



# Utah Energy Efficiency and Peak Reduction Annual Report

January 1, 2012 – December 31, 2012

Revised June 26, 2013



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**LIST OF ABBREVIATIONS AND ACRONYMS**

CFLs	Compact Fluorescent Lights
DSM	Demand-Side Management
ECM	Energy conservation measure
EM&V	Evaluation, Measurement & Verification
HCD	Utah Department of Workforce Services, Housing and Community Development Division
HVAC	Heating, ventilation and air conditioning
IECC	International Energy Conservation Code
IRP	Integrated Resource Plan
kW	Kilowatt
kWh	Kilowatt hour
LEDs	Lighting-emitting diodes
NTG	Net-to-Gross
PCT	Participant Cost Test
PTRC	Total Resource Cost Test with 10 percent adder
RIM	Ratepayer Impact Measure Test
Schedule 193	Demand-Side Management Cost Adjustment
TRC	Total Resource Cost Test
UCT	Utility Cost Test
VHF	Very high frequency

## EXECUTIVE SUMMARY

Rocky Mountain Power (“Company”) working in partnership with its retail customers and with the approval of the Utah Public Utilities Commission (“Commission”), acquires energy efficiency and peak reduction resources as cost-effective alternatives to the acquisition of supply-side resources. Company energy efficiency and peak reduction programs provide participating Utah customers with tools that enable them to reduce or assist in the management of their energy usage, while reducing the overall costs to Rocky Mountain Power’s customers. These resources are relied upon in resource planning as a least cost alternative to supply-side resources.

This report provides details on program results, activities, expenditures, and status of the Demand-Side Management Cost Adjustment tariff rider (“Schedule 193”) revenue for the performance period from January 1, 2012, through December 31, 2012. The Company, on behalf of its customers invested \$47.2 million in energy efficiency and peak reduction resource acquisitions during the reporting period. The investment yielded approximately 236.2 gigawatt-hours in first year savings,<sup>1</sup> 2,515,393 megawatt-hours of lifetime savings<sup>2</sup> from 2012 energy efficiency acquisitions and approximately 41.8 megawatts of capacity reduction from Energy Efficiency savings<sup>3</sup> and realized reductions associated with peak management activities of approximately 150.4 megawatts<sup>4</sup>. Net benefits to customers based on the projected value of the energy savings over the life of the individual measures are estimated at \$134.1 million<sup>5</sup>. The cost effectiveness of the portfolio including peak load reduction from various perspectives is provided in Table 1.

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<sup>1</sup> Reported savings as measured at generation.

<sup>2</sup> Estimated lifetime savings of 2012 Energy Efficiency Acquisitions was calculated by multiplying First Year Acquisitions (measured at the generator) by the weighted average measure life of the portfolio of 10.6 years, no discount was assumed for possible savings degradation over the life of the measures.

<sup>3</sup> See Appendix 1 for explanation on how the capacity contribution savings values are calculated.

<sup>4</sup> Realized load as measured at generation

<sup>5</sup> See Table 1 – Utility Cost Test Net Benefits.

Table 1 - Long-term Cost Effectiveness for the Portfolio

	Benefit/Cost Ratio	Net Benefits
Total Resource Test plus 10 percent (“PTRC”) – total resource cost with the addition of environmental and non-energy benefits <sup>6</sup>	2.32	\$156,379,147
Total Resource Cost Test (“TRC”)– effects on both participants and non-participants <sup>7</sup>	2.11	\$131,429,217
Utility Cost Test (“UCT”) – effect on customers <sup>8</sup>	2.16	\$134,113,656
Participant Cost Test (“PCT”) – effect on participants <sup>9</sup>	3.16	\$123,209,569
Ratepayer Impact (“RIM”) – effect on the cost per kilowatt-hour of sales <sup>10</sup>	1.12	\$26,090,330

The portfolio was cost effective based on all of the five standard cost effectiveness tests for the 2012 reporting period. Annual performance information for 2012 cost effectiveness is provided in detail in Appendix 2.

During the reporting period, the Company through its third party administrators<sup>11</sup> worked with the following number of retailers, contractors and vendors to support the energy efficiency programs in Utah:

Table 2  
Energy Efficiency Infrastructure

Sector	Type	No.
Residential	Lighting Retailers	249
	Appliances Retailers	199
	HVAC <sup>12</sup> Contractors	118
	Insulation Contractors	42
	Window Contractors	19
	Low Income Agencies	1
Commercial and Industrial	Lighting Trade Allies	171
	HVAC Trade Allies	101
	Motors Trade Allies	124
	Engineering Firms	25

<sup>6</sup> The total resource cost test includes a 10 percent benefit adder to account for non-quantified environmental and non-energy benefits of conservation resources over supply side alternatives.

<sup>7</sup> The TRC compares the total cost of a supply side resource to the total cost of energy efficiency resources, including costs paid by the customer in excess of the program incentives. The test is used to determine if an energy efficiency program is cost effective from a total cost perspective.

<sup>8</sup> The UCT compares the total cost incurred by the utility to the benefits associated with displacing or deferring supply side resources.

<sup>9</sup> The PCT compares the portion of the resource paid directly by participants to the savings realized by the participants.

<sup>10</sup> The RIM examines the impact of energy efficiency on utility rates. Unlike supply-side investments, energy efficiency programs reduce energy sales. Reduced energy sales can lower revenue requirements (see UCT) while putting upward pressure on rates as the remaining fixed costs are spread over fewer kilowatt-hours.

<sup>11</sup> See program specific information for backgrounds on third party administrators.

<sup>12</sup> Heating, ventilation and air conditioning



## 2012 Performance

Program and Sector level results for 2012 are provided in Table 3 below.

Table 3  
Utah Program Results for January 1, 2012 – December 31, 2012<sup>13</sup>

<b>Load Management Programs</b>	<b>kW Achieved Realized Load (at site)</b>	<b>kW Achieved Realized Load (at gen)</b>	<b>Program Expenditures</b>
Cool Keeper (114)	105,603	115,443	\$ 6,551,145
Irrigation Load Control (96 and 96A)	32,000	34,956	\$ 2,165,533
<b>Total Load Management</b>	<b>137,603</b>	<b>150,399</b>	<b>\$ 8,716,678</b>
<b>Energy Efficiency Programs</b>	<b>kWh/Yr Savings (at site)</b>	<b>kWh/Yr Savings (at gen)</b>	<b>Program Expenditures</b>
Low Income Weatherization (118)	840,349	918,653	\$ 176,828
Cool Cash (113)	2,548,964	2,786,476	\$ 1,392,276
New Homes (110)	2,964,656	3,240,903	\$ 2,014,394
Refrigerator Recycling (117)	14,455,078	15,802,002	\$ 1,578,090
Home Energy Savings (111)	65,958,803	72,104,844	\$ 9,728,220
Home Energy Reporting	7,859,888	8,592,272	\$ 534,106
<b>Total Residential</b>	<b>94,627,738</b>	<b>103,445,150</b>	<b>\$ 15,423,913</b>
Energy FinAnswer (125)	48,938,830	53,202,381	\$ 6,844,162
FinAnswer Express (115)	36,122,270	39,269,242	\$ 6,378,120
Recommissioning (126)	1,333,095	1,449,234	\$ 445,267
Self Direction	7,484,187	8,136,209	\$ 148,817
<b>Total Commercial</b>	<b>93,878,382</b>	<b>102,057,067</b>	<b>\$ 13,816,366</b>
Energy FinAnswer (125)	15,272,168	16,164,826	\$ 3,003,454
FinAnswer Express (115)	5,492,904	5,813,964	\$ 1,312,532
Recommissioning (126)			\$ 6,664
Self Direction (192)	8,030,398	8,499,775	\$ 458,378
<b>Total Industrial</b>	<b>28,795,470</b>	<b>30,478,565</b>	<b>\$ 4,781,027</b>
FinAnswer Express (115)	244,794	267,406	\$ 21,027
<b>Total Agricultural</b>	<b>244,794</b>	<b>267,406</b>	<b>21,027</b>
<b>Outreach &amp; Communications and Class 4</b>			
Outreach and Communication Campaign			\$ 1,830,065
U of U Ambassador Sponsorship			\$ 7,796
<b>Total Energy Efficiency</b>	<b>217,546,384</b>	<b>236,248,188</b>	<b>\$ 35,880,194</b>
<b>Total System benefit Expenditures - All Programs</b>			<b>\$ 44,596,872</b>
<b>Prior/New Programs (Direct Install, Non-res curtailment</b>			<b>\$ (29,522)</b>
<b>Portfolio Technical Reference Library</b>			<b>\$ 47,600</b>
Self Direction Credits			\$ 2,559,372
<b>Total Utah Program Expenditures</b>			<b>\$ 47,174,322</b>

<sup>13</sup> The values at generation include line losses between the customer site and the generation source. The company's line losses by sector for 2012 are 9.32 percent for residential, 8.71 percent for commercial, 5.85 percent for industrial and 9.24 percent for irrigation.

