Response Program ("Program") to be administered as a 3-year pilot. RMP requests an effective date of January 1, 2024.

RMP reports recent significant and continued growth in EV adoption across Utah and offers the Program as a means to assist in mitigating and reducing demand congestion on the electric grid. RMP explains the Program is designed to financially incent EV-owner customer participation in various curtailment activities through EV charging, such as peak load reduction, contingency reserves, frequency response, and other grid services. Working with RMP customers who own or lease eligible EVs<sup>1</sup> that can be signaled to stop charging with no advanced or limited advanced notice, RMP states Program participants can expect curtailment events to last between 5 and 15 minutes in real-time. RMP explains it may communicate event notifications via email, text message, or automated phone call.

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<sup>1</sup> Table 1 of the Filing lists EV makes that may be eligible for participation. RMP advises the list is non-committal and non-definitive, and may vary based on vehicle model and year. The list of eligible EVs is expected to increase as vehicle manufacturers transition to producing more EVs. A list of supported vehicle makes will be posted on the RMP website and will be updated regularly as new EVs are deemed eligible.

To bolster the Program's initial enrollment success, RMP plans to use a mix of targeted and broad marketing and education campaigns. The Tariff Revisions include key Program provisions such as annually based compensation<sup>2</sup> for Program enrollment and event participation, as well as eligibility requirements. The Program will offer participants initial amounts of \$100 per vehicle for the first year of participation and \$50 for any additional years. RMP states opt-outs may result in penalties from the annual incentive. RMP adds the Program is forecast to achieve approximately 7 MW of curtailable demand response by 2026 and is anticipated to increase as EV adoption grows. RMP projects total Program costs of \$162,500 in 2024, \$265,000 in 2025, and \$440,000 in 2026. RMP estimates as many as 500 cumulative participants by the end of 2024, 1,000 by year-end 2025, and as many as 2,000 by year-end 2026. According to RMP's cost-effectiveness analysis, the Program is expected to be cost effective under various benefit/cost tests in both single-year and three-year outlooks.<sup>3</sup> The dispatch<sup>4</sup> period is from January 1 through December 31, from 12:00am to 11:59pm Mountain Time, Monday through Sunday, and limited to 15 minutes per event.

RMP held two DSM Steering Committee meetings on October 19 and October 31, 2023 to discuss the Program. RMP states its proposal to implement the Program as a 3-year pilot was based in part on those discussions. It explains that once enough pilot Program data is gathered to support a permanent program, RMP commits to making a subsequent filing to request approval to add the Program to its ongoing portfolio. Additionally, "if approved, [RMP] will report on the Program in its annual reporting and also provide regular updates to the DSM Steering Committee."<sup>5</sup>

The PSC also reviewed the comments of the Division of Public Utilities (DPU) filed on November 22, 2023, and the Office of Consumer Services (OCS) and Utah Clean Energy (UCE), both filed on November 29, 2023 (the "DPU Comments," "OCS Comments," and "UCE Comments," respectively).

According to DPU Comments, it is reasonable and appropriate to modify Schedule 114 to include the Wattsmart EV Demand Response as a 3-year pilot program. DPU states the Program is expected to provide cost-effective results for the years 2024-2026 under

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<sup>2</sup> The tariff allows for prorated incentives for partial participation due to mid-year signups or unenrollment.

<sup>3</sup> RMP states that due to the nature of demand response, and consistent with the cost-effectiveness methodology for other demand response programs, the Participant Cost Test is not applicable in the cost-effectiveness analysis.

<sup>4</sup> The dispatch parameters of the Program are identified in Table 5 of the Advice Letter and Sheet No. 114.1 of the Tariff.

<sup>5</sup> The PSC interprets this statement to mean that if the Program is approved on a permanent basis after the three-year period, RMP will include a report on the Program's progress with the same level of detail as it is included for its other programs as part of its DSM annual energy efficiency and peak load reduction report.

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the PTRC, TRC, UCT, and RIM tests. DPU recommends the PSC approve the proposed changes as filed, effective January 1, 2024.

OCS states the Program must be carefully designed to ensure that benefits materialize as modeled and assumed, and for a functionally operational Program so that participants understand the value to the system and are encouraged to continue participation. As such, OCS comments that initiating the Program on a three-year pilot provides better signals to customers that the terms of the program may change. Accordingly, OCS recommends the PSC approve the pilot Program.

UCE also supports the pilot Program, stating it will provide important grid services, passes all relevant cost-effectiveness tests, and will offer insight into how EVs may impact the electric grid. Additionally, UCE recommends RMP use a range of avenues beyond email recruitment, (e.g., dealerships, EV advocacy groups and non-governmental organizations, and social media) to advertise the Program, and for advertising to reach diverse communities beyond those who currently own EVs. UCE also supports Program evaluation and periodic reporting to the DSM Steering Committee for any required adjustments beyond the pilot period.

The PSC appreciates the parties' comments and their vetting of the Program, as well as RMP's commitment to submit annual reports to the Steering Committee while the Program is being tested as a pilot. Based on the PSC's review of the Filing, the DPU Comments, the OCS Comments, and the UCE Comments, and there being no opposition, the Tariff Revisions, proposed Sheet Nos. 114.1 and 114.3, are approved as filed, effective January 1, 2024.

Sincerely,

/s/ Gary L. Widerburg

PSC Secretary

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