Public Service Commission

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September 9, 2026

Mr. Michael S. Snow
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Re: *Rocky Mountain Power's Demand-Side Management (DSM) 2025 Annual Energy Efficiency and Peak Load Reduction Report*; Docket No. 26-035-24

Dear Mr. Snow:

The Public Service Commission (PSC) reviewed Rocky Mountain Power's (RMP) Demand Side Management (DSM) 2025 Annual Energy Efficiency (EE) and Peak Load Reduction Report filed on June 1, 2026 (the "2025 Report"), pursuant to the PSC's February 16, 2017 Order in Docket No. 17-035-04 (the "Order").[1] The PSC also reviewed comments filed by: (1) the Division of Public Utilities (DPU) on July 15, 2026[2] (the "DPU Comments"); (2) the Office of Consumer Services (OCS) on July 1, 2026 (the "OCS Comments"); and (3) Utah Clean Energy (UCE) and the Southwest Energy Efficiency Project (SWEEP), jointly, on July 1, 2026 (the "UCE Comments"), as well as RMP's July 16, 2026 reply comments (the "RMP Reply Comments").

DPU recommends the PSC acknowledge RMP's compliance with the PSC's reporting requirements. DPU provides details on program results, activities, and expenditures of the DSM Cost Adjustment Tariff Rider (Schedule 193) as of the January 1,

[1] On February 16, 2017, the PSC approved RMP's application requesting approval to revise the DSM Annual Energy Efficiency and Peak Load Reduction Report requirements, subject to RMP continuing to provide program level reporting and using avoided cost values from its Integrated Resource Plan (IRP) for its evaluations as required by previous PSC orders.
[2] DPU filed comments initially on June 29, 2026. On July 15, 2026, DPU filed a request to rescind its June 29, 2026, comments and refiled corrected comments (in both redacted and confidential formats).

2025, through December 31, 2025, period.[3] While DPU commends the 2025 DSM Portfolio for being cost-effective based on the Utility/Administrator Cost Test (UCT) - the primary cost-benefit test observed in Utah, it notes a yearslong trend of increasing Program costs and decreasing savings over the corresponding period. Accordingly, DPU recommends RMP address the stagnating EE returns in an upcoming Steering Committee meeting. Similarly, DPU observes that while the DSM portfolio remained solidly cost-effective when compared with other resources in RMP's IRP, program expenditure increases and stagnating energy savings and participation trends (specifically for the EE program portfolio), warrant additional scrutiny. Therefore, DPU requests RMP also include customer participation numbers in future Annual Reports. While DPU appreciates that the UCT provides a valuable economic understanding of program performance, it emphasizes alternative cost-benefit tests [in the Report] offer critical insights into the Programs' social and environmental value. Thus, since each of the Programs reported variable or low performance in the other cost-benefit analyses, DPU recommends RMP discuss cost-benefit test scores in an upcoming Steering Committee meeting.

OCS recommends the PSC acknowledge that the 2025 Report generally complies with Program reporting requirements, focusing its evaluation specifically on the Cool Keeper, Wattsmart® Batteries, HER, the Wattsmart® Homes, and the Wattsmart® Business programs. Noting the growing DSM program liability placed on ratepayers, OCS recommends that the DSM Steering Committee continue to discuss the cost-effectiveness of certain programs in a future DSM committee meeting. Further, OCS requests that RMP address, in reply comments, outstanding issues related to the Cool Keeper and HER programs that OCS had raised in a prior DSM Steering Committee meeting.

UCE focuses its comments on aligning portfolio expenditures with actual savings and improving valuation transparency. In addition, it recommends RMP correct an apparent discrepancy on page 15, Table 3, explaining that the total incentive value for the "Whole Building" measure category appears to be a typographical error. UCE also requests clarity and proposed language on how RMP uses and values DR programs. Additionally, UCE comments on the declining cost-effectiveness of RMP's EE Programs since 2022. Specifically, it notes an overall increase in DSM spending of 40% since 2022, while total energy efficiency increased by 31% and demand management by 25% since 2022. UCE similarly observes RMP's overall DSM portfolio cost effectiveness has decreased from a UCT of 2.67 in 2024 to 2.46 in 2025, stating that "[e]very [EE] measure has decreased in cost-effectiveness with the entire [EE] Portfolio UCT decreasing from 2.74 in 2024 to 2.38 in 2025."[4] UCE requests RMP thoroughly explain how it values peak demand management, contingency reserve function, and frequency response. UCE argues