## REGULATORY ACTIVITIES

During the reporting period the Company requested and received approval of tariff modifications for of the following:

- Decrease to Schedule 193 collection rate, effective February 1, 2012.
- Removal of the March 31, 2014 expiration date from Schedule 192 – Self Direction Credit program tariff and Schedule 193 tariff, effective May 6, 2012
- Tariff revisions to *FinAnswer Express* – Schedule 115, effective May 15, 2012.
- Modification to Schedule 96A – Dispatchable Irrigation Load Control and to phase out of Schedule 96 – Irrigation Load Control, effective May 20, 2012.
- Settlement Stipulation to Docket No. 11-035-T14 requiring the Company to issue a bill credit refund for one year through Schedule 194, Demand Side Management Cost Adjustment Credit, effective June 1, 2012 to reduce the balance in the deferred account.
- Modifications to *New Homes* – Schedule 110, effective July 1, 2012.
- Administrative changes to *New Homes* – Schedule 110, effective September 8, 2012.
- Tariff revisions to *Home Energy Savings* – Schedule 111, effective September 30, 2012.

The Company also received approval or requested the following items:

- Approval of the Strategic Outreach and Communications Plan for Demand Side Management (“DSM”), effective May 1, 2012.
- Approval of the Home Energy Reports pilot program, ordered May 15, 2012.
- Creation of the DSM Steering Committee, effective May 23, 2012.
- Final acceptance of the 2011 Annual Report, acknowledged September 4, 2012.
- Approval of the permanent extension of the Annual Report filing date from March 31<sup>st</sup> to May 1<sup>st</sup>, effective with filing of 2012 Annual Report.
- Approval of the Company’s changes to the annual report cost effectiveness testing requirements, effective with filing of 2012 Annual Report.

### Advisory Group and Steering Committee Activities

Consistent with the discussion in Docket No. 12-035-69, the Company seeks input regarding its energy efficiency programs from both the Utah DSM Advisory Group and the DSM Steering Committee. Both groups include representatives from a variety of constituent organizations. Members of the Steering Committee, who are not already governed by Commission confidentiality rules, signed Confidentiality Agreements with the Company in order to provide input on issues involving sensitive, confidential, or proprietary information.

The Company consulted with the DSM Advisory Group or DSM Steering Committee throughout 2012 on the follow matters:

#### January 24, 2012

- Home Energy Savings Program Changes

- FinAnswer Express Proposed Changes
- Cool Keeper Change in Marketing
- *wattsmart* Revised Spending Options

#### February 8, 2012

- Home Energy Report (HER) Update
- Irrigation Load Control Update
- FinAnswer Express Proposed Changes
- Office of Consumer Services 2011 Annual Report Recommendations

#### March 14, 2012

- Cool Keeper Program Update
- University of Utah Student Energy Ambassadors Program Update
- Year 4 Outreach and Communications Proposal
- Home Energy Savings Incentive Application Deadlines
- Treatment of Evaluation Costs at Segment Level Discussion
- Power Factor Correction

#### May 9, 2012

- DSM Evaluation Overview
- New Homes Program Proposed Changes
- University of Utah Student Energy Ambassadors Program Update

#### September 5, 2012

- Steering Committee Governance Review
- Special Contract Customers Update
- Future of A/C Load Control
- *wattsmart* Schools Program Update
- Self-Direction Program Update
- Annual Report Cost Effectiveness Tests Proposal
- DSM Cost Adjustment Balancing Account Review

#### November 2, 2012

- Irrigation Load Control Request for Proposal Update
- Cool Keeper Contract/Equipment Update
- New Homes Buying Guide Review
- Expenditures/Savings Forecast and DSM Balancing Account Updates
- Group to research Evaporative Cooling in this market
- Reporting Proposed Changes
  - Duel Cost Effectiveness Test requirements
  - Change Annual Report date to May 1.
  - Include Net and Gross savings in annual report
  - New Homes evaluation delay
- KSL gift program: Communication and Marketing

- Workload and Staffing Discussion
- Strategic Energy Management for Commercial and Industrial Customers

### Schedule 193 Balancing Account Summary

Energy efficiency and peak reduction activities are funded by revenue collected through Schedule 193 Expenditures and are charged as incurred. The DSM balancing account is the mechanism used for managing Schedule 193 revenues collected and tracking the offsetting DSM expenses incurred.

On January 13, 2012, the Company requested a decrease to Schedule 193 to align the Company's recovery of its costs associated with acquiring and administering cost effective conservation in its Utah service territory. The Commission approved a Settlement Stipulation in Docket 11-035-T14 providing for a reduction in the collection rate effective February 1, 2012. On May 1, 2012 the Company requested to refund the over collection balance of Schedule 193 as noted in Docket 11-035-T14 as a line item sur-credit on customers' bills for one year, beginning June 1, 2012.

The balancing account summary for 2012 is shown in Table 4 below.

**Table 4**  
**Schedule 193 Balancing Account Summary**

Accrual Based Accumulated Balance as of 12/31/2011					(4,905,616.16)		
AFUDC Rate - 7.83%							
	Monthly Program		Rate Recovery	Carrying Charge	Cash Basis	Accrual Based	Accumulated
	Costs - Fixed	Accrued			Accumulated	Accumulated	Balance Total
	Assets	Program Costs			Balance	Balance	Carrying Costs
January	2,035,553	743,677	(4,535,374)	(63,881)	(11,334,379)	(6,725,641.93)	4,507,675
February	3,193,738	(860,971)	(3,862,872)	(74,390)	(12,077,903)	(8,330,137.68)	4,433,285
March	2,149,971	505,170	(3,413,817)	(81,025)	(13,422,774)	(9,169,838.22)	4,352,260
April	3,154,287	(48,581)	(3,256,843)	(85,897)	(13,611,227)	(9,406,872.07)	4,266,363
May	3,051,085	(32,772)	(3,579,248)	(88,455)	(14,227,844)	(10,056,262.08)	4,177,908
June	3,856,812	91,098	(4,145,534)	(91,623)	(14,608,189)	(10,345,508.46)	4,086,285
July	2,807,664	528,550	(4,867,370)	(99,693)	(16,767,588)	(11,976,358.08)	3,986,592
August	3,068,279	3,016,070	(5,186,368)	(113,645)	(18,999,322)	(11,192,021.73)	3,872,947
September	4,293,492	182,812	(4,702,266)	(122,424)	(19,530,520)	(11,540,407.82)	3,750,523
October	4,884,267	642,119	(3,545,469)	(120,240)	(18,311,962)	(9,679,730.20)	3,630,283
November	8,022,527	(3,250,194)	(3,292,616)	(126,929)	(13,708,979)	(8,326,942.60)	3,503,354
December	4,369,420	(735,403)	(3,513,304)	(86,658)	(12,939,521)	(8,292,886.95)	3,416,696
2011 totals	44,887,095	781,573	(47,901,079)	(1,154,860)			

#### Column Explanations:

Monthly Program Costs – Fixed Assets: Monthly expenditures for all DSM program activities.

Accrued Program Costs: Program costs incurred during the period not yet posted.

Rate Recovery: Revenue collected through Schedule 193.

Carrying Charge: Monthly carrying charge based on “Cash Basis Accumulated Balance” of the account.

Cash Basis Accumulated Balance: Current balance of the account; a running total of account activities. A negative accumulative balance means cumulative revenue exceeds cumulative expenditures; positive accumulative balance means cumulative expenditures exceed cumulative revenue.

Accrual Based Accumulative Balance: Current balance of account including accrued costs.

AFUDC Rate: The carrying charge rate applied to the accumulated balance. AFUDC means Allowance for Funds Used During Construction.

## PLANNING PROCESS

### Integrated Resource Plan

The Company develops a biennial integrated resource plan (“IRP”) as a means of balancing cost, risk, uncertainty, supply reliability/deliverability and long-run public policy goals. The plan presents a framework of future actions to ensure the Company continues to provide reliable, reasonable-cost service with manageable risks to the Company’s customers. Energy efficiency and peak management opportunities are incorporated into the plan based on their availability, characteristics and costs.

