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UTAH DEPARTMENT OF COMMERCE

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To: Public Service Commission of Utah

From: The Office of Consumer Services
Michele Beck, Director
Alex Ware, Utility Analyst

Date: June 27, 2025

Subject: Docket No. 25-035-36

In the Matter of: Rocky Mountain Power's Demand Side Management 2024 Annual Energy Efficiency and Peak Load Reduction Report

INTRODUCTION

On May 27, 2025, Rocky Mountain Power (RMP or Company) filed with the Public Service Commission (PSC) its Demand Side Management (DSM) 2024 Annual Energy Efficiency (EE) and Peak Load (PL) Reduction report. On May 28, 2025, the PSC issued a Notice of Filing and Comment Period establishing that interested parties may submit comments on RMP's filing on or before June 27, 2025 and reply comments on or before July 14, 2025. The Office of Consumer Services (OCS) provides the following comments pursuant to that schedule.

BACKGROUND

The DSM 2024 EE and PL reduction annual report provides details on program results, activities, and expenditures of the DSM Cost Adjustment Tariff Rider ("Schedule 193") as of the reporting period from January 1, 2024, through December 31, 2024. In addition to the 22 page annual report, RMP filed a list of relevant reporting requirements in Appendix A, cost effectiveness reports of its energy efficiency programs (prepared by its external consultants) in Appendix B, cost effectiveness reports of its peak load reduction programs (prepared by its external consultants) in Confidential Appendix C, and Cool Keeper event details in Appendix D.

In 2024, RMP's total DSM portfolio included the following programs:

Energy Efficiency Programs

- Wattsmart Homes
- Home Energy Reports
- Low Income Weatherization
- Wattsmart Business

Peak Reduction Programs

- Irrigation Load Control
- Cool Keeper
- Wattsmart Batteries
- Wattsmart Business Demand Response
- EV (electric vehicle) Charging Demand Response

REPORTED DSM EXPENDITURES AND ENERGY SAVINGS

For the 2024 program year, RMP reports total program expenditures of just over $85.1 million or about $7.5 million more than the prior program year. Of that total, energy efficiency programs account for about $66.8 million or 78% of all expenditures (an increase of $2.4 million over the prior year). Peak reduction programs account for about $16.9 million or 20% of all expenditures (an increase of about $5.4 million over the prior year). Other portfolio expenditures, such as outreach & communications and program evaluations, totaled about $1.4 million, which is a small decrease from the prior year. These total expenses yielded 391,998 megawatt hours (MWh) in first-year energy savings and 3,408,070 MWh of estimated lifetime savings. Net benefits of the DSM savings are estimated at $107 million over the life of the measures. RMP provided the following Table 2, which summarizes expenditures and estimated resulting energy savings by program area:

Table 2: Program Results for January 1, 2024 – December 31, 2024

Load Management Programs	MW/Yr. Savings (at site)	MW/Yr. Savings (at gen)	Program Expenditures
Cool Keeper	296	315	$ 8,530,311
Irrigation Load Control	14	15	$ 115,065
C&I Load Control	23	24	$ 1,343,004
Wattsmart Batteries	28	30	$ 6,885,212
EV Charging Demand Response	0.28	0.31	$ 72,662
Total Load Management	**361**	**384**	**$ 16,946,254**
Energy Efficiency Programs	**kWh/Yr. Savings (at site)**	**kWh/Yr. Savings (at gen)**	**Program Expenditures**
Low Income Weatherization	173,523	184,554	$104,070
Home Energy Reporting	116,178,000	123,563,435	$1,578,956
Wattsmart Homes	60,148,732	63,972,387	$26,478,345
Total Residential	**176,500,256**	**187,720,377**	**$28,161,371**
Total Wattsmart Business	**193,782,406**	**204,278,245**	**$38,589,782**
Total Energy Efficiency	**370,282,662**	**391,998,622**	**$66,751,153**
Other Portfolio Expenditures			
Outreach and Communications			$ 679,468
Portfolio - EM&V Non-Residential			$ 150,533
Portfolio - EM&V Residential			$178,438
Portfolio – DSM Central			$ 183,547
Portfolio Potential Study			$ 128,742
Portfolio TRL			$ 32,184
Portfolio - Training			$ 75,000
Total Utah Program Expenditures			**$ 85,125,318**

During our review of RMP's 2024 DSM annual report, the OCS observed some notable items to highlight here.

