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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

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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: March 26, 2024

Re: **Docket No. 24-035-09**, In the Matter of Rocky Mountain Power Requesting Approval for Adjustments to the Irrigation Load Control Program.

Recommendation (Approval)

The Division of Public Utilities (DPU or Division) recommends that the Public Service Commission (PSC or Commission) approve Rocky Mountain Power's (Company) request for approval of adjustments to Electric Service Schedule No. 105, Irrigation Load Control Program (ILC Program).

Issue

On February 27, 2024, the Company filed with the Commission a request for approval of adjustments to the Irrigation Load Control Program and continuation of the program management through Enel X, a third-party provider, with a new 10-year Master Professional Service (MSA) contract to administer the ILC Program (including a Task Order Release Agreement (TOA), a 5-year service agreement with the option to extend for an additional 5 years if both parties agree). The Company requests the Commission to issue an order with an effective date of May 1, 2024.

Division of Public Utilities

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Subsequently, the Commission issued an Action Request to the Division on February 27, 2024, to review the filing and make recommendations to the Commission by March 28, 2024. In addition, the Commission issued a Notice of Filing and Comment Period on February 27, 2024, requesting interested parties submit comments by March 28, 2024, and reply comments on or before April 12, 2024. This memorandum is the Division's response to the Commission's Action Request and Notice of Filing and Comment Period.

Background

On February 12, 2013, in Docket No. 13-035-20, the Company filed an application with the Commission, "requesting authority to cancel Electric Service Schedule No. 76A, Dispatchable Irrigation Load Control Credit Rider Program, and approve a 10-year DSM contract with EnerNoc, now known as Enel X North America, Inc. (Enel X), to administer the ILC Program."¹ The Commission issued an Order approving the Company's application in Docket No. 13-035-20, on March 15, 2013.

The ILC Program allows qualified Irrigators from Electric Service Schedule 10 who voluntarily enroll, to receive cash incentives for curtailing electricity during peak demand periods. The Program has remained essentially the same for the past 10 years. However, the original contract expired at the end of 2023 and a new updated contract with Enel X is needed. The new MSA (Contract) runs through 2033 and has the following components:

- Master Professional Services Contract Agreement (MSA) – this is a general agreement between the Company and Enel X to provide services across the Company's service territory.
- Task Order Release Agreement (TOA) – this authorizes specific work under the MSA and details the scope of work and pricing for any project under the MSA.

The TOA includes defined services and pricing through 2028, with an option to extend an additional 5 years through 2033 if both parties agree.²

¹ Docket No. 24-035-09, Application, p2.

² Docket No. 24-035-09, Application, p3.

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Discussion

The ILC Program provides incentives for mandatory and voluntary shutoffs of electricity to irrigation sites during the irrigation season. These are called dispatch events and ILC Program participants are rewarded based on the number of events they participate in. The Dispatch Parameters will remain the same as in previous years and are detailed in Table 2 of the Application. In essence, the Mandatory Dispatch Season will run from June 1 through August 15, with available dispatch hours from 2:00 PM to 9:00 PM, Monday through Friday excluding holidays. Mandatory Dispatch events are limited to 1 per day and no longer than 4 hours per event, with a maximum of 12 hours per week and 52 hours per season.³

[REDACTED]

The Company estimates the ILC Program will be cost effective for the next 10-year contract period. The evaluation results were provided with a pass/fail designation, meaning a cost to benefit ratio of 1.0 or better results in a passing grade. The Participant Cost Test (PCT) was deemed non-applicable, so no result was given. However, the PacificCorp Total Resource

³ Docket No. 24-035-09, Application, Table 2, p6.

⁴ Docket No. 24-035-09, Application, Confidential Table 4, p7.

⁵ Docket No. 24-035-09, Application, p8.

⁶ Docket No. 24-035-09, Application, Confidential Table 3, p7

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Cost Test (PTRC) +Conservation Adder, Total Resource Cost Test (TRC) No Adder, the Utility Cost Test (UTC), and the Rate Impact Test (RIM) all received passing grades.

The Company generally reports on the ILC Program in its annual Demand Side Management report (DSM Report) in June of each year. The DSM Report typically includes program descriptions, performance, major achievements, and details of Dispatch events. If any changes are needed to the Mandatory Dispatch season, the Company will discuss them with the DSM Steering Committee and post a notice on its website or submit a filing with the Commission seeking approval if necessary.

Conclusion

Based on its review of the Company's filing, the Division concludes that the Company's request for an order approving the continuation of the ILC Program, administered through Schedule 105, and the new 10-year contract with Enel X as described in the Application, is just, reasonable, and in the public interest. The Division recommends the Commission approve the Company's request with an effective date of May 1, 2024.

cc: Michael Snow, Rocky Mountain Power.
Michele Beck, Office of Consumer Services.
Service List.