Energy efficiency and peak management resources can be divided into four general classes based on their relative characteristics, the classes are:

- Class 1 DSM (Resources from fully dispatchable or scheduled firm capacity product offerings/programs) – Capacity savings occur as a result of active Company control or advanced scheduling. Once customers agree to participate, the timing and persistence of the load reduction is involuntary on their part within the agreed limits and parameters.
- Class 2 DSM (Resources from non-dispatchable, firm energy and capacity product offerings/programs) – Sustainable energy and related capacity savings are achieved through facilitation of technological advancements in equipment, appliances, lighting and structures or sustainable verifiable changes in operating and maintenance practices, also commonly referred to as energy efficiency resources.
- Class 3 DSM (Resources from price responsive energy and capacity product offerings/programs) – Short-duration energy and capacity savings from actions taken by customers voluntarily based on pricing incentives or signal.
- Class 4 DSM (Resources from energy efficiency education and non-incentive based voluntary curtailment programs/communications pleas) – Energy and/or capacity reduction typically achieved from voluntary actions taken by customers, to reduce costs or benefit the environment through education, communication and/or public pleas.

As technical support for the IRP, a third-party analysis is conducted to estimate the magnitude, timing and cost of alternative energy efficiency and peak management options.<sup>14</sup> The main focus of the study has been on resources with sufficient reliability characteristics that are anticipated to be technically feasible and assumed achievable during the IRP’s 20-year planning horizon. The estimated achievable energy efficiency potential identified in the 2011 study for Utah was 737 average megawatts or 18 percent of retail sales.<sup>15</sup> By definition this was the energy efficiency potential that may be achievable to acquire during the 20-year planning horizon if determined least cost and cost-effective compared to supply-side alternatives within the Company’s integrated resource planning process.

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<sup>14</sup>[www.pacificorp.com/content/dam/pacificorp/doc/Energy\\_Sources/Demand\\_Side\\_Management/DSM\\_VolumeI\\_2011\\_Study.pdf](http://www.pacificorp.com/content/dam/pacificorp/doc/Energy_Sources/Demand_Side_Management/DSM_VolumeI_2011_Study.pdf)

<sup>15</sup>Ibid.

The achievable technical potential by sector is shown in Table 5. The 2011 potential study indicates that 64 percent of the achievable technical potential for the Company, excluding Oregon<sup>16</sup>, is in Utah.<sup>17</sup>

**Table 5**  
**2011 Utah Energy Efficiency Achievable Technical Potential by Sector**

Sector	Average Megawatts in 2030	Percent of Retail Sales
Residential	355	30%
Commercial	258	15%
Industrial	119	11%
Irrigation	2	10%
Street Lighting	3	36%

Energy efficiency resources vary in their reliability, load reduction and persistence over time. Based on the significant number of measures identified in the potential study it is difficult to incorporate each measure as a stand-a-lone resource in the IRP. To address this issue, energy efficiency measures are bundled by their weighted-average load shape, lives and costs to reduce the number of combinations to a more manageable number.

The evaluation of energy efficiency resources within the IRP is also informed by state specific evaluation criteria. While all states generally use commonly accepted cost effectiveness tests, some states require variations in calculating or prioritizing the tests.

- Washington and Oregon utilize the total resource cost but allow for consideration of non-energy benefits and a 10 percent regional conservation credit in the determination of cost effectiveness.
- Utah utilizes the utility cost test as the primary determination of cost effectiveness.

The Company evaluates program implementation cost effectiveness (both prospectively and retrospectively) under a variation of five tests to identify the relative impact and/or value to customers and the Company (i.e. near-term rate impact, program value to participants, etc.).

Both the 2008 and 2011 Integrated Resource Plan preferred portfolios included the acquisition of energy efficiency resources. The action plan targets for the 2008 and 2011 Integrated Resource Plan updates<sup>18</sup> are shown in Table 6.

<sup>16</sup> Demand-side Management potential studies are performed by the Energy Trust of Oregon.

<sup>17</sup> Page 49, Table 52 of the Assessment of Long-term, System-Wide Potential for Demand-Side and Other Supplemental Resources.

<sup>18</sup> 2008 IRP update, March, 2010, and 2011 IRP LC 52 Revised IRP Action Plan, January, 2012.

Table 6  
Preferred Portfolio Energy Efficiency Targets

2008 Preferred Portfolio	Acquire 468 – 525 average megawatt hours of energy efficiency by 2018
2011 Preferred Portfolio	Acquire a minimum of 517 average megawatt hours of energy efficiency by 2020



## 2012 PERFORMANCE COMPARED TO FORECAST

In 2012, the Company forecasted Utah targets of 250,000 MWh/year of energy efficiency and 177 MW<sup>19</sup> of load under management. These targets were filed with the commission on November 1, 2011.<sup>20</sup> The Company achieved energy efficiency acquisitions of 236,248 MWh and realized load management reductions of 150 MW.

Table 7 - 2012 Program Performance Compared to Forecast

<b>Utah DSM 2012 Projected Savings</b>	<b>2012 Forecast (Gross - at Gen)</b>		<b>2012 Actual (Gross - at Gen)</b>	
	MWH	MW	MWH	MW
<b>Class 1 - Residential, Commercial, Industrial</b>				
A/C Load Control Prgm - Residential (Sch. 114)		125		115
Industrial Irrigation Load Control (Sch. 96 & 96A)		52		35
<b>Total Class 1</b>		177		150
<b>Class 2 - Residential Programs</b>				
Central Air Conditioning (Sch. 113)	2,500		2,786	
Low Income (Sch. 118)	1,200		919	
New Homes (Sch. 110)	6,000		3,241	
Refrig. Recycle (Sch. 117)	20,000		15,802	
Home Energy Efficiency Incentive Prgm (Sch. 111)	95,000		72,105	
Home Energy Reports	6,345		8,592	
	131,045		103,445	
<b>Class 2 - Commercial Programs</b>				
Energy FinAnswer (Sch. 125)	14,240		53,202	
Commercial Self-Direct (Sch. 192)	900		8,136	
Commercial FinAnswer Express (Sch. 115)	25,250		39,269	
Retrofit Commissioning Program (Sch. 126)	9,000		1,449	
	49,390		102,057	
<b>Class 2 - Industrial Programs</b>				
Industrial FinAnswer (Sch. 125)	55,060		16,165	
Industrial Self-Direct (Sch. 192)	12,100		8,500	
Industrial FinAnswer Express (Sch. 115)	8,750		6,081	
	75,910		30,746	-
<b>Total Class 2</b>	256,345	51	236,248	42

<sup>19</sup> Forecast realized load reduction associated with Cool Keeper and load under Irrigation management

<sup>20</sup> Refer to Docket No 10-035-57

## PEAK REDUCTION PROGRAMS

Peak Reduction programs assist the Company in balancing the timing of customer energy requirements during heavy use summer hours; deferring the need for higher cost investments in delivery infrastructure and generation resources that would otherwise be needed to serve those loads for a select few hours each year. These programs help the Company maximize the efficiency of the Company’s existing electrical system and reduce costs for all customers.

Programs targeting capacity related resources are often specific to end use loads most prevalent in a given jurisdiction, such as the agricultural pumping and space cooling loads in Utah. In 2012, the Company offered two irrigation load control program options (Schedule 96 pre-schedule program and Schedule 96A on-call or “dispatchable” program) that for the purpose of this report will be combined and evaluated as one program; and the air conditioner load management program (Schedule 114) for residential and small commercial customers.

The Peak Reduction Programs achieved a total of 150,399 kilowatt (“kW”) of realized load control (gross at generation) in 2012. Cost effectiveness results for the reporting period are provided in Table 8.

Table 8  
Long-term Cost Effectiveness for Load Control Portfolio<sup>21</sup>

	Benefit/Cost Ratio
Total Resource Cost Test plus 10 percent	Pass
Total Resource Cost Test	Pass
Utility Cost Test	Pass
Participant Cost Test	NA
Rate Payer Impact	Pass

### Irrigation Load Control

The *Irrigation Load Control* program was offered in 2012 to irrigation customers receiving electric service on Schedule 10, Irrigation and Soil Drainage Pumping Power Service. Participants allow the curtailment of their electricity usage in exchange for a participation credit. For most participants, their irrigation equipment is set up with a dispatchable two-way control system giving the Company control over their loads. Under this control option participants are provided a day-ahead notification in advance of control events and have the choice to opt-out of a limited number of dispatch events per season.

<sup>21</sup> Decrement values or avoided costs are considered confidential on load control programs. Cost effectiveness ratios and inputs will be available under a protective agreement. A “Pass” designation equates to a benefit to cost ratio of 1 or better.

A summary of the program performance, participation and cost effectiveness results for the reporting period are provided in Tables 9 and 10.

