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To: The Public Service Commission of Utah

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The Division of Public Utilities  
Chris Parker, Director  
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Date: May 5, 2011

Subject: Docket No. 08-999-05, "Home Energy Reports" Recommendation

### Background

During November 2009, the Brendle Group et al.<sup>1</sup> provided comments to the Commission supporting the home energy report concept. They stated that home energy reports were able to provide residential and commercial customers information on their energy usage and the source of that energy. The Commission found merit in the concept and ordered the DSM Advisory Group to "review the Home Energy Report and provide a recommendation whether or not such a report is appropriate and, if so, an estimate of the costs and timing necessary to implement such a report." This initial recommendation was to be submitted on May 1, 2010. On April 8, 2010, the Company filed for an extension to allow for a review of home comparison reports received in 2009 during an open procurement process. On April 30, 2010, the Company submitted to the Commission the "Review of Home Energy Reports." Within the review, the Company indicated that many utilities are using these types of reports on a pilot basis. During the February 2011 DSM meeting, the Company provided summary information about the home energy product to the DSM Advisory Group. The Company filed its recommendation to the Commission on February 28, 2011.

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<sup>1</sup> The Brendle Group et al. is comprised of the Brendle Group, Park City Municipal Corporation Environmental Sustainability Department, The Environmental Defense Fund, The Town of Alta, and Utah Clean Energy.

## Discussion

First, the Office notes that, consistent with the Commission's Order, the topic of home energy reports could have benefited from group discussion rather than being simply addressed in comments and memos to the Commission from separate parties. With the complexity of measuring home energy report outcomes and the various product features, the Company would benefit from direct discussions with the expertise of the DSM Advisory Group. The Office does not believe that the summary information provided to the DSM Advisory Group in February constitutes the level of review contemplated by the Commission. In fact, the Office is increasingly concerned that the DSM Advisory Group is not being utilized as intended.

The Company submitted its comments to the Commission, recommended that the home comparison reports may have a place in the DSM portfolio, and provided cost analysis with an implementation schedule. Within its recommendation the Company suggests a pilot program and not an ongoing program at this time. Other utility companies are testing home comparison reports for success in producing sustained savings, economic cost effectiveness and measurement verification. The Company does not provide or discuss any information from other utilities' experience (positive or negative) with home comparison reports. The Office understands that some of this information may be confidential and unavailable to the Company or the utilities' results are pending. To the extent possible, other utilities' experiences should be taken into consideration as inputs into the decision making process for the DSM Advisory Group as the Commission ordered.

Issues such as privacy, participation reaction, uncertainty in program outcomes, data collection and integrity and capital costs and obsolescence need to be addressed. Most of these issues could be addressed through a pilot program. However, the Office's primary concern regarding this program is privacy and personal information security. The comparative nature of this kind of report may cause issues for some customers in either the report group or the control group. The Company needs to have adequate privacy protections in place prior to the implementation of this program, no matter what the size of participation.

Currently the Company provides customers' usage information within its monthly billing statements. While monthly statements provide useful usage information, it lacks the impetus for change. Home comparison reports containing energy efficiency recommendations and tools may produce the savings they are designed to obtain. Without substantive evidence, the Office is concerned about the effectiveness of this type of program in achieving the results indicated within the filing. Yet given the complexity and uncertainty of the program's outcomes, the Office agrees that if this type of program is undertaken it should be on a three year pilot program basis. The Company has put forth its recommendation based on a program the DSM Advisory Group has not seen in detail. With the many home energy reporting products in the market, features vary from product to product. Until parties know the feature set of the product the Company used in its analysis, it will be difficult to know if the costs are reasonable or not. The Company does provide a starting point for further discussion with its recommendation. Because the

information contained in the recommendation filing is simply a high level view of potential savings from a home energy program, the Office would want to review the specific program design prior to making a final determination on what level of participation should be approved as well as other details of a pilot program. The Office requests that the Commission require the Company to convene a meeting of the DSM Advisory Group to obtain input and recommendations prior to filing an application with the Commission requesting approval of a home energy report pilot program.

### Recommendations

The Office supports the concept of developing a three year pilot project and recommends that the Commission order the Company to work with the DSM Advisory Group to determine report features and participation levels prior to filing the final project for approval.