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1407 W. North Temple, Suite 330
Salt Lake City, Utah 84116

August 17, 2022

VIA ELECTRONIC FILING

Idaho Public Utilities Commission
11331 W. Chinden Blvd.
Building 8 Suit 201A
Boise, ID 83714

Attn: Jan Noriyuki
Commission Secretary

**RE: CASE NO. PAC-E-22-12
IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER
REQUESTING A PRUDENCY DETERMINATION ON DEMAND-SIDE
MANAGEMENT EXPENDITURES.**

Please find enclosed for filing in the above captioned matter Rocky Mountain Power's Application requesting an order designating its demand-side management expenses as prudently incurred for 2020 and 2021 program years.

Informal questions related to this matter may be directed to Ted Weston at (801) 220-2963 or me at (801) 220-4214.

Sincerely,

Michael S. Snow
Manager, Regulatory Affairs

Enclosures

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Attorney for Rocky Mountain Power

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF ROCKY MOUNTAIN POWER) CASE NO. PAC-E-22-12
REQUESTING A PRUDENCY)
DETERMINATION ON DEMAND-SIDE) APPLICATION
MANAGEMENT EXPENDITURES.)**

COMES NOW, Rocky Mountain Power, a division of PacifiCorp (the “Company”), in accordance with Order No. 32788 and Rule of Procedures 052 and 201, *et. seq.*, and hereby respectfully applies to the Idaho Public Utilities Commission (the “Commission”) for an order designating Rocky Mountain Power’s demand-side management (“DSM”) expenditures for program years 2020 and 2021 in the amount of \$10,039,507 as prudently incurred (“Application”).

In support of this Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is authorized to do and is doing business in the state of Idaho as a public utility providing retail electric service to approximately 86,500 customers. Rocky Mountain Power is a public utility subject to the jurisdiction of the Commission pursuant to Idaho Code § 61-129.
2. The Company presents the 2020 and 2021 annual energy efficiency and peak reduction reports, (“Annual DSM Reports”), results of program cost effective analyses, and third-party program evaluations.

BACKGROUND

3. The Company has offered a variety of DSM programs to its customers since the 1970s. All of the DSM programs offered by Rocky Mountain Power in Idaho have been designed to be cost-effective. On March 2, 2006, the Commission approved an enhanced set of DSM programs and cost recovery of them through Electric Service Schedule No. 191, Customer Efficiency Services Rate Adjustment (“Schedule 191”), which was applied to customers’ bills beginning May 1, 2006.

4. This Application and the Annual DSM Reports are consistent with the Memorandum of Understanding the Company entered into in Case No. GNR-E-12-01, and approved by Order No. 32788 (“MOU”). Pursuant to this MOU, Rocky Mountain Power filed energy efficiency and peak reduction reports with the Commission for program years 2020 and 2021 under Case No. PAC-E-05-10, and made them available on the Company’s website.^{1,2} These reports follow the format set forth in the MOU and evaluate DSM program performance, including expenditures, savings and cost effectiveness, as well as the balancing account activity associated with Schedule 191.

5. During 2020 and 2021, the Company’s DSM portfolio consisted of four distinct energy efficiency programs, offering incentives for a wide variety of energy efficiency measures to the Company’s residential, business and agricultural customers. Agricultural customers can also participate in the irrigation load management program.³ The Company

¹ 2020 Annual Report:

https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/environment/dsm/idaho/2020_Idaho_Energy_Efficiency_and_Peak_Reduction_Report.pdf

² 2021 Annual Report:

https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/environment/dsm/idaho/2021_Idaho_Energy_Efficiency_Peak_Reduction_Report.pdf

³ In 2011, the Irrigation Load Control program was treated as a system-wide benefit and excluded from Schedule 191. Performance results were no longer included in the annual DSM reports, but were submitted as a confidential document to the Commission.

continues to work with customers and the Commission to provide a comprehensive suite of DSM programs that provide the greatest opportunity for participation by all customer sectors.

6. DSM programs offered by the Company provide a wide range of services and financial incentives to assist customers with energy efficiency projects they wish to pursue.

The four energy efficiency programs subject to Schedule 191 in 2020 and 2021 were:

- Schedule 21 – Low Income Weatherization/Low Income Education (“LIW”);
- Schedule 118 – Residential Energy Efficiency (“Wattsmart Homes”)
- Home Energy Reports - not tariffed (“HER”); and
- Schedule 140 – Non-Residential Energy Efficiency (“Wattsmart Business”)

PROGRAM EXPENDITURES

7. The Company requests a Commission determination that the DSM expenditures totaling \$10,039,507, which represents \$5,454,714 for 2020 and \$4,584,793 for 2021, were prudent and in the public interest. The expenditures submitted in this Application represent the activities that took place during program years 2020 and 2021 through a year-end cost true-up process.

8. The Company reports its Schedule 191 balancing account quarterly to Commission Staff, and annually in the Annual DSM Reports. For added convenience, the 2020 and 2021 balancing account activity is provided in Tables 1 and 2 below.