**Table 9**  
**Irrigation Load Control Program Performance**

Under Control (Gross – at Gen)	48 MW
Average Realized load (at Gen)	25 MW
Maximum Realized load (at Gen)	35 MW
Participation Customers	189
Participation (Sites)	547

**Table 10**  
**Long-term Cost Effectiveness for Irrigation Load Control**

	Benefit/Cost Ratio
Total Resource Cost Test plus 10 percent	Pass
Total Resource Cost Test	Pass
Utility Cost Test	Pass
Participant Cost Test	NA
Rate Payer Impact	Pass

### Program Management

The program manager is responsible for the *Irrigation Load Control* programs in Utah and Idaho. For each state the program manager is responsible for the cost effectiveness of the program, contracting with program administrator through a competitive bid process, establishing and monitoring program performance and compliance, and recommending changes in the terms and conditions set out in the tariff.

### Program Administration

The company utilized two contractors to administer the irrigation load control program - For the Brad R Hill (also known as Desert Electric) for field delivery services and M2M Communications for load control equipment and communications.

Brad R Hill and M2M Communications were responsible for the following program components:

- Installation and maintenance of load control devices
- Business Continuity – Ensure processes are in place and administered to ensure the continued operation of the irrigation load control program.
- Data System Management – Maintain the Credit Rider System for participant data, performance and credit issuance.
- Customer Services – Manage customer interface including the irrigation hotline and ensuring trained and knowledgeable staff was available to handle all customer service issues.

- Providing load control equipment.
- Providing a dispatch portal and communications network to facilitate the effective operation of the irrigation load control devices.

### Load Control Events and Performance

There were twelve control events initiated in 2012. The date, time and estimated impact for each event is provided in Table 11.

Table 11  
Irrigation Load Control Events

Date	Event	Event Times	Estimated Load Reduction - All Utah Irrigation at Site (MW)	Realization Rate <sup>22</sup>
6/21/2012	1	4pm-7pm	-28.1	64%
6/22/2012	2	4pm-7pm	-29.2	66%
6/25/2012	3	3pm-7pm	-33.4	76%
6/28/2012	4	3pm-7pm	-31.0	70%
7/2/2012	5	3pm-7pm	-31.7	72%
7/9/2012	6	3pm-7pm	-30.8	70%
7/10/2012	7	3pm-7pm	-28.3	64%
7/11/2012	8	3pm-7pm	-26.0	59%
7/20/2012	9	3pm-7pm	-22.5	51%
7/26/2012	10	3pm-7pm	-13.5	31%
7/27/2012	11	3pm-7pm	-13.9	32%
8/8/2012	12	3pm-7pm	-12.4	28%

### Evaluation

No evaluation activities occurred during 2012.

### **Cool Keeper**

The *Cool Keeper* program is an air conditioner direct load management program targeting residential and qualifying commercial customers (equipment size equal to or less than 7.5 tons) who cool their homes and businesses with electric central air conditioners and heat pumps. On select summer weekday afternoons, when electricity demand is at its highest, the *Cool Keeper* control equipment installed on a participating customer's cooling equipment is sent a signal to cycle the operation of the air conditioners compressor "off and on" for brief periods each hour in coordination with the air conditioners of other participating customers. For their participation,

<sup>22</sup> Realization Rate based on estimated potential of 44MW at site

customers receive an annual “thank you” bill credit of either \$20 or \$40 per air conditioner being controlled depending on the size of the air conditioner. Commercial customers have the option of receiving a programmable thermostat in lieu of the “thank you” bill credit as an incentive for their participation. Like the direct control unit or switch used to control equipment for the majority of the program, the programmable thermostat is capable of receiving remote signals used to initiate control events, but also has the added feature of doubling as an intelligent programmable thermostat customers may use to effectively manage their heating and cooling systems year around.

A summary of the program performance, participation and cost effectiveness results for the reporting period are provided in Tables 12 and 13 below.

Table 12  
Cool Keeper Program Performance

Maximum Realized (Gross – at Gen)	115 MW
Maximum Realized (At Site)	106 MW
Total Participation	114,079
Residential	113,454
Commercial	625

Table 13  
Long-term Cost Effectiveness for Cool Keeper

	Benefit/Cost Ratio
Total Resource Cost Test plus 10 percent	Pass
Total Resource Cost Test	Pass
Utility Cost Test	Pass
Participant Cost Test	NA
Rate Payer Impact	Pass

### Program Management

The program manager is responsible for the *Cool Keeper* Program in Utah. The program manager is also responsible for the *New Homes* program in Utah and the *Home Energy Reports* program in Utah and Washington. For each program and in each state the program manager is responsible for the cost effectiveness of the program, identifying and contracting with the program administrator through a competitive bid process, establishing and monitoring program performance and compliance, and recommending changes in the terms and conditions set out in each tariff or state’s compliance requirements.

### Program Administration

The *Cool Keeper* program is administered by Comverge, Inc. through a pay-for-performance agreement. Comverge delivers a portfolio of energy management solutions that enable utilities, grid operators, and commercial and industrial organizations to optimize their energy usage and demand. Comverge has deployed more than five and a half million energy management devices, recruited over one million residential customers into mass market demand response programs, and served thousands of commercial and industrial customers.

Comverge is responsible for the following:

- Installation and maintenance of load control devices and communication infrastructure.
- Business Continuity – Ensure processes are in place and administered to ensure the continued operation of the irrigation load control program.
- Data System Management – Maintain the load control management system for participant data, load reduction performance and reconciliation of annual performance.
- Providing a dispatch portal and communications network to facilitate the effective operation of the irrigation load control devices.
- Customer Services – Manage customer interface including the program hotline and ensuring trained and knowledgeable staff are available to handle all customer service issues. Customer recruitment to maintain adequate participation level.

The *Cool Keeper* program's load control equipment is owned by the program administrator. In 2012, the program actively controlled a total of 114,079 Comverge IntelliPeak 900 one-way load control switches and 774 Comverge Intellitemp one-way Communicating Thermostat.

The very high frequency ("VHF") one-way communicating system infrastructure is owned by Comverge. The Company licenses the rights to the Federal Communication Commission frequency.

Comverge owns and leases to the Company the IntelliSource load management software used to manage the system and implement load control events.

### Evaluation

In March 2012, a process evaluation was completed by a third party evaluator for program years 2009-2010. The process evaluation investigated participant satisfaction, implementation and delivery processes, marketing methods and quality assurance. The Company's response to the recommendations and web link to the evaluation report are included in Appendix 3.

In addition, a digital control unit (equipment) assessment was completed in November, 2012 by an independent third party evaluator who performed field inspections at participating customer sites. The assessment was later reconciled with the program administrator in 2013.

## ENERGY EFFICIENCY PROGRAMS

Energy Efficiency programs are offered to all major customer sectors: residential, commercial, industrial and agricultural. The overall energy efficiency portfolio included ten programs: *Cool Cash* – Schedule 113, *Home Energy Savings* – Schedule 111, *Residential Refrigerator Recycling* – Schedule 117, *New Homes* – Schedule 110, *Home Energy Reports*, *Low Income Weatherization* – Schedule 118, *FinAnswer Express* – Schedule 115, *Energy FinAnswer* – Schedule 125, *Re-commissioning* – Schedule 126 and *Self-Direction* – Schedule 192.

The cost effectiveness results of the Energy Efficiency Portfolio for the 2012 reporting period is provided in Table 14.

Table 14  
Long-term Cost Effectiveness for Energy Efficiency Portfolio

	Benefit/Cost Ratio	Net Benefits
Total Resource Cost Test plus 10 percent	2.20	\$74,347,392
Total Resource Cost Test	2.00	\$61,974,623
Utility Cost Test	3.14	\$84,275,102
Participant Cost Test	2.82	\$103,593,529
Rate Payer Impact	0.84	(\$23,748,224)

Table 15 provides a summary by program of the Gross and Net savings acquired in 2012 at site and at generation.

Table 15  
Energy Efficiency Gross and Net Savings<sup>23</sup>

Program	Gross kWh Savings at site	Net kWh Savings at site	Gross kWh Savings at gen	Net kWh Savings at gen
Cool Cash	2,548,964	2,080,535	2,786,476	2,274,399
Home Energy Savings	65,958,803	41,564,195	72,104,844	45,437,147
Refrigerator Recycling	14,455,078	11,281,109	15,802,002	12,332,283
New Homes	2,964,656	2,134,552	3,240,903	2,333,450
Home Energy Reports	7,859,888	7,859,888	8,592,272	8,592,272
Low Income	840,349	672,279	918,653	734,922
FinAnswer Express	41,859,968	28,293,335	45,350,612	30,647,064
Energy FinAnswer	64,210,998	54,194,132	69,367,207	58,545,976
Re-commissioning	1,333,095	1,097,404	1,449,234	1,193,010
Self Direction	15,514,585	13,362,712	16,635,984	14,328,573
Total	217,546,384	162,540,141	236,248,188	176,419,096

<sup>23</sup> Net savings include realization rates and NTG ratios.

