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IDAHO PUBLIC
UTILITIES COMMISSION

March 9, 2023

VIA ELECTRONIC FILING

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

Attn: Jan Noriyuki
Commission Secretary

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

Please find enclosed Rocky Mountain Power’s Reply Comments in the above referenced matter.

Informal questions related to this matter may be directed to Mark Alder at (801) 220-2313 or me at (801) 220-4214.

Sincerely,

A handwritten signature in blue ink that reads "Michael S. Snow".

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’S)	CASE NO. PAC-E-22-12
APPLICATION REQUESTING A)	
PRUDENCY DETERMINATION ON)	REPLY COMMENTS
DEMAND-SIDE MANAGEMENT)	
EXPENDITURES)	

COMES NOW, Rocky Mountain Power, a division of PacifiCorp (the “Company”), in accordance with RP 052 and RP 201, *et. seq.*, hereby respectfully submits reply comments to the Idaho Public Utilities Commission (the “Commission”) in the above-referenced matter.

BACKGROUND

1. On November 4, 2022, the Commission issued a Notice of Modified Procedure in Order No. 35584 for the above referenced matter, allowing parties to file comments by January 12, 2023, and reply comments by January 26, 2023. On January 9, 2023, the Commission issued a Noticed of Amended Comment Deadlines in Order No. 35659 for the above referenced matter, setting new deadlines for comments and reply comments to be due February 23, 2023, and March 9, 2023, respectively. Comments were filed by Commission Staff (“Staff”) on February 23, 2023. The Company provides these reply comments in response to comments filed by Staff.

REPLY COMMENTS

2. Staff recommended the Commission approve the Company's DSM expenses of \$5,454,714 in 2020 and \$4,584,793 in 2021 as prudently incurred. Additionally, Staff recommended the Commission order the Company to:

- a) Provide evaluation recommendations and other efforts implemented to address realization rates for each program in the next prudency filing.
- b) Provide a review of all future third-party deliverables.
- c) Conduct audits of both Low Income Weatherization ("LIW") agencies' energy savings kit inventories and expenses from 2020-2022, and provide the results in the next prudency filing.
- d) Establish data tracking, reporting, and quality control processes with Eastern Idaho Community Action Partnership ("EICAP") and Southeastern Idaho Community Action Agency ("SEICAA")(collectively, the "Agencies") and provide a summary of changes made in the next prudency filing.
- e) Continue efforts to provide additional data for the Irrigation Load Control ("ILC") program.
- f) Use avoided costs in place at the time of program planning to calculate cost effectiveness of historical programs.

3. In response to recommendation (a), the Company has historically provided evaluation recommendations and the Company's associated action plan as part of the regularly scheduled meetings with Staff. The Company can comply with this recommendation through these continued meetings with Staff, or start providing this information as part of the Company's prudency filings.

4. In response to recommendation (b), the Company requires clarification as to the expectations of Staff. The Company has a myriad of third-party contracts with extensive deliverables across its DSM portfolio. The Company continually works with and manages its third-party vendors daily to ensure accuracy, to meet deadlines, stay on budget, meet energy targets, and other ubiquitous deliverables. The Company acknowledges that inevitable inadvertent errors may occur over time, and reaffirms its efforts to thoroughly and ongoingly review third-party deliverables to mitigate possible errors for continual improvement. The

Company can discuss with Staff during regularly scheduled meetings on how to meet expectations for this recommendation.

5. In response to recommendation (c), the Company believes that audit efforts were already achieved through Staff's discovery in this case. Staff asked several audit-like questions regarding the Agencies' kit inventory and expenditures, which resulted in exposing a lack of proper granular data tracking and reporting quality control within the Agencies. The Company believes that if it conducts its own audit of the Agencies, the results will be the same, in that the Agencies will still not be able to provide a comprehensive granular accounting reconciliation of expenditures to the satisfaction of the Company or Staff. Given that the lack of proper data tracking by the Agencies has already been identified, the Company recommends that in lieu of spending customer funds on additional audits, efforts be directed towards working with the Agencies to establish proper and improved data tracking, reporting, and quality control processes going forward, as provided in Staff's recommendation (d) above. Because the Company is required to contract with the Agencies for the administration of the LIW program based on how the LIW tariff and program is currently structured, the Company has little leverage in its oversight and cannot effectively require the Agencies to make continual improvements. The LIW program contracts with state agencies to pool and utilize LIW program funds with government funding and other resources state agencies have to maximize benefits for low income customers. Replacing the current structure with a more traditional contract with an independent third-party vendor would give the Company more leverage and control, but would lose the coordinated benefits and funding efforts with the Agencies. The Company can discuss these issues further with Staff during regularly scheduled meetings to determine the best approach going forward.

6. In response to recommendation (e), the Company is still working to obtain the additional data requested for the ILC program, and will continue its efforts, noting however that some data points might not be practicable to provide due to the Company's system limitations or other impediments.

7. In response to recommendation (f), the Company agrees to use avoided costs in place at the time of program planning for the purpose of calculating cost effectiveness of its historical programs for annual reports, consistent with historical practice.

8. In addition to the recommendations outlined above, Staff included Attachment A to their comments with several suggestions for the Company's annual reporting. The Company is agreeable to working with Staff collaboratively to improve the Annual Reports in a manner consistent with their purpose, and will discuss these suggestions, and any alternative approaches, with Staff at the next scheduled meeting. It should be noted that any adjustments to the Annual Reports would be applicable starting with the 2023 Annual Report, given that the 2022 Annual Report is due May 1, 2023, which does not afford enough time to discuss and implement any agreed-to adjustments that would affect the 2022 Annual Report.

REQUEST FOR RELIEF

WHEREFORE, Rocky Mountain Power respectfully requests that the Commission issue a final order designating Rocky Mountain Power's 2020 and 2021 total DSM expenditures of \$10,039,507 as prudently incurred, as recommended by Staff.

DATED this 9th Day of March 2023.

Respectfully submitted,

By



Joseph M. Dallas
Attorney for Rocky Mountain Power