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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 Division Director  
Abdinasir Abdulle, Utility Technical Consultant Supervisor  
Shauna Benvegnu-Springer, Utility Technical Consultant

**Date:** October 15, 2024

**Re:** **Docket No. 24-035-T09**, TARIFF Rocky Mountain Power's Proposed Changes to Schedule No. 140, Non-Residential Energy Efficiency Program.

## Recommendation (Approval)

The Division of Public Utilities (DPU or Division) has reviewed the tariff filing and recommends the Public Service Commission (PSC or Commission) approve Rocky Mountain Power's (RMP or Company) proposed revisions to Schedule 140, Non-Residential Energy Efficiency Program (Program).

## Issue

On September 30, 2024, RMP filed with the Commission proposed tariff revisions to Electric Service Schedule No. 140, Non-Residential Energy Efficiency Program. The proposed changes are intended to align with targets in the 2025 Budget and Savings Forecast for Wattsmart Business. They will be included in the Demand Side Management (DSM) Deferred Account and Forecast Report, to be filed on or before November 1, 2024, in Docket No. 24-035-37. The Company requests an order to approve the proposed revisions, effective November 15, 2024.

## Background

The Non-Residential Energy Efficiency Program is administered through Electric Service Schedule 140 of RMP's Electric Service Tariff. It is intended to maximize the efficient

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utilization of energy for new and existing non-residential loads by installing energy efficiency measures and energy management protocols.<sup>1</sup> The Schedule 140 tariff sheets were initially proposed in Docket No. 13-035-89 and approved with an effective date of July 1, 2013. At that time, the Company felt it was essential to have more granular information and details on the tariff from a control and risk standpoint, given that the Program was still in its infancy. Over time, achieving energy efficiency and savings cost-effectively and adapting quickly to market conditions became increasingly difficult. In 2020, the Company proposed changes to streamline the Schedule 140 tariff sheets to accommodate necessary flexibility with its offerings. These changes became effective October 2, 2020, with the approval of Docket No. 20-035-T06. The Company continues to monitor market fluctuations and modify the Program as necessary.

On September 30, 2024, the Commission issued an Action Request for the Division to investigate RMP's filing and make recommendations by October 15, 2024. The Commission also issued a Notice of Filing and Comment Period on October 1, 2024, with comments due on or before October 15, 2024, and reply comments due on or before October 22, 2024. This memorandum represents the Division's response to the Commission's Action Request.

## **Discussion**

The filing proposes changes to Schedule No. 140, which will streamline and align rates with targets and current market conditions. The proposed adjustments are identified and detailed in various tables of the Advice Letter and Exhibit A of the filing. They will modify or add the following:

1. Adjust incentive officers for Motor, Building Envelope, Food Service, Heating, Ventilation, and Air Conditioning (HVAC) measures.
2. Adjust the incentive structure for Variable Refrigerant Flow (VRF) Heat Pumps and set an incentive that covers a high percentage of VRF retrofit costs:
3. Expand equipment eligibility for commercial refrigerators and freezers.

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<sup>1</sup> Rocky Mountain Power Electric Service Schedule No. 140, Original Sheet No. 140.1.

On September 10, 2024, the company shared a draft Advice Letter with the DSM Steering Committee for review and comments.

The Company's Advice Letter for this matter complies with Utah Administrative Code R746-405-2(D), which requires a statement that the tariff sheets proposed do not violate state law or Commission rule.

## **Conclusion**

The Division concludes that RMP's filing is reasonable and appropriate to adjust Schedule No. 140 and enable the Company to update for market conditions. The Non-Residential Energy Efficiency Program changes are expected to remain cost-effective under the UCT, TRC, PTRC, and PCT tests. The Division recommends that the Commission approve RMP's revised Tariff Schedule No. 140, filed on September 30, 2024, and make it effective November 15, 2024, as requested.

cc: Michael Snow, RMP.  
Max Backlund, RMP.  
Michele Beck, OCS.