## RESIDENTIAL PROGRAMS

The residential energy efficiency portfolio was comprised of six programs, *Cool Cash*, *Home Energy Savings*, *Residential Refrigerator Recycling*, *New Homes*, *Home Energy Reports*, and *Low Income Weatherization*. As shown in Table 16 below, the residential portfolio was cost effective based on four of the five standard cost effectiveness tests for the 2012 reporting period. The ratepayer impact test was less than 1.0 indicating that there is near term upward pressure placed on the price per kilowatt-hour given a reduction in sales.

Table 16  
Long-term Cost Effectiveness for Residential Portfolio

	Benefit/Cost Ratio	Net Benefits
Total Resource Test plus 10 percent	2.49	\$25,442,417
Total Resource Cost Test	2.26	\$21,574,851
Utility Cost Test	2.51	\$23,251,743
Participant Cost Test	4.33	\$46,918,604
Rate Payer Impact	0.74	(\$13,644,818)

### Cool Cash

The residential *Cool Cash* program provided incentives for the purchase, installation, and proper sizing of high-efficiency unitary electric and evaporative cooling equipment. Incentives are provided to both end use customers and installing contractors. The *Cool Cash* program was in operation as a standalone program since 2003. In 2012 the Company received approval to merge the *Cool Cash* program into the *Home Energy Savings* program. This is the last year *Cool Cash* activity will be reported as a standalone program. Program participation by measure is provided in Table 17.

Table 17  
Eligible Program Measures (Units)

Measures	2012 Total Units
Central Air Conditioner Best Practice Installation	1,191
Central Air Conditioner Equipment	1,352
Central Air Conditioner Proper Sizing	969
Evaporative Cooler - Permanently Installed	254
Evaporative Cooler - Premium	619
Evaporative Cooler - Premium Ducted	26
Evaporative Cooler - Replacement	482
Grand Total	4,893



Program performance results for the reporting period are provided in the Table 18 below.

Table 18  
Long-term Cost Effectiveness for Cool Cash<sup>24</sup>

	Benefit/Cost Ratio	Net Benefits
Total Resource Cost Test plus 10 percent	NA	\$4,029,036
Total Resource Cost Test	NA	\$3,712,510
Utility Cost Test	2.27	\$1,772,991
Participant Cost Test	NA	\$5,354,119
Rate Payer Impact	0.90	(\$362,166)

### Program Management

The program manager is responsible for the *Cool Cash* program in Utah and *Home Energy Savings* program and *Refrigerator Recycling* programs in Utah, California, Idaho, Washington, and Wyoming. For each program and in each state the program manager is responsible for the cost effectiveness of the program, identifying and contracting with the program administrator through a competitive bid process, establishing and monitoring program performance and compliance, and recommending changes in the terms and conditions set out in the tariff.

### Program Administration

The *Cool Cash* program is administered by PECI (formerly Portland Energy Conservation, Inc.). PECI was incorporated by the City of Portland, Oregon in 1979 to carry out private sector aspects of the Portland Energy Conservation Policy. In 1984 the Company was spun-off from the City of Portland, becoming a private, non-profit corporation. PECI has been designing and implementing energy efficiency programs since 1990.

PECI is responsible for the following:

- Dealer, retailer and trade ally engagement – PECI identifies, recruits, supports and assists HVAC dealers, retailers and trade allies to increase the sale of energy efficient evaporative coolers and air conditioners. HVAC trade allies engaged with the program are provided program materials, training and receive regular updates.
- Inspections – PECI recruits and hires inspectors to verify on an on-going basis the installation of measures. Summary of the inspection process is in Appendix 4.
- Incentive processing and call-center operations – PECI receives all requests for incentives, determines whether the applications are completed, works directly with customers when information is incorrect and/or missing from the application and processes the application for payment.
- Program specific customer communication and outreach – A summary of the communication and outreach conducted by PECI on behalf of the Company is outlined in the Communication, Outreach and Education section.

<sup>24</sup> The benefit/cost ratio for PTRC, TRC and PCT are NA due to a negative present value of costs.

## Infrastructure

Due to the lengthy history of the *Cool Cash* program, it has strong connections with HVAC trade allies and a large list of participating dealers and installers. See Appendix 5 for the list of participating dealers and installers.

## Evaluation

In February 2012, a process and impact evaluation was completed by a third party evaluator for program years 2009-2010. The impact evaluation provided data on the gross realized savings and the Net to Gross (“NTG”) ratio<sup>25</sup> used in reporting savings in this report. The process evaluation investigated participant satisfaction, implementation and delivery processes, marketing methods and quality assurance. The Company’s response to the recommendations and web link to the evaluation report are included in Appendix 3.

## Home Energy Savings

The *Home Energy Savings* program is designed to provide access to and incentives for more efficient products and services installed or received by customers in new or existing homes, multi-family housing units or manufactured homes. Program participation by measure is provided in Table 19.

Table 19  
Eligible Program Measures (Units)

Measures	Unit Measurement	2012 Total Units
Central Air Conditioner Best Practice Installation	Projects	1
Central Air Conditioner	Units	1
Central Air Conditioner Tune-up	Projects	3
Duct Sealing & Insulation	Projects	3,449
Gas Furnace with Electronically Commutated Motor	Units	2
Electric Water Heater	Units	29
Ceiling Fan	Units	275
Clothes Washer	Units	637
Dishwasher	Units	286
Light Fixture	Units	17,429
Refrigerator	Units	4,563
Room Air Conditioner	Units	539
Insulation-Attic	Sq Feet	10,422,529
Insulation-Combination Bonus	Sq Feet	114

<sup>25</sup> NTG is a factor representing net program savings divided by gross program savings that is applied to gross program impacts. This ratio is most often calculated as  $NTG = 1 - \text{freeridership rate} + \text{spillover rate}$ .

Insulation-Floor	Sq Feet	1,490
Insulation-Wall	Sq Feet	408,963
Windows	Sq Feet	278,607
Lighting	Bulbs	2,201,258
Grand Total		13,340,175

Program performance results for the reporting period are provided in Table 20 below.

**Table 20**  
**Cost Effectiveness for Home Energy Savings**

	Benefit/Cost Ratio	Net Benefits
Total Resource Cost Test plus 10 percent	2.21	\$16,343,349
Total Resource Cost Test	2.01	\$13,631,870
Utility Cost Test	2.79	\$17,386,573
Participant Cost Test	3.12	\$30,055,510
Rate Payer Impact	0.77	(\$8,119,305)

### Program Management

The program manager is responsible for the *Home Energy Savings* program and *Refrigerator Recycling* program in Utah, California, Idaho, Washington, and Wyoming, and *Cool Cash* program in Utah,. For each program and in each state the program manager is responsible for the cost effectiveness of the program, identifying and contracting with the program administrator through a competitive bid process, establishing and monitoring program performance and compliance, and recommending changes in the terms and conditions set out in the tariff.

### Program Administration

The *Home Energy Savings* program is administered by PECI (formerly Portland Energy Conservation Inc.). PECI was incorporated by the City of Portland, Oregon in 1979 to carry out private sector aspects of the Portland Energy Conservation Policy. In 1984 the Company was spun-off from the City of Portland, becoming a private, non-profit corporation. PECI has been designing and implementing energy efficiency programs since 1990.

PECI is responsible for the following:

- Retailer and trade ally engagement – PECI identifies, recruits, supports and assists retailers to increase the sale of energy efficient lighting, appliances and electronics. PECI enters into promotion agreements with each lighting manufacturer and retailer for the promotion of discounted compact fluorescent lights (“CFLs”). The agreements include specific retail locations, lighting products receiving incentives and not-to-exceed annual budgets. Weatherization and HVAC contractors engaged with the program are provided program materials, training and receive regular updates.

- Inspections – PEGI recruits and hires inspectors to verify on an on-going basis the installation of measures. Summary of the inspection process is in Appendix 4.
- Incentive processing and call-center operations – PEGI receives all requests for incentives, determines whether the applications are completed, works directly with customers when information is incorrect and/or missing from the application and processes the application for payment.
- Program specific customer communication and outreach – A summary of the communication and outreach conducted by PEGI on behalf of the Company is outlined in the Communication, Outreach and Education section.

### Infrastructure

The Company through its third party vendor is working with 250 retailers to promote CFLs and light-emitting diodes (“LEDs”). See Appendix 5 for the list of lighting, appliance, HVAC and weatherization retailers.