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[3] DPU also itemizes the (1) Energy Efficiency Programs including Wattsmart® Homes, Home Energy Reports (HER), Low-Income Weatherization, and Wattsmart® Business, and (2) Peak Reduction Programs including Irrigation Load Control, Cool Keeper, Wattsmart® Batteries, Wattsmart® Business Demand Response (DR), and EV Charging DR.
[4] The UCE Comments at 4.

that the value of frequency response resources may not be the same as the value of peak reduction resources.[5] UCE recommends RMP explain its Wattsmart® Battery Program accounting. According to UCE, by helping stakeholders understand how RMP values the program, "stakeholders [may more impactfully] advocate for the program …, given the range of benefits of DR programs to the grid."[6] UCE further recommends RMP report how many and what percentage of new residential HVAC systems are DR-capable and how many are enrolled in the Cool Keeper program within six months of receiving an incentive. Additionally, UCE requests 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 energy efficiency, comfort, and the safety of low-income ratepayers' homes.

In its Reply Comments, RMP agrees to arrange and participate in the upcoming Steering Committee meetings requested by the parties. In response to OCS's requests for explanations of the Cool Keeper and HER programs, RMP explains that Cool Keeper program costs and capacity fluctuate due to weather and temperature, equipment maintenance, new equipment costs for program expansion, customer opt-outs, and other elements. It further explains that program expansion requires high upfront costs associated with new equipment and installations while the benefits of those initial investments are realized in future years, temporarily raising costs and increasing ongoing maintenance liabilities. RMP noted that savings for the HER program have been calculated using a "deemed savings" approach since mid-2020. In support, RMP provided Exhibit A, a 2020 historical analysis conducted by Cadmus ("Analysis") that outlines this methodology.[7] RMP comments that a new analysis of the HER program is underway, which it plans to share and discuss with the DSM Steering Committee once completed.

In response to UCE, RMP provided a revised Table 3 to correct the typographical error flagged by UCE. Addressing transparency, RMP emphasized its ongoing commitment to clarity, noting that it already provides quarterly, semi-annual, and annual reports, conducts regular meetings with the DSM Advisory Group and DSM Steering Committee, hosts individual stakeholder briefings upon request, and responds to discovery requests throughout the program year. RMP maintains that this extensive level of engagement provides sufficient transparency for Steering Committee members. RMP further asserted that its current portfolio is cost-effective, diverse, and prudently managed across all customer classes. Finally, regarding concerns about the Low-Income Weatherization program, RMP highlighted the success of its Custom Multi-Family program, which targets 50% participation from low-income households. In 2025, this

[5] *Id.* at 6.
[6] *Id.* at 7.
[7] The Analysis was originally provided and discussed with the Steering Committee during the meeting held June 4, 2020.

initiative achieved 37,211 MWh in savings and distributed $11.2 million in low-income incentives.

Addressing general concerns regarding rising annual costs and flat savings, RMP emphasized that cheaper, 'low-hanging fruit' EE measures have largely been exhausted over the past decade—a trend it has routinely discussed with the Steering Committee. Despite these headwinds, RMP continues to cost-effectively meet its IRP targets across all customer classes. It also cautioned that comparing annual reports year-over-year is an inconsistent measure of success. Because RMP establishes its annual DSM targets dynamically based on current IRP selections rather than historical baselines, both savings targets and the portfolio's program mix will naturally fluctuate each year.

Based on the PSC's review of the 2025 Report, the DPU Comments, the OCS Comments, the UCE Comments, and the RMP Reply Comments, the PSC acknowledges that the 2025 Report complies with the PSC's reporting requirements. The PSC appreciates RMP's thorough response and its support for future ongoing, collaborative DSM Steering Committee discussions. Accordingly, the PSC directs RMP to address all issues and commitments identified in its Reply Comments during upcoming DSM Steering Committee meetings. The PSC also directs RMP to include in its next report and going forward, the number of HVAC systems that are enrolled in the Cool Keeper program and how many new systems enroll in the program within six months of receiving an incentive. In addition, the PSC directs RMP to discuss, in its next DSM Steering Committee meeting, ways to raise and optimize incentives for customers to participate in Cool Keeper and other residential and commercial DR and DSM programs, consistent with the general direction in our 2025 IRP Order.[8]

Sincerely,

/s/ Gary L. Widerburg
PSC Secretary
DW#347024

[8] *See PacifiCorp's 2025 IRP*, Docket No. 25-035-22, Order issued June 25, 2026, at 32 and 33.