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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: December 6, 2024

Subject: Docket 24-035-37

In the Matter of: Rocky Mountain Power's Semi-Annual Demand-Side Management Forecast Report

INTRODUCTION

On November 1, 2024, Rocky Mountain Power ("RMP or Company") filed with the Public Service Commission of Utah ("PSC") its Semi-Annual Demand Side Management ("DSM") Forecast Report. On November 6, 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 December 6, 2024 and reply comments on or before December 23, 2024. The Office of Consumer Services ("OCS") provides the following comments on the filing pursuant to that schedule.

BACKGROUND

The purpose of RMP's semi-annual DSM forecast report is to inform the PSC and stakeholders of its estimated DSM expenditures and energy savings for the upcoming calendar year.

OCS REVIEW OF RMP'S SEMI-ANNUAL DSM FORECAST REPORT

The OCS reviewed RMP's 2024 report and all pages of Exhibit A that contain spreadsheets of the energy savings forecast, accounting analysis, DSM expenditures, and irrigation load peak impact data. During our review, the OCS also compared this information to RMP's 2023 report from the prior year.

RMP proposes a total DSM expenditure budget for 2025 of about \$96.8 million, which is a 22% increase from the 2024 beginning budget and a 10% increase from expected 2024

year-end expenditures. The OCS points out the following notable changes that impact the budget forecast for 2025:

- Total 2024 year-end expenditures came in about \$9 million higher than anticipated at the beginning of 2024. Areas of higher costs than originally anticipated include: Wattsmart Batteries Program about \$2 million more than expected, Wattsmart Homes Program about \$5 million more than expected, and Wattsmart Business Program about \$3 million more than expected. The overspending in these areas was partially mitigated by underspending of \$1.5 million in other areas in 2024.
- *A/C Load Control Program*. RMP anticipates greater participation in this program in 2025 and proposes a budget of \$11 million or about \$2.5 million more than 2024 year-end results.
- *Wattsmart Batteries Program*. RMP anticipates greater participation in this program in 2025 and proposes a budget of \$8.5 million or about \$2.3 million more than 2024 year-end results.
- *Wattsmart Homes Program*. After greater than expected participation in this program in 2024, RMP proposes a budget of \$23.5 million for 2025; or about \$5 million more than initially estimated for 2024 and \$1 million less than actual 2024 year-end expenditures.
- *Wattsmart Business Program*. RMP estimates continued greater participation in this program in 2025 and proposes a budget of \$45 million or about \$2.5 million more than 2024 year-end results and \$5.7 million more than 2024's initial budget.
- *C&I Load Control Program*. RMP estimates greater participation in this program in 2025 and proposes a budget of \$3.5 million or \$900,000 more than budgeted for 2024.
- *Outreach and Communications*. As RMP presented in pending Docket No. 24-035-54 and further discussed in OCS comments, the Company and stakeholders agreed to increase this budget by \$100,000 for 2025 to better target DSM marketing materials to low income and disadvantaged community (LIDAC) customers. This new effort is still in its infancy as RMP searches for community partners.
- The DSM surcharge rate is estimated to begin increasing in 2025, however, RMP and DSM stakeholders agreed to delay any increase in the surcharge to after the completion of the Company's active general rate case in Docket No. 24-035-04.

RECOMMENDATION

Overall, the OCS continues to be supportive of RMP's DSM program and is encouraged to see an expectation of increased customer participation after some years of lower participation due to poor economic conditions. The OCS recommends that the PSC approve RMP's 2025 DSM energy savings and expenditure forecast.

cc:

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