### Evaluation

In February 2012, a process and impact evaluation was completed by a third party evaluator for program years 2009-2010. The impact evaluation provided data on the gross realized savings and the NTG ratio. The process evaluation investigated participant satisfaction, implementation and delivery processes, marketing methods and quality assurance. The Company’s response to the recommendations and web link to the evaluation report are included in Appendix 3.

### **Refrigerator Recycling**

The *Refrigerator Recycling* (also known as “See ya later, refrigerator®”) program is designed to decrease electricity use through voluntary removal and recycling of inefficient refrigerators and freezers. Participants receive a \$30 incentive for each qualifying refrigerator or freezer recycled through the program and an energy-saving kit which includes two CFLs, a refrigerator thermometer card, energy-savings educational materials, and information on other efficiency programs relevant to residential customers. Program participation by measure is provided in Table 21.

**Table 21**  
**Eligible Program Measures (Units)**

Measures	2012 Total
Refrigerator Recycling	9,505
Freezer Recycling	2,286
Energy Savings Kit	11,269

Program performance results for the reporting period are provided in the Table 22.

Table 22  
Long-term Cost Effectiveness for Refrigerator Recycling

	Benefit/Cost Ratio	Net Benefits
Total Resource Cost Test plus 10 percent	4.96	\$4,594,041
Total Resource Cost Test	4.51	\$4,071,027
Utility Cost Test	3.31	\$3,652,050
Participant Cost Test <sup>26</sup>	NA	\$8,413,231
Rate Payer Impact	0.68	(\$2,522,271)

In 2012, more than 1.5 million pounds of metal, 235,820 pounds of plastics, 17.7 tons (35,373 pounds) of tempered glass and the capture, recovery or destruction of more than 16,285 pounds of ozone depleting Chlorofluorocarbons (greenhouse gases) and Hydro fluorocarbons, commonly used in refrigerants and blowing agents for polyurethane foam insulation. The Carbon Dioxide and Equivalent carbon dioxide avoided from the atmosphere was in excess of 49,000 metric tons.

#### Program Management

The program manager is responsible for the *Refrigerator Recycling* program and *Home Energy Savings* program in Utah, California, Idaho, Washington, and Wyoming, and for the *Cool Cash* program in Utah. For each program and in each state the program manager is responsible for the cost effectiveness of the program, identifying and contracting with the program administrator through a competitive bid process, establishing and monitoring program performance and compliance, and recommending changes in the terms and conditions set out in the tariff.

#### Program Administration

The *Refrigerator Recycling* program is administered by JACO Environmental (“JACO”). JACO started over twenty years ago in Snohomish County, north of Seattle, Washington, JACO has grown to become one of the largest recyclers of house-hold appliances in the United States. The Company contracts with JACO to provide customer scheduling, pick-up, incentive processing and marketing services,

JACO also ensures that over 95 percent of the components and materials of the discarded appliance are either recycled for beneficial uses or eliminated in an environmentally responsible way. The remaining 5 percent can then be productively used as “fluff” to facilitate the decomposition of biodegradable landfill material.

JACO Environmental is responsible for the following:

<sup>26</sup> Participants in program incur no costs.

- Customer and field services – JACO handles all customer and field service operations for the program. Pick-up of refrigerators and freezers from customers and transporting the units to the de-manufacturing facility is done by JACO.
- Incentive processing and call-center operations – All customer service calls, pick-up scheduling and incentive processing are handled by JACO.
- Program specific customer communication and outreach – Working in close coordination with the Company, JACO handles all the marketing for the program. The program is marketed through bill inserts, customer newsletters and TV, newspaper and online advertising.

Independent third party contract inspectors are employed by the Company to ensure JACO's performance. The summary of the inspection process is included in Appendix 4.

### Infrastructure

Refrigerators and freezers are collected from residential customers and trucked to JACO facility in Salt Lake City, Utah for disassembly and recycling.

### Evaluation

In February 2012, a process and impact evaluation was completed by a third party evaluator for program years 2009-2010. The impact evaluation provided data on the gross realized savings and the NTG ratio. The process evaluation investigated participant satisfaction, implementation and delivery processes, marketing methods and quality assurance. The Company's response to the recommendations and web link to the evaluation report are included in Appendix 3.

### New Homes

The *New Homes* program provides incentives for new homes and multi-family units meeting the specific energy efficiency requirements as outlined in the program's tariff. The New Homes program has shown success in helping improve building practices in the state of Utah. To be eligible for program incentives, a home must have installed qualifying stand-alone measures, or a residence must meet the minimum standards and certifications set by the program, such as a certification of ENERGY STAR.

The Company completed significant modifications to the *New Homes* program in 2011 and 2012 based on the latest version of Federal ENERGY STAR requirements in an effort to maintain savings and program cost effectiveness. Based on builder surveys it was expected that stricter ENERGY STAR qualification requirements would significantly lower the participation in the program. As a result, the Company assessed the cost and savings of measures beyond ENERGY STAR's certification, specifically stand-alone measures that made up the definition of an ENERGY STAR new home. The program promoted a portfolio of above-code, stand-alone, and whole-home measures. The new program offerings became effective in July 2012.

Program participation results for 2012 are provided in Table 23.

Table 23  
New Homes Program Participation

New Homes Measure Participation	Units
15 SEER / 12 EER / TXV SF	14
2X6 R-20 Walls MF	85
2X6 R-20 Walls SF	281
80% E* lighting < 2000 SF	63
80% E* lighting < 850 MF	9
80% E* lighting > 1500 MF	9
80% E* lighting > 3500 SF	133
80% E* lighting 2000 to 3500 SF	262
80% E* lighting 850 to 1500 MF	67
Dishwahr EF 0.75+ MF	128
Dishwahr EF 0.75+ SF	419
ENERGY STAR V3 - Whole Home Option MF	58
ESTAR 2.5 SF	36
ESTAR 3.0 SF	121
GSHP E* 17 EEF 3.6 COP SF	2
High Performance ESTAR v3 SF	1
HVAC-QI Rater cert MF	58
HVAC-QI Rater cert SF	125
HVAC-QI Rater cert w ECM SF	11
IECC 2009 Builder cert SF	256
IECC 2009 Rater cert MF	93
IECC 2009 Rater cert SF	3
Refrigerator 10%> Energy Star MF	22
Refrigerator 10%> Energy Star SF	11
Measures Pre-Tariff Change	
New Homes	992
AC	336
Lighting	8,298
Appliance	404
Total	12,297

Program performance results for 2012 using two different cost scenarios are provided in Tables 24 and 25.

Table 24  
Long-term Cost Effectiveness for New Homes Scenario 1<sup>27</sup>

	Benefit/Cost Ratio	Net Benefits
Total Resource Cost Test plus 10percent	0.97	(\$81,452)
Total Resource Cost Test	0.88	(\$282,961)
Utility Cost Test	1.00	(\$2,007)
Participant Cost Test	2.21	\$1,573,359
Rate Payer Impact	0.54	(\$1,693,793)

Table 25  
Long-term Cost Effectiveness for New Homes Scenario 2<sup>28</sup>

	Benefit/Cost Ratio	Net Benefits
Total Resource Cost Test plus 10 percent	1.09	\$175,690
Total Resource Cost Test	0.99	(\$25,548)
Utility Cost Test	1.15	\$255,136
Participant Cost Test	2.21	\$1,573,359
Rate Payer Impact	0.58	(\$1,436,651)

### Program Management

The program manager is responsible for the *New Homes* program is also responsible for Utah's *Cool Keeper* program and the *Home Energy Reports* program in Utah and Washington. For each program and in each state the program manager is responsible for the cost effectiveness of the program, identifying and contracting with the program administrator through a competitive bid process, establishing and monitoring program performance and compliance, and recommending changes in the terms and conditions set in each state's compliance requirements.

### Program Administration

The *New Homes* program is administered by Nexant, Inc. ("Nexant"). Nexant services include design, implementation and evaluation of commercial, industrial, and residential energy efficiency program in the United States. The Company contracts with Nexant to provide coordination and application processing services for *New Homes* program.

<sup>27</sup> Scenario 1 – 2012 expenditures including design allocation portion from 2011 and design and evaluation costs from 2012.

<sup>28</sup> Scenario 2 – 2012 expenditures excluding design allocation portion from 2011 and design and evaluation costs from 2012.



