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Office of
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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
Asami Kobayashi-Wolke, Utility Analyst
Jennifer Ntiamoah, Utility Analyst

Date: July 1, 2026

Subject: Docket No. 26-035-24

In the Matter of: Rocky Mountain Power's Demand-Side Management 2025 Annual Energy Efficiency and Peak Load Reduction Report

BACKGROUND

On June 1, 2026, Rocky Mountain Power Company ("RMP" or "Company") filed with the Public Service Commission of Utah ("PSC") its Demand Side Management ("DSM") 2025 Annual Energy Efficiency and Peak Load Reduction Report ("2025 Report"). On June 2, 2026, the PSC issued a Notice of Filing and Comment Period establishing that interested parties may submit comments on RMP's filing on or before July 1, 2026 and reply comments on or before July 16, 2026. The Office of Consumer Services ("OCS") provides the following comments pursuant to that schedule.

The 2025 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, 2025, through December 31, 2025. The 2025 Report also includes 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 external consultants) in Appendix C, and Cool Keeper event details in Appendix D.

In 2025, RMP's total DSM portfolio included the following programs:

Energy Efficiency ("EE") Programs:
- Wattsmart Homes
- Home Energy Reports
- Low Income Weatherization
- Wattsmart Business

Peak Load Management ("PL") Programs:
- Irrigation Load Control
- Cool Keeper
- Wattsmart Batteries
- Wattsmart Business Demand Response
- EV Charging Demand Response

OCS ANALYSIS

REPORTED DSM EXPENDITURES AND ENERGY SAVINGS

For the 2025 program year, RMP reports total program expenditures of $95.3 million, a $10.2 million increase over 2024 total expenditures. Of that total, EE programs accounted for roughly $72.7 million (or 76%) of all expenditures, while PL programs accounted for about $20.9 million (or 22%). Other portfolio expenditures, such as Outreach & Communications and Evaluation, Measurement, and Verification ("EM&V") measures, accounted for the remaining $1.67 million. These programs yielded approximately 385,909 megawatt-hours ("MWh") of first-year energy savings, 4,269,048 MWh of lifetime savings, and peak management reductions of 362 megawatts ("MW"). Net benefits of the DSM savings are estimated at $126 million over the lifetime of these measures. RMP provided Table 2, which summarizes expenditures and estimated resulting energy savings by program area:

Table 2: Program Results for January 1, 2025 – December 31, 2025

Load Management Programs	MW/Yr. Savings (at site)	MW/Yr. Savings (at gen)	Program Expenditures
Cool Keeper	280	299	$11,044,246
Irrigation Load Control	13	13.9	$89,157
C&I Load Control	30	31	$2,329,519
Wattsmart Batteries	35.16	37.39	$7,289,152
EV Charging Demand Response	3.57	3.93	$155,044
Total Load Management	**362**	**386**	**$20,907,118**
Energy Efficiency Programs	**kWh/Yr. Savings (at site)**	**kWh/Yr. Savings (at gen)**	**Program Expenditures**
Low Income Weatherization	112,279	119,417	$99,474
Home Energy Reporting	110,475,378	117,498,298	$2,061,736
Wattsmart Homes	74,229,809	78,948,598	$29,704,609
Total Residential	**184,817,466**	**196,566,313**	**$31,865,818**
Total Wattsmart Business	**179,492,487**	**189,342,965**	**$40,864,279**
Total Energy Efficiency	**364,309,953**	**385,909,278**	**$72,730,098**
Other Portfolio Expenditures			
		Outreach and Communications	$982,907
		Portfolio - EM&V Non-Residential	$243,168
		Portfolio - EM&V Residential	$133,696
		Portfolio – DSM Central	$169,247
		Portfolio Potential Study	$53,751
		Portfolio TRL	$82,673
		Portfolio - Training	$0
Total Utah Program Expenditures			**$95,302,656**

In its review of RMP's 2025 Report, the OCS highlights the performance of select programs as it relates to their energy/capacity savings relative to expenditures and the overall program portfolio:

- **Cool Keeper**. The OCS observes that while the Cool Keeper program remains the backbone of the Company's PL reduction portfolio, providing 77% of the load management capacity, costs for the program have increased substantially over the last five years. Since 2021, expenditures have increased by 96%, while capacity savings have only increased by 11%. Additionally, expenditures for the program increased in 2025 by 29% since the 2024 report, while capacity savings decreased by 5%. The OCS appreciates the context that RMP provided during the June 25, 2026 DSM Advisory Group Meeting regarding the program's rising costs and lower capacity savings for 2025. To provide clarity for the PSC and interested stakeholders, the OCS requests that the Company also provide this explanation in its reply comments.

