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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of Rocky Mountain Power's Demand-Side Management 2025 Annual Energy Efficiency and Peak Load Reduction Report	DOCKET NO. 26-035-24 COMMENTS FROM UTAH CLEAN ENERGY AND SOUTHWEST ENERGY EFFICIENCY PROJECT
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I. INTRODUCTION

On June 1, 2026, Rocky Mountain Power (“RMP”) filed its 2025 Utah Energy Efficiency and Peak Reduction Annual Report (“Annual Report”). The Public Service Commission (“Commission”) issued a notice allowing interested parties to file comments on or before July 1, 2026, and reply comments on or before July 16, 2026.¹ Utah Clean Energy (“UCE”) and the Southwestern Energy Efficiency Project (“SWEEP”) appreciate the opportunity to provide the following comments and recommendations.

¹ Docket No. 26-035-24, Rocky Mountain Power's Demand-Side Management 2025 Annual Energy Efficiency and Peak Load Reduction Report, Notice of Filing and Comment Period (June 1, 2026), at <https://pscdocs.utah.gov/electric/25docs/2503536/3399552503536nofacp5-28-2025.pdf>.

RMP has a history of providing a cost-effective suite of energy efficiency and demand response programs with good enrollment. The 2025 Annual Report indicates a continuance of this trend, which UCE and SWEEP commend. For example, according to the Annual Report, the 2025 Demand Side Management (“DSM”) program achieved 385,909 MWh of first-year energy savings, and 4,269,048 MWh of lifetime energy savings from the installed DSM measures, as well as 362 MW of peak management reductions. This level of energy and demand savings is expected to generate \$126 million in net economic benefits over the lifetime of these technologies, providing benefits to utility DSM program participants and non-participants alike. These DSM programs were highly cost-effective in 2025, as noted by the benefit-cost ratio of 2.46 under the utility cost test (“UCT”) for the full portfolio of energy efficiency and demand management programs, and 2.38 UCT for just the energy efficiency programs. In other words, for every \$1 invested in energy efficiency and demand management, customers avoided spending \$2.46 in generation and transmission of other, more expensive energy resources.

Energy efficiency is recognized as the most cost-effective energy resource in the United States, which is especially important at this time of ongoing load growth and competing electricity demand from building and transportation electrification and large new loads such as data centers. According to a February 2026 report from the American Council for an Energy Efficient Economy, the levelized cost of energy efficiency nationally ranges from \$0.012/kWh to \$0.049/kWh.² The cost of energy efficiency procured by RMP

² American Council for an Energy Efficient Economy (2026), Faster and Cheaper: Demand-Side Solutions for Rapid Load Growth, available at: <https://www.aceee.org/research-report/u2601>

in 2025 was \$0.037/kWh, within the national range. Energy efficiency and demand management continue to be valuable and cost-effective resources for Utah ratepayers.

While UCE & SWEEP wholly support RMP's DSM programs, we still see great benefit in running these programs as cost effectively as possible. For example, we note that the overall cost effectiveness of the DSM Portfolio, and of many individual programs, has declined from 2024 to 2025. Additionally, overall spending on DSM programs has risen more than 10% year over year, from 2022 until 2025, while DSM program savings have not increased commensurately. We would like to see more transparency in terms of program costs and spends, and request that RMP put concerted effort into maximizing program cost effectiveness when running DSM programs.

Additionally, we encourage more accurate messaging of how demand response ("DR") programs are used and valued, given RMP's focus on using these resources for frequency response, grid services, and contingency events, as well as for peak reduction.

Additionally, while the Low-Income program is the smallest of the DSM portfolio in terms of spending and magnitude of energy savings, it has potential for out-sized impact on the lives of low-income residents. We would like to see this program prioritized and maximized in order to reach more residents. We provide additional explanation below.

II. DISCUSSION

a. Program Costs

RMP's DSM program spending increased 12% from 2024 to 2025. DSM program spending increased 14% from 2022 to 2023, and 10% from 2023 to 2024, which accounts for an overall increase in DSM spending of 40% since 2022. Over this same time period (2022 - 2025), total energy efficiency increased by 31% and total demand management

increased by 25%. While we recognize that some DSM programs are more expensive when they are new, and that additional expenses may be necessary to develop new programs and bring on more customers, we would like to see both program budgets and MWh/MW savings rise together when running these programs. We do especially commend the company for increasing the number of participating customers in the Cool Keeper program by more than 10,000 in 2025.

b. Program Cost Effectiveness

Overall, RMP's DSM portfolio cost effectiveness has decreased from a UCT of 2.67 in 2024 to 2.46 in 2025. Every energy efficiency measure has decreased in cost-effectiveness with the entire Energy Efficiency Portfolio UCT decreasing from 2.74 in 2024 to 2.38 in 2025.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

c. Demand Response

The way that the DR programs are being used and valued is unclear in the Annual Report. While DR programs were traditionally used as peak reduction programs and were recognized as such by the Commission in 2025, DR programs now have multiple use cases, and this should be explained more clearly. For example, the DR section on page 9 of the Annual Report is titled “Peak Reduction Programs.” However, the details of specific DR programs state that programs are used for “grid need” and “to manage grid demand.” These services should be defined as RMP did when describing the Wattsmart Business Demand Response program which states, “This program aims to provide peak load reduction, contingency reserves, frequency response, and other grid services to help manage the overall electric grid effectively.” For this reason, we believe the section beginning on page 9 of the Annual Report should be titled “Load Reduction Programs” or “Load Management Programs,” with associated explicit descriptions of the DR use cases in this section of the report.