Specifically, Nexant is responsible for the following:

- Builder and trade ally engagement – Identifies, recruits, supports and assists builders and their sub-contractors to increase energy efficiency standards in new residential contractions
- Incentive processing and administrative support – Handles incoming inquiries as assigned, processes incentive applications, provide program design services, evaluation and regulatory support upon request.
- Inspections – Verifies on an on-going basis the installation of measures. Summary of the inspection process is in Appendix 4.
- Program specific customer communication and outreach

### Infrastructure

The program had 81 builders under agreement in 2012, of which 40 submitted incentive applications during the year. In addition, the program provided training sessions and promotional support including:

- Builder and rater trainings - the Park City Show Case of Homes, National ENERGY STAR sponsored events, building envelope and HVAC training, and quarterly training sessions for raters
- Co-operative advertising sponsorship
- Participation in building code workshops

### Evaluation

In April 2012, a process and impact evaluation was completed by a third party evaluator for program years 2009-2010. The impact evaluation provided data on the gross realized savings and the NTG ratio. The process evaluation investigated participant satisfaction, implementation and delivery processes, marketing methods and quality assurance. The Company's response to the recommendations and web link to the evaluation report are included in Appendix 3.

### **Home Energy Reports**

The *Home Energy Reports* pilot is designed to better inform residential customers about their energy usage by providing comparative energy usage data for similar homes located in the same geographical area. In addition, the report provides the customer with information on how to decrease their energy usage. Equipped with this information, customers can modify behavior and/or make structural equipment, lighting or appliance changes to reduce their overall electric energy consumption.

Starting in August 2012, customers received a monthly *Home Energy Report* for the first three months. After the initial three month period reports were provided bi-monthly Customers may

opt-out of the mailed paper copy of the report and request an electronic version delivered via email. Participating customers also have access to a Web portal containing the same information about their usage and past usage. The Web portal has other functions such as a home energy audit tool and suggestions to improve energy conservation and efficiency of their home.

Reported program savings are included below in Table 26. The long-term cost effectiveness of the *Home Energy Reports* program is detailed in Table 27.

Table 26  
Reported 2012 Program Savings (kWh at site)

Month	July	August	September	October	November	December	Total
Savings (kWh)	158,542	328,458	1,680,101	1,965,573	1,615,457	2,111,757	7,859,888

Table 27  
Long-term Cost Effectiveness for Home Energy Reports

	Benefit/Cost Ratio	Net Benefits
Total Resource Test plus 10 percent	1.26	\$137,080
Total Resource Cost Test	1.14	\$76,063
Utility Cost Test	1.14	\$76,063
Participant Cost Test	NA <sup>29</sup>	\$784,417
Rate Payer Impact	0.46	(\$708,353)

### Program Management

The program manager is responsible for the *Home Energy Reports* programs in Utah and Washington as well as the *New Homes* and *Cool Keeper* programs in Utah. For each program and in each state the program manager is responsible for the cost effectiveness of the program, identifying and contracting with the program administrator through a competitive bid process, establishing and monitoring program performance and compliance, and recommending changes in the terms and conditions set in each state's compliance requirements.

### Program Administration

The *Home Energy Reports* program is administered by Opower. Opower is a privately held Software-as-a-Service company that partners with utility providers around the world to promote energy efficiency. Opower works with more than 75 utility companies in 31 US states and five other countries. Opower's software creates individualized energy reports for utility customers that analyze their energy usage and offers recommendations on how to save energy and money by making small changes to their energy consumption. The Company contracts with Opower to provide, guaranteed energy savings, software services, and printing and delivery of energy reports to customers.

<sup>29</sup> There are no costs to participants.

Opower is responsible for the following:

- Selecting Qualifying Customers – Opower conducts an analysis to identify qualifying customers that are randomly selected into the treatment and control groups (verified by a third party).
- Customer Comparison Analysis– Opower conducts statistical analysis to perform pattern recognition in order to derive actionable insights to selected customers.
- Energy Report Delivery – Provide statistical analysis to customers via Home Energy Assessment report via mail hardcopy and email (to limited customers.)
- Web Portal Delivery – Opower operates and maintains a customer Web portal that participants may visit for additional information about their energy usage and saving opportunities.
- Delivery of guaranteed (minimum level) of verifiable program savings.

### Evaluation

A third party contractor will evaluate Opower’s reported savings at 18-months (February 2014) and at 36-months (December 2015.)

### **Low Income Weatherization**

The *Low Income Weatherization* program provides energy efficiency services through a partnership with the Utah Department of Workforce Services, Housing and Community Development Division (“HCD”) to income-eligible households. Services are at no cost to the program participants.

In 2012, there were 963 homes served. The measures installed through *the Low Income Weatherization* program are limited to those that reduce electricity use in a participant’s homes. Total homes served and number of specific measures in 2012 is provided in Table 28.

Table 28  
Total Homes Served and Measure Counts

Participation – Total number of Homes Served	963
Duct Insulation	8
Furnace Fans	207
Compact Fluorescent Light Bulbs	15,467
Refrigerator Testing	665
Refrigerator Replacements	329
Energy Education	2

Program performance results for the reporting period are provided in Table 29.

Table 29  
Long-term Cost Effectiveness for Low Income

	Benefit/Cost Ratio	Net Benefits
Total Resource Test plus 10 percent	3.38	\$420,363
Total Resource Cost Test	3.07	\$366,073
Utility Cost Test	3.07	\$366,073
Participant Cost Test	NA	\$737,968
Rate Payer Impact	0.69	(\$238,929)

### Program Management

The program manager is responsible for the *Low Income Weatherization* program in Utah, California, Idaho, Washington and Wyoming; energy assistance programs in Utah, California, Idaho, Oregon, Washington and Wyoming; and bill discount programs in Utah, California and Washington. The program manager is responsible for the cost effectiveness of the weatherization program in each state, partnerships and agreements in place with agencies that serve income eligible households, establishing and monitoring program performance and compliance, and recommending changes in the terms and conditions set out in the agency contracts and state specific tariffs.

### Program Administration

The Company currently has a contract in place with HCD to provide services through the *Low Income Weatherization* program. This state agency receives federal funds and subcontracts with 8 non-profit agencies that install energy efficiency measures in the homes of income eligible households throughout Rocky Mountain Power's service area. Company funding of 50 percent of the cost of approved measures is leveraged by HCD with the federal funding they receive, allowing more homes to be served each year.

By contract with the Company, HCD and their subcontracting local agencies are responsible for the following:

- Income Verification – The local agencies determine participants are income eligible based on HCD guidelines. Household's interested in obtaining weatherization services apply through the agencies. The current income guidelines are included in Appendix 6.
- Energy Audit – Agencies use a United States Department of Energy approved audit tool to determine the cost effective measures to install in the participant's homes (audit results must indicate a savings to investment ratio of 1.0 or greater).
- Installation of Measures – Agencies install the energy efficiency measures.
- Post Inspections – Agencies inspect 100 percent of completed homes. HCD also inspects a random sample of homes. See Appendix 4 for verification summary.

- Billing Notification – HCD is required to submit a billing to Company within 60 days after job completion. They include a form indicating the measures installed and associated cost on each completed home along with their invoice.

### Evaluation

No evaluation activities occurred during 2012.

## COMMERCIAL AND INDUSTRIAL PROGRAMS

The commercial and industrial energy efficiency portfolio is comprised of four programs; *FinAnswer Express*, *Energy FinAnswer*, *Re-commissioning* and *Self Direction*. The commercial and industrial portfolio was cost effective based on four of the five standard cost effectiveness tests for the 2012 reporting period, as provided in Table 30 below.

Table 30  
Long-term Cost Effectiveness for Commercial and Industrial Portfolio

	Benefit/Cost Ratio	Net Benefits
Total Resource Test plus 10 percent	2.19	\$50,760,913
Total Resource Cost Test	1.99	\$42,255,710
Utility Cost Test	3.84	\$62,879,298
Participant Cost Test	2.32	\$56,674,925
Rate Payer Impact	0.91	(\$8,247,468)

### FinAnswer Express

The *FinAnswer Express* program is designed to assist commercial, industrial, and agricultural customers improve the efficiency of their new or replacement lighting, HVAC, motors, irrigation, building envelope, and other equipment by providing prescriptive or pre-defined incentives for the most common efficiency measures listed in the program incentive tables.<sup>30</sup> The program also includes custom incentives and technical analysis services for measures not listed in the program incentive tables that improve electric energy efficiency. The program provides incentives for both new construction and retrofit projects, and is designed to operate in conjunction with the Energy FinAnswer program. Program participation by measure group is provided in Table 31.