Table 1 – 2020 Schedule 191 Balancing Account Activity

Month	Monthly Program Costs – Fixed Assets	Monthly net Accrued Costs	Rate Recovery	Carrying Charge	Cash Basis Accumulated Balance	Accrual Basis Accumulated Balance
Dec-19					\$(1,605,796)	\$(1,066,780)
Jan-20	\$490,918	\$109,692	\$(309,946)	\$(2,526)	\$(1,427,349)	\$(896,691)
Feb-20	\$376,181	\$(232,708)	\$(289,615)	\$(2,307)	\$(1,343,090)	\$(1,045,140)
Mar-20	\$334,056	\$24,615	\$(256,354)	\$(2,174)	\$(1,267,562)	\$(944,997)
Apr-20	\$375,901	\$(128,681)	\$(224,949)	\$(1,987)	\$(1,118,598)	\$(924,713)
May-20	\$344,066	\$(127,528)	\$(282,406)	\$(1,813)	\$(1,058,750)	\$(992,394)
Jun-20	\$338,863	\$77,218	\$(486,648)	\$(1,888)	\$(1,208,424)	\$(946,800)
Jul-20	\$253,481	\$108,632	\$(652,728)	\$(2,347)	\$(1,610,018)	\$(1,239,762)
Aug-20	\$404,810	\$59,780	\$(614,320)	\$(2,858)	\$(1,822,385)	\$(1,392,350)
Sep-20	\$550,496	\$(57,458)	\$(520,214)	\$(3,012)	\$(1,795,115)	\$(1,422,538)
Oct-20	\$487,875	\$391	\$(339,296)	\$(2,868)	\$(1,649,404)	\$(1,276,436)
Nov-20	\$649,484	\$66,004	\$(295,044)	\$(2,454)	\$(1,297,418)	\$(858,445)
Dec-20	\$1,144,526	\$45,388	\$(323,126)	\$(1,478)	\$(477,497)	\$6,865
2020 Totals	\$5,750,656	\$(54,655)	\$(4,594,645)	\$(27,712)		

Table 2 – 2021 Schedule 191 Balancing Account Activity

Month	Monthly Program Costs – Fixed Assets	Monthly net Accrued Costs	Rate Recovery	Carrying Charge	Cash Basis Accumulated Balance	Accrual Basis Accumulated Balance
Dec-20					\$(477,497)	\$6,865
Jan-21	\$197,124	\$7,063	\$(328,018)	\$(452)	\$(608,842)	\$(457,336)
Feb-21	\$620,139	\$(86,623)	\$(291,661)	\$(371)	\$(280,736)	\$(161,197)
Mar-21	\$253,994	\$54,892	\$(270,023)	\$(241)	\$(297,005)	\$(122,575)
Apr-21	\$390,755	\$(173,722)	\$(241,222)	\$(185)	\$(147,658)	\$(146,949)
May-21	\$384,649	\$33,831	\$(307,321)	\$(91)	\$(70,421)	\$(35,882)
Jun-21	\$380,062	\$(77,767)	\$(547,489)	\$(128)	\$(237,976)	\$(281,204)
Jul-21	\$297,435	\$(26,912)	\$(768,178)	\$(394)	\$(709,114)	\$(779,253)
Aug-21	\$235,568	\$(11,619)	\$(592,858)	\$(740)	\$(1,067,144)	\$(1,148,901)
Sep-21	\$647,140	\$8,610	\$(451,397)	\$(808)	\$(872,208)	\$(945,355)
Oct-21	\$362,476	\$(26,917)	\$(335,288)	\$(716)	\$(845,735)	\$(945,799)
Nov-21	\$247,004	\$(10,514)	\$(279,810)	\$(718)	\$(879,259)	\$(989,838)
Dec-21	\$655,370	\$169,220	\$(300,151)	\$(585)	\$(524,625)	\$(465,984)
2021 Totals	\$4,671,716	\$(140,457)	\$(4,713,416)	\$(5,429)		

ENERGY EFFICIENCY SAVINGS AND COST EFFECTIVE

9. The annual energy efficiency portfolio savings achieved through the Company’s DSM programs were 25,789 MWh in 2020 and 18,692 MWh for 2021, measured at generation and first-year savings.

10. The Company examines its programs from all cost effective tests, including the PacifiCorp Total Resource Cost (“PTRC”), Total Resource Cost (“TRC”), Utility Cost Test (“UCT”), Ratepayer Impact Measure (“RIM”), and Participant Cost Test (“PCT”) at the measure category: program-level, sector-level and portfolio-level. Pursuant to Commission Order No. 33766, issued May 18, 2017, the Company uses the UCT as the primary determinant for cost effectiveness. However, the Low Income Weatherization program still uses the PTRC test authorized by Commission Order No. 32788, issued April 12, 2013.

11. In 2020 and 2021, the energy efficiency portfolio as a whole was cost-effective from the UCT perspective. In 2020, Low Income Weatherization program did not pass the PTRC, but did pass the PTRC in 2021.⁴ Table 3 below summarizes the cost effective results from the 2020-2021 period.