Cool Keeper. This program continues to perform well. RMP reports that over 100,000 customers participated in the program in 2024 and estimated energy savings increased over the prior year. The Company implemented a change to the algorithm that triggers automated frequency events to better align with grid needs. This resulted in four times more events being called in 2024 compared to 2023 (134 vs 31). This program added 10,000 additional enrollments over the prior year.

Wattsmart Business Load Control. Participation in this program increased almost 6 fold in 2024 over the prior year (67 vs 12) and realized an increase in energy savings over 10 MW/Yr during the same time period.

Wattsmart Batteries. This program continues to see growth in participation and estimated energy savings. RMP states that since its approval in 2020, the program has enrolled over 6,000 batteries. Energy savings increased by about 10 MW/Yr over the prior program year. The Company forecasts this program will amount to 600 MW of battery storage by 2025 and 2,800 MW by 2038. RMP states it had 2,000 more batteries participating in load control events in 2024 than 2023 (5,100 vs 3,100).

Wattsmart Electric Vehicle Demand Response (Wattsmart Drive). This program is a new addition to RMP's DSM annual report for the 2024 program year. Approved late 2023, this program is a pilot to test the viability of utilizing EVs for grid management. This is accomplished by sending "pause-charging" signals to enrolled EVs actively charging in the Company's service area. Pause events could last up to 5 minutes. Drivers receive real-time notifications via text message and have the option to opt out of these events. RMP primarily conducted test events in 2024 and participation is not significant enough yet to result in enough data to evaluate in depth. The Company states the as the program expands, it anticipates the probability of vehicles charging at any given time will increase. RMP markets this program by emailing customers who participated in the EV Time of Use rate and/or AC Level 2 Charger incentive program. By the end of 2024, RMP had enrolled 80 customers.

Wattsmart Homes. RMP states that in 2024 they crossed the threshold of incentivizing the installation of over $10,000 heat pumps. The Company also reports that in the past year it launched a heat pump "Pro Network" for the existing homes program channel that helps ensure expert and quality installations. While accounting for only 15% of trade allies, the Pro Network was responsible for 56% of total heat pump applications.

To conclude, the OCS notes the continued development and growth of RMP's load control programs. These programs play an important role in actively managing the grid's health during daily peak usage periods and incentivizing load shifting. As utilities continue to pilot and implement time-of-use rate schedules, these load control programs may become more valuable over time.

REPORTED COST EFECTIVENESS

RMP relies on an external consultant to process RMP-provided input data and provide written deliverables of cost/benefit metrics. A score of 1 or over indicates a cost effective program. The Company considers cost/benefit metrics for peak reduction programs confidential and are therefore publicly reported as either Pass or Fail. The OCS also reviewed the confidential outcomes. RMP provided the following Table 20 in its annual report to summarize cost effectiveness results:

Table 20: 2024 Cost Effectiveness Results by Program[16]

Program	Benefit/Cost Test				
	PTRC	TRC	UCT	PCT	RIM
DSM Portfolio	1.12	1.02	2.67	1.24	0.66
Energy Efficiency Portfolio	0.99	0.90	2.74	1.25	0.57
Non-Residential Energy Efficiency Portfolio	1.59	1.45	2.63	2.38	0.53
Residential Energy Efficiency Portfolio	0.69	0.63	3.03	0.75	0.64
Wattsmart Homes	0.57	0.52	2.63	0.68	0.58
Home Energy Reporting	10.85	9.86	9.86	n/a[17]	1.08
Low Income Weatherization	1.76	1.60	1.60	n/a[18]	0.58
Wattsmart Business	1.59	1.45	2.63	2.38	0.53
Irrigation Load Control Program	Pass	Pass	Pass	Pass	Pass
AC Load Control Program	Pass	Pass	Pass	Pass	Pass
Wattsmart Battery Program	Pass	Pass	Pass	Pass	Pass
Wattsmart Business Demand Response	Pass	Pass	Pass	Pass	Pass

As shown in the above figure, RMP reports that all programs and the DSM portfolio as a whole pass the threshold of being cost effective according to the Utility Cost Test (UCT). The UCT is the primary metric observed in Utah. However, the OCS reviewed the 2024 outcomes across all tests and compared results to those from the prior program year. While the UCT is the focus, the OCS notes that most all cost effectiveness test results improved from 2023 to 2024. Overall, the total portfolio UCT score improved from 1.83 in 2023 to 2.67. The OCS is pleased to see significant improvements in UCT outcomes over the past year.

RECOMMENDATION

Following our review of RMP's 2024 DSM annual report, the OCS recommends that the PSC acknowledge the annual report as it generally complies with Program reporting requirements.

cc:

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