



State of Utah

SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor

Public Service Commission

JERRY D. FENN
Chair

DAVID R. CLARK
Commissioner

JOHN S. HARVEY, Ph.D.
Commissioner

February 20, 2026

Mr. Michael S. Snow
Rocky Mountain Power
1407 West North Temple, Suite 330
Salt Lake City, UT 84116
michael.snow@pacificorp.com

Data Request Response Center
PacifiCorp
825 NE Multnomah St., Suite 2000
Portland, OR 97232
datarequest@pacificorp.com

Re: *Rocky Mountain Power's Proposed Tariff Changes to Electric Service Schedule No. 111, Residential Energy Efficiency; Docket No. 26-035-T02*

Dear Mr. Snow:

The Public Service Commission of Utah (PSC) reviewed the January 23, 2026 filing ("Filing") by Rocky Mountain Power (RMP) proposing changes to Electric Service Schedule No. 111, Residential Energy Efficiency Program¹ ("Schedule 111"), Sheet Nos. 111.4 and 111.5² ("Schedule 111 Revisions"). According to RMP, the Schedule 111 Revisions are intended to align with the Wattsmart Homes 2026 Savings Forecast of 69,696 MWh, and the 2026 Budget Forecast of \$25 million, consistent with the Demand Side Management Deferred Account and Forecast Report filed on October 31, 2025, in Docket No. 25-035-41.³ RMP included Exhibit B, a Utah Wattsmart Homes Program Cost-Effectiveness Analysis for Plan Year 2026 ("PY26 Cost-Effectiveness Analysis").⁴ According to the results of the Cost-Effectiveness Analysis (see Table 10), RMP expects the following benefit/cost ratios, among others: a PY26 Utility Cost Test benefit/cost ratio (UCT) of 1.45; a Total Resource Cost Test (TRC) No Adder benefit/cost ratio of 0.47; and a Participant Cost Test benefit/cost ratio (PCT) of 0.95. RMP expects Schedule 111 to remain cost effective from the UCT perspective under the range of sensitivity analyses observed. RMP states it discussed the Schedule 111 Revisions with the DSM Steering Committee ("Committee") on October 28, 2025 and

¹ Schedule 111 provides pricing, terms, and conditions for the various residential energy efficiency programs.

² Attached with the Filing as Exhibit A.

³ See Docket No. 25-035-41, *Rocky Mountain Power's Semi-Annual Demand-Side Management (DSM) Forecast Reports*.

⁴ RMP's expectation assumes 100% participation and delivery costs with 100% realization rate.

circulated a draft of the Schedule 111 Revisions to the Committee for initial review and feedback on January 7, 2026. RMP requests an effective date of February 27, 2026.

The PSC also reviewed the comments of (i) the Division of Public Utilities (DPU) filed on February 5, 2026 (“DPU Comments”) and (ii) the Office of Consumer Services (OCS) filed on February 9, 2026. No other comments were filed.

DPU comments that the results of the Cost-Effectiveness Analysis demonstrate an ongoing concern, particularly the costs to society of implementing the measures may exceed the benefits, given a TRC cost/benefit ratio (0.47). Additionally, it states the PCT cost/benefit ratio (0.95) indicates that the out-of-pocket expenses for Schedule 111 participants to adopt the measures, on average, may exceed the benefits, a potential disincentive for long-term Schedule 111 participation. Accordingly, DPU recommends that in future Committee meetings RMP provide a sensitivity analyses for “why the program has sub-optimal results for the PCT, TRC, and RIM tests” and continued discussion of new measures, the measures’ target audience, the measures’ UCT results, and the measures’ impact on the UCT to determine if the newly included measures are “contributing to the worsening UCT scores.”⁵ Based on its review of the Filing, DPU concludes that RMP’s filing, however, reasonably satisfies the UCT measurement as adopted by the PSC for defining cost-effectiveness.⁶ Accordingly, DPU recommends the PSC approve the Schedule 111 Revisions, effective February 27, 2026.

OCS comments that the UCT cost-effectiveness measure of 1.45 indicates that for every dollar spent on DSM programs RMP avoids \$1.30 to \$1.45 in future supply-side costs.⁷ While the UCT score was above 1 in all sensitivity cases, certain subcategories of incentives resulted in UCT scores below 1. OCS comments that, generally, some ineffective measures are supported by the effective measures, which OCS terms “score aggregation.” Given the PSC’s guidance that the UCT be the primary cost/benefit metric for Utah, OCS believes it would be helpful for the PSC to offer additional guidance on how much *score aggregation* is acceptable for the DSM program generally, and whether, for example, there should be a UCT score threshold for an individual incentive below which that incentive should be disqualified from score aggregation and discontinued for its lack of cost-effective participation.⁸ Additionally, OCS cautions RMP to remedy the large and growing DSM regulatory asset before expanding the DSM program any further following the approval of the instant Schedule 111 Revisions. OCS also recommends RMP provide DSM

⁵ DPU Comments, at 4-5.

⁶ *Id.*, at 5.

⁷ OCS Comments, at 4.

⁸ *Id.*



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stakeholders with a detailed understanding of its process to select or update incentive offerings, commenting that RMP's market information and analysis "is an opaque process that deserves more clarity and understanding."⁹ OCS represents it has communicated this concern to RMP, and that RMP has committed to providing the information to Stakeholders at an upcoming Committee meeting. Considering Schedule 111 Revisions are anticipated to be cost-effective under the UCT, OCS is supportive and recommends the PSC approve them.

The PSC appreciates DPU's and the OCS's careful review of RMP's proposed Schedule 111 modifications. Exhibit B contains sensitivity analyses on additional variables that RMP weighed and asserts continue to be a key driver of the impacts savings amounts, incentive amounts, incremental costs, and nearly all other benefits and costs included in the primary cost-effectiveness tests. These include participation rates and delivery costs, among others. We find this sufficiently addresses DPU's recommendation for RMP to provide a sensitivity analysis for why the program has suboptimal results for the PCT, TRC, and RIM tests. Regarding OCS's recommendations, the PSC directs Committee members to discuss OCS's concerns and recommendations at the next Committee meeting.

Based on the PSC's review of the Filing, the comments and recommendations from DPU and OCS, and there being no opposition, the Schedule 111 Revisions are approved, effective February 27, 2026.

Sincerely,

/s/ Gary L. Widerburg
PSC Secretary
DW#343935

⁹ OCS Comments at 5.