Table 3 – 2020 and 2021 Cost effective Results

Energy Efficiency Program	Cost/Benefit Test Type	2020	2021
Energy Efficiency Portfolio	UCT	1.25	1.68
Wattsmart Homes	UCT	0.88	0.99
Home Energy Reports	UCT	2.72	10.40
Low Income Weatherization	PTRC	0.74	4.31
Wattsmart Business	UCT	1.51	1.85

⁴ See Table 10 of the 2020 and 2021 Annual Reports.

ENERGY EFFICIENCY TARGETS

12. Table 4 below is a comparison of the Company’s energy efficiency portfolio performance with the achievable technical potential identified in the Company’s conservation potential assessment (“CPA”) and the IRP selections over the 2020-2021 period. Consistent with the Northwest Power and Conservation Council’s regional power plans, the Company’s CPA uses acquisition ramp rates and assumes that 85 percent of the technical potential is achievable over 20 years to account for real world constraints affecting the acquisition of energy efficiency resources. Absent the achievability assumption and ramp rates, all discretionary resources (those that can technically be acquired at any time) would be available at the start of the planning period, which is unrealistic from both a planning and acquisition standpoint.

Table 4 – Energy Efficiency, Achievable Technical Potential, & IRP Selections

Source of Savings	Idaho MWh Savings (at generator)		
	2020	2021	2020-2021 Total
Achievable Technical Potential*	28,596	26,857	55,453
Integrated Resource Plan Selections*	17,190	17,590	34,780
Energy Efficiency Portfolio Performance ⁵	21,993	14,387	36,380

* Potential from 2019/2021 DSM Potential Study and selections from the 2019/2021 IRP Update

13. As shown in Table 4, from 2020 through 2021 the Company achieved 36,380 MWh, at generator, of energy efficiency savings in Idaho, equating to 104.6 percent of the 34,780 MWh selected by the IRP. IRP savings are based on assumed typical acquisition rates, whereas actual program performance can fluctuate from year to year based on factors such as economic conditions, the timing of large project completions, etc.

⁵ Includes first-year savings from the LIW, Wattsmart Homes, and Wattsmart Business programs, and incremental savings from the HER program.

PROGRAM EVALUATIONS

14. Evaluations are conducted using best-practice approaches and techniques including those outlined in the National Action Plan for Energy Efficiency Program Impact Evaluation and the California Evaluation Framework guides. The Company conducts process and/or impact evaluations to ensure the ongoing cost effectiveness of its energy efficiency programs through validation of energy savings and to provide information to assist in program management.

15. Process evaluations assess program delivery, from design to implementation, in order to identify efficiencies, including identifying what worked, what did not work, constraints, and potential improvements. Identifying opportunities for improvement is essential to making corrections along the way.

16. Impact evaluations determine the impacts (e.g. energy and demand savings) that directly result from a program. They also support analyses of cost effectiveness aimed at identifying relative program costs and benefits.

17. Evaluations are based on credible and transparent methods focused on successfully capturing the savings created by the programs. Evaluations develop retrospective estimates of energy savings attributable to a program. While retrospective in nature, the information obtained will be used to inform future potential assessments, plans, forecasts and targets.

18. Process and impact evaluations for the Wattsmart Homes 2019-2020,⁶ Home Energy Reports 2018-2019,⁷ and Low Income Weatherization 2016-2017⁸ programs were published during the 2020-2021 prudency timeframe. The process and impact evaluation for the Wattsmart Business 2018-2019⁹ program was published in the first quarter of 2022.

MODIFIED PROCEDURE

19. Rocky Mountain Power believes that consideration of the proposals contained in this Application do not require an evidentiary proceeding, and accordingly requests that this Application be processed under modified procedure pursuant to RP 201-204, which allows for consideration of these issues by written submissions rather than by an evidentiary hearing. If, however, the Commission determines that an evidentiary proceeding is required the Company stands ready to provide supporting testimony.

COMMUNICATIONS AND SERVICE OF PLEADINGS

20. Communications regarding this Application should be addressed to:

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⁶https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/environment/dsm/idaho/Rocky_Mountain_Power_Idaho_EMV_Report_2019-2020.pdf

⁷https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/environment/dsm/idaho/2018-2019_ID_HER_Evaluation_FINAL_V3_2020_12_08.pdf

⁸https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/environment/dsm/idaho/2016-17_PacifiCorp_Low_Income_Weatherization_Report_ID_FINAL_clean.pdf

⁹https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/environment/dsm/idaho/2018-2019_Idaho_WSB_Evaluation_Final.pdf

In addition, the Company respectfully requests that all data requests regarding this matter be addressed to one or more of the following:

By e-mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

REQUEST FOR RELIEF

21. WHEREFORE, for the reasons set forth above Rocky Mountain Power respectfully requests that the Commission approve this Application by: (1) issuing an order authorizing that this matter be processed by Modified Procedure; and (2) issuing a final order designating Rocky Mountain Power's 2020 and 2021 total DSM expenditures of \$10,039,507 as prudently incurred.

DATED this 17th Day of August 2022.

Respectfully submitted,

By  _____

Emily Wegener
Attorney for Rocky Mountain Power