- **Wattsmart Batteries.** The OCS recognizes the unique role that the Wattsmart Batteries program plays within the peak load reduction portfolio in providing a reliable capacity resource. The program has also grown somewhat proportionally, with capacity savings increased six-fold since 2021, and expenditures by eight-fold. However, the OCS notes that costs have been rising significantly, and the program appears to take up roughly 35% of the total load control program budget, while contributing only 10% of the capacity savings.

- **Home Energy Reporting**. Based on RMP's DSM Annual Reports the Home Energy Reporting program appears to remain an efficient program, making up 30% of the energy savings of all EE programs, while only taking up 3% of EE expenditures. However, the OCS notes that costs have grown over the last five years. For example, the program expenditures in 2022 were $944K, which grew to $2 million in 2025. In addition, given the opaque nature of how the program's savings are calculated, the OCS requests more explanation from the Company in its reply comments regarding its methodology for calculating the program's energy savings.

- **Wattsmart Homes.** While experiencing a dip in 2022, the Wattsmart Homes program's energy savings have rebounded and grown proportionally with its expenditures over the last three years. More recently, the 2025 energy savings exceeded 2024 savings by roughly 23%, while expenditures increased 12%. However, the OCS observes that the program's energy savings remain at 20% of the EE portfolio, while expenditures make up 41% of the EE budget.

- **Wattsmart Business.** As the largest energy-saving program in the EE portfolio, the Wattsmart Business program continues to demonstrate strong performance. The program contributes roughly 50% of energy savings among EE programs, while using a roughly proportional amount (56%) of total EE program expenditures.

REPORTED COST EFFECTIVENESS

Cost-effectiveness analysis for the 2025 program year was conducted by Apex Analytics LLC using data provided by RMP. Programs scoring 1.0 or above on any given test are considered cost-effective. Peak reduction program metrics remain confidential and are publicly designated as Pass or Fail only. The OCS reviewed the confidential results. RMP provided Table 20, which presents the 2025 cost-effectiveness results across all programs:

Table 20: 2025 Cost Effectiveness Results by Program[17]

Program	Benefit/Cost Test				
	PTRC	TRC	UCT	PCT	RIM
DSM Portfolio	1.14	1.04	2.46	1.17	0.75
Energy Efficiency Portfolio	0.87	0.79	2.38	1.19	0.55
Non-Residential Energy Efficiency Portfolio	1.62	1.47	2.26	2.64	0.52
Residential Energy Efficiency Portfolio	0.59	0.53	2.67	0.73	0.59
Wattsmart Homes	0.54	0.49	2.58	0.67	0.59
Home Energy Reporting	4.42	4.02	4.02	Pass	0.63
Low Income Weatherization	0.67	0.61	0.97	1.26	0.49
Wattsmart Business	1.62	1.47	2.26	2.64	0.52
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
Wattsmart Drive Demand Response - Pilot[18]	Pass	Pass	Pass	Pass	Pass

Table 20 shows that the DSM portfolio as a whole and all but one individual program pass the Utility Cost Test (“UCT”), the primary cost-effectiveness standard in Utah. For the load control programs, the Company reports a Pass designation, given that the full cost-effectiveness metrics remain confidential. The OCS reviewed performance across all five cost-effectiveness tests and benchmarked 2025 results against both the 2023 and 2024 program years to assess how the portfolio has trended over time.

At the portfolio level, the UCT stood at 1.83 in 2023, rose to 2.67 in 2024, and has since moderated to 2.46 in 2025, remaining well above the cost-effectiveness threshold. While the UCT is the focus, the OCS notes that most cost-effectiveness test results across all five tests remain consistent with prior years. However, the Low Income Weatherization program recorded a UCT of 0.97 in 2025, below the 1.0 threshold. RMP attributes the decline to higher installation costs and health and safety measures, in which its full value falls outside what the standard UCT framework captures. The program also serves a public interest purpose of supporting low-income customers.

In general, the OCS recognizes that the DSM portfolio as a whole appears to have maintained its passing UCT score for 2025 and looks forward to participating in future DSM Steering Committee Meetings to discuss how the cost-effectiveness results of certain programs may be improved, especially in light of the ballooning Schedule 193 DSM Net Regulatory Asset balance.

RECOMMENDATION

Following our review of RMP's 2025 DSM Annual Report, the OCS recommends that the PSC acknowledge the annual report as it generally complies with program reporting requirements. Additionally, the OCS recommends that the DSM Steering Committee continue to discuss in upcoming meetings the cost-effectiveness of certain programs as highlighted above, particularly in light of the growing DSM program liability on ratepayers. Further, the OCS requests that the Company provide explanations in reply comments for certain programs that the OCS raised concerns for during the June 25, 2026 DSM Advisory Group Meeting, as well as in the comments above.

cc:

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