Additionally, at the present time, almost all of the DR programs are primarily used for short periods of time as frequency response and for grid services. Arguably, the value of resources being used for frequency response is not the same as the value of resources being used for peak reduction. Peak reduction programs are valued based solely on the number of MW avoided from peak resources, whereas frequency response and grid services rely on very rapid response and are providing a service which traditionally has been provided by spinning reserves. UCE and SWEEP would appreciate a more thorough understanding of how these different services (peak demand management, contingency reserve function, and frequency response) are valued by the RMP.

Additionally, the Annual Report states that “PSC filings and stakeholder discussions increasingly recognized demand response as a planning-grade resource, rather than a discretionary DSM add-on.” Given the importance of DR as a resource for the utility, we would like to see this resource maximized, while remaining fiscally prudent in program execution.

d. Wattsmart Battery Program

UCE and SWEEP are interested in better understanding the avoided cost values used in the cost effectiveness evaluation of the Wattsmart Battery Program. As mentioned above, there are multiple value streams which benefit RMP due to the existence of batteries on the distribution system. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

We request that RMP explain the Wattsmart Battery Program accounting so that stakeholders can understand how RMP is valuing the Wattsmart Battery program. This understanding will help stakeholders advocate for the program more impactfully, given the range of benefits of DR programs to the grid. The Annual Report calls out batteries as continuing “to provide peak shaving during high-load periods, load shifting to support renewable integration, and fast-response capacity through coordinated battery dispatch. These capabilities position Wattsmart Batteries as a planning-relevant DSM resource, not just a customer incentive offering.” Given the cost effectiveness and “planning relevance” of the Wattsmart Battery Program, we would like to know how much this program can scale to provide maximum benefit to the grid.

e. Wattsmart Drive Demand Response Pilot

It is good to see that the Wattsmart Drive Demand Response Pilot is growing. This is an innovative and interesting program that we look forward to following and learning from.

f. Demand Response-Capable HVAC in the Wattsmart Homes Program

As reported in Table 3 on page 15, RMP incentivized the installation of over 16,000 HVAC systems in 2025 (both the “HVAC” and “HVAC-NH” measures). This presents a great opportunity to increase participation in the Cool Keeper program. We would like to see RMP report how many and what percentage of these new residential HVAC systems are DR-capable and how many are enrolled in the Cool Keeper program within 6 months of receiving an incentive.

g. Low Income Weatherization

The Low-Income Weatherization program critically impacts low-income residents in the State of Utah by expanding the reach of the State of Utah Low-Income Weatherization Assistance Program. Unfortunately, however, this RMP program receives significantly less funding, and less energy savings, than other portions of the DSM portfolio. RMP spent only \$99,000 on Low-Income Weatherization in 2025, serving 303 homes. This amounts to spending approximately 0.1% of the annual DSM budget for approximately 6%³ of Utah’s population, which is below 30% Adjusted Median Income (AMI). We believe that this level of funding is lower than it should be to serve low-income Utahns. For comparison, Enbridge Gas Utah has an annual budget that is 5 times larger⁴

³ From Kem C. Gardner Policy Institute, <https://www.utah.gov/pmn/files/1021369.pdf>.

⁴ Enbridge Gas Utah, Application for Approval of the 2026 Year Budget for Energy Efficiency Programs and Market Transformation Initiative, Docket No. 25-057-22, available at: <https://pscdocs.utah.gov/gas/25docs/2505722/342518Aplctn10-31-2025.pdf>, page 7

than what RMP spent in 2025. We request that RMP convene a group of low-income weatherization stakeholders to discuss ways to expand funding for the Low-Income Weatherization program beginning in 2027, while ensuring that the program achieves the goal of improving the energy efficiency, comfort, and safety of low-income ratepayers' homes.

h. Correction Suggested

While reviewing this Annual Report, we noticed a figure that appears to be erroneous. On page 15, Table 3 reports a total incentive value for the “Whole Building” measure category of \$26,693,972, but this appears to be a typographical error, as this same figure is repeated in the “Total kWh (at Site)” for the same measure. We request that this error be corrected.

III. CONCLUSION

UCE and SWEEP commend RMP for operating a cost-effective portfolio of energy efficiency and DR programs. We are pleased to see that DSM programs remain very cost effective and that many programs have increased participation. However, in 2025, both Class 1 and Class 2 DSM cost more and achieved comparable or less energy savings than what was spent and achieved in 2024. While DSM programs are cost-effective across the board, RMP has been able to achieve these goals with less expense in the past, and ratepayers expect these programs to be managed with economic prudence. We understand that innovative, new programs can cost more, but most of these programs are mature and many have had recent reductions in incentive levels.

UCE and SWEEP are interested in better understanding the value of the multiple benefits of DR programs and would like to learn more about optimal levels of DR to best provide grid and ratepayer benefits.

Finally, we would like to engage with stakeholders and RMP on ways to prioritize the Low-Income Weatherization program. This program has a small budget in spite of the fact that it has the potential to create substantive savings for low-income customers.

DATED this 1st day of July, 2026.

Respectfully submitted,

/s/ Kevin Emerson

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/s/ Jennifer Eden

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CERTIFICATE OF SERVICE
Docket No. 26-035-24

I hereby certify that a true and correct copy of the foregoing was served by email this 1st day of July 1, 2026, on the following:

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