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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: March 28, 2024
Subject: Docket 24-035-09

In the Matter of: Application of Rocky Mountain Power Requesting Approval for Adjustments to the Irrigation Load Control Program (Schedule 105)

INTRODUCTION

On February 27, 2024, Rocky Mountain Power (RMP or Company) filed with the Public Service Commission of Utah (PSC) an application seeking approval of programmatic changes for its Irrigation Load Control Program (Program). On February 27, 2024, the PSC issued a Notice of Filing and Comment Period establishing that interested parties may submit comments on RMP's filing on or before March 28, 2024 and reply comments on or before April 12, 2024. The Office of Consumer Services (OCS) provides the following comments pursuant to that schedule.

BACKGROUND

In its application in this docket, RMP states that following the expiration of its 10-year contract with Enel X to administer the Program, the contract was recently renewed through 2033 – with an initial 5-year term through 2028 and option to extend an additional 5 years through 2033 if agreed to by both parties. The Company also states it has been in communication with its irrigation customers under Schedule 10 and proposes programmatic changes to the irrigation load control program under Schedule 105 based on feedback received. Following further discussion with RMP staff, the OCS notes that the Company is petitioning the Idaho Public Utilities Commission for the same changes to its Idaho irrigation load control program in Case No. PAC-E-24-02.

OCS REVIEW OF PROPOSED IRRIGATION LOAD CONTROL PROGRAM CHANGES

On February 20, 2024, RMP circulated a draft of the application under consideration in this docket with the Demand-Side Management (DSM) Steering Committee members. The OCS reviewed the draft application. First, the OCS noted that the proposed incentive increases for the Program are accompanied by significant forecasted increases to administrative costs. We have discussed the forecast with RMP and intend to review these costs closely during annual DSM program reporting to ensure they are reasonable. Second, while we support the majority of the proposed changes and terms of the Program, the OCS also identified a set of concerns and requested additional information from RMP. While our informal questions were generally answered satisfactorily, we have outstanding concerns with the unclear process proposed by RMP for further potential changes to the program.

For example, we note in the application at issue that while RMP states it will not be changing the 4-hour advanced notice element of the Program at this time, they have adjusted the contract with Enel X and updated the potential parameters of the Program in the application to allow for the potential of a 2-hour advance notice feature if needed.¹ The OCS has concerns that such a change could be confusing and disruptive for Program participants if not managed appropriately.

Thus, the OCS asked RMP to explain the process the Company will take if it decides to change Program parameters. RMP responded by referencing section 14 of the application, which it updated in response to our feedback and now states:

“The Company will discuss the change to a two-hour notice or real-time events with irrigators and the DSM Steering Committee, and post notices to the ILC Program website and/or make other communications to customers prior to implementation if it is determined that this adjustment is necessary for the ILC Program.”

The OCS also notes a similar addition in section 9 of the application that states:

“If the Mandatory Season dispatch parameters need to expand beyond criteria in Table 2, the Company will either post a notice on its website after discussing with the DSM Steering Committee and customers, or it will submit a filing for Commission approval if necessary.”

The OCS appreciates the Company’s efforts to update the language to respond to our concerns, but we think that the actual updating process remains confusing and needs

¹ The OCS notes that while RMP mentions in its application the possibility of the Program going to real-time events in the future, the new contract with Enel X requires at least 2 hours’ notice. Thus, it appears real-time events are not permitted under the terms of the current contract with Enel X. This confusion highlights the OCS concerns about the lack of clarity in program details and the necessity for requiring adequate process before operational changes are made. RMP appears to want the PSC to grant them more flexibility in program operation than is included in RMP’s contract with Enel X. Some changes are significant enough to warrant the PSC to require RMP to file to request approval and demonstrate that communications to participants are adequate.

additional changes to ensure that irrigation customers are provided timely information about program operations.

Subsequent to receiving this response from RMP, the OCS was able to reach out to our informal network of irrigators to discuss the details of the application and received consistent feedback that they are generally supportive of the updates to the Program. However, they also identified concerns about the uncertainty regarding potential changes to the notification period. Not only were they unsatisfied with the ambiguity of what process would be used, but they also raised the question of whether compensation levels would change to reflect potentially higher system benefits and greater operational impacts of potential future reductions to notice requirements.

RMP Should Clarify the Process to Further Alter the Irrigation Load Control Program

While we appreciate the update in language from the draft application to state that the DSM Steering Committee would be notified before additional changes to the Program are implemented, our concerns remain for three reasons. First, the “and/or” language regarding notifications to customers creates uncertainty in the regulatory process by not fully establishing clear requirements. Second, while RMP states it updated the contract with Enel X for a potential move from a 4-hour notice to a two-hour notice window, this appears to be inconsistent with language in the application that RMP may also consider real-time events.² Third, the amount of notice given to participating customers to interrupt their irrigation activities has value. If RMP decides a reduction in the notice requirements is needed under the Program, we believe a full regulatory process is warranted to determine if customer compensation should also be adjusted to reflect the value to RMP.

Due to very few programmatic changes to the Program in the past, the OCS believes that programmatic changes to notice requirements in the irrigation load control program are significant and should follow a clear regulatory process that includes:

- Discussion with the DSM Steering Committee,
- Notice to customers beyond a 45-day notice on its website, and
- A filing before the PSC.

Also, the OCS believes that further changes to notice requirements should occur outside of the Mandatory Program season to minimize confusion and operational disruption for customers. It may be appropriate for RMP to retain authority to update other Program parameters addressed in the application through notice on its website and discussion with participating customers and other stakeholders. However, due to the above reasoning, the OCS believes advanced notice requirements are a significant issue that should be

² As noted in Footnote 1, the new contract with Enel X requires RMP to notify them at least two hours before Program events.

subject to a regulatory review before the PSC before additional changes are implemented.

The OCS notes that RMP indicated it filed the same program in Idaho. However, irrigators in Idaho are well organized and provide a central point of contact through which RMP can communicate and reach a wide audience of its irrigator customers. This is not true in Utah, which is the reason for the OCS's strong concern that "discussing with irrigators" is an insufficient requirement.

RECOMMENDATIONS

The OCS recommends that the PSC reject RMP's proposal to be able to update notice requirements of the Program with the ambiguous and insufficient process of notice on its website and communications with customers and the DSM steering Committee. Instead, we recommend that the PSC require any additional changes to the notice requirements of the Program be through a regulatory filing process before the Commission.

The OCS further requests that the PSC expedite its review and order in this case so that changes can be made quickly to remedy the problems and maintain the May 1, 2024 start date.

cc:

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