Table 31  
Installed Program Measures (applications)

Measure Groups	2012 Total
Building Shell	16
Compressed Air	1
Controls	0
Dairy Farm Equipment	1
Food Service	28
HVAC	121
Irrigation	11
Lighting	1,071
Motors	27
Office	1
Program Totals	1,277

<sup>30</sup> Incentive tables can be found online at <http://www.rockymountainpower.net/bus/se/epi/utah/ilc/fx.html> for retrofits and <http://www.rockymountainpower.net/bus/se/epi/utah/nfmr/fe.html> for new construction/major renovation.

Program savings by measure group is provided in Table 32.

**Table 32**  
**Installed Program Measures (gross kWh/year at site)**

Measure Groups	2012 Total
Building Shell	431,154
Compressed Air	44,806
Controls	1,400
Dairy Farm Equipment	12,180
Food Service	211,049
HVAC	4,783,975
Irrigation	225,337
Lighting	35,870,410
Motors	278,857
Office	800
Program Totals	41,859,968

Program performance results for 2012 are provided in Table 33 below.

**Table 33**  
**Long-term Cost Effectiveness for FinAnswer Express**

	Benefit/Cost Ratio	Net Benefits
Total Resource Test plus 10 percent	1.66	\$11,552,690
Total Resource Cost Test	1.51	\$8,913,609
Utility Cost Test	3.42	\$18,679,131
Participant Cost Test	1.79	\$14,033,331
Rate Payer Impact	0.90	(\$3,083,159)

### Program Management

The program manager is responsible for the *FinAnswer Express* program in Utah, California, Idaho, Washington, and Wyoming and the *Agricultural Energy Services* program in Idaho. For each state the program manager is responsible for the cost effectiveness of the program, identifying and contracting with the program administrators through a competitive bid process, program marketing, establishing and monitoring program performance and compliance, and recommending changes in the terms and conditions of the program.

### Program Administration

The program is primarily marketed through local trade allies who receive support from one of two program administrators. The Company contracts with Nexant, Inc. (“Nexant”) and Cascade Energy (“Cascade”) for trade ally coordination, training and application processing services for commercial measures and industrial/agricultural measures respectively.

Nexant services include design, implementation, and evaluation of commercial, industrial, and residential energy efficiency programs in the United States. The Company contracts with Nexant to provide trade ally coordination and application processing services for the commercial measures in the *FinAnswer Express* program.

Cascade is an industrial energy efficiency consulting firm providing both retrofit and new construction capital studies; tune-ups and retro-commissioning; utility demand-side management program design and administration; research and development; and energy management services. The Company contracts with Cascade Energy to provide trade ally coordination and application processing services for the industrial and agricultural measures in the *FinAnswer Express* program.

Nexant and Cascade are responsible for the following:

- Trade ally engagement – Nexant and Cascade identify, recruit, train, support and assist trade allies to increase sales and installation of energy efficient equipment at qualifying business customer facilities.
- Incentive processing and administrative support – Nexant and Cascade handle incoming inquiries as assigned, process incentive applications, develop and maintain simplified analysis tools and provide program design services, evaluation and regulatory support upon request.
- Inspections – Nexant and Cascade verify on an on-going basis the installation of measures. Summary of the inspection process is in Appendix 4.

In addition, in a limited number of projects the Company's project managers coordinate *FinAnswer Express* projects.

### Infrastructure

To help increase and improve the supplier and installation contractor infrastructure for energy-efficient equipment and services, the Company established and developed trade ally networks for lighting, HVAC, motors and irrigation. This work includes identifying and recruiting trade allies, providing program and technical training and providing sales support on an ongoing basis. The current lists of the trade allies who have applied and been approved as participating vendors are posted on the Company website and is included as Appendix 7 to this report. Customers are not required to select a vendor from these lists to receive an incentive.



The total number of participating trade allies is currently 269. The current counts of participating trade allies by technology are in the Table 34.

Table 34  
Participating Trade Allies<sup>31</sup>

	Lighting trade allies	HVAC trade allies	Motors and VFD trade allies
List dated 4/3/2013	171	101	124

### Evaluation

As of the end of 2012, a process and impact evaluation for program years 2009-2011 was underway by a third party evaluator.

### **Energy FinAnswer**

The *Energy FinAnswer* program is offered to all non-residential new construction, retrofit commercial (buildings 20,000 square feet and larger) and industrial customers. The program is designed to target comprehensive projects requiring project specific energy savings analysis and operates in concert with the more streamlined FinAnswer Express program. The program provides Company-funded energy engineering, incentives of \$0.12 per kilowatt hour (“kWh”) for first year energy savings and \$50 per kW of average monthly demand savings, up to a cap of 50 percent of the approved project cost. In addition to customer incentives, the program provides design team honorariums (a finder fee for new construction projects) and design team incentives for new construction projects exceeding International Energy Conservation Code (“IECC”) 2009 energy code by at least 10 percent.

Projects completed in 2012 are provided in Table 35.

Table 35  
Projects Completed

	2012 Total
Energy FinAnswer Commercial	41
Energy FinAnswer Industrial	40
Total Projects Completed	81

Program savings by measure group is provided in Table 36.

<sup>31</sup> Some trade allies may participate in more than one technology so the count of unique participating firms is less than the total count provide above.

Table 36  
Installed Program Measures (gross kWh/year at site)

Measure Groups	2012 Totals
Additional Measure	2,751,127
Building Shell	1,205,089
Compressed Air	18,596,394
Controls	112,722
Hot Water	65,283
HVAC	23,777,838
Irrigation	59,202
Lighting	6,605,034
Motors	6,774,905
Refrigeration	4,263,404
Program Totals	64,210,998

Program performance results for the reporting period are provided in Table 37 below.

Table 37  
Long-term Cost Effectiveness for Energy FinAnswer

	Benefit/Cost Ratio	Net Benefits
Total Resource Test plus 10 percent	2.54	\$31,333,285
Total Resource Cost Test	2.31	\$26,637,230
Utility Cost Test	4.77	\$37,112,941
Participant Cost Test	2.62	\$33,179,160
Rate Payer Impact	0.94	(\$3,190,048)

### Program Management

The program manager is responsible for the *Energy FinAnswer* program in Utah, California, Idaho, Washington and Wyoming; the *Self-Direction* program in Utah and Wyoming; and the *Commercial & Industrial Re-Commissioning* program in Utah. The Company employs four full-time project managers<sup>32</sup> in support of the program manager.

The *Energy FinAnswer* program is administered by the Company. Consequently, the program manager is responsible for the following:

- Program cost effectiveness and performance
- Ensuring the program is operated in compliance with commission tariffs and Company guidelines including but not limited to qualification of customers

<sup>32</sup> Based on the volume of projects, temporary project managers and/or support staff are employed from time-to-time.

- Customer communication and outreach
- Monitoring code and standard changes
- Qualification of materials and equipment
- Engineering analysis of customer opportunities
- Quality control and assurance
- Customer service, including the delivery of services and incentive
- Verification of installation and savings<sup>33</sup>

### Infrastructure

Given the diversity of the commercial and industrial customers served by the Company, a pre-approved, pre-contracted group of engineering firms are used to perform energy efficiency analysis, quality assurance and verification. Individual projects are directly managed by one of the Company's project managers. The project manager works directly with the customer or through the appropriate community and customer account manager located in Utah. Table 38 lists the engineering firms currently under contract with the Company.

Table 38  
Engineering Firms

Engineering Firm	Main Office Location
Abacus Resource Management Company	Beaverton, OR
BacGen Technologies	Seattle, WA
Brendle Group	Fort Collins, CO
Cascade Energy	Cedar Hills, UT
Compression Engineering Corp	Salt Lake City, UT
Eaton – EMC Engineers	Salt Lake City, UT
EMP2 Inc	Richland, WA
ETC Group	Salt Lake City, UT
Evergreen Consulting Group	Beaverton, OR
Fazio Engineering	Milton-Freewater, OR
Glumac	Portland, OR
Group 14 Engineering	Denver, CO
GSBS Architects	Salt Lake City, UT
Interface Engineering	Portland, OR
kW Engineering Inc	Oakland, CA
PAE Consulting Engineers Inc	Portland, OR
Nexant Inc	Salt Lake City, UT
PCD Engineering Services Inc	Longmont, CO
QEI Energy Management Inc	Beaverton, OR
RHT Energy Solutions	Medford, OR
RM Energy Consulting	Pleasant Grove, UT
SBW Consulting Inc	Bellevue, WA
Sharpe Energy Solutions Inc	Ashland, OR
Solarc Architecture & Engineering Inc	Eugene, OR
Van Boerum & Frank Associates	Salt Lake City, UT

<sup>33</sup> Summary of inspection process is in Appendix 4.

## Evaluation

As of the end of 2012, a process and impact evaluation for program years 2009-2011 was underway by a third party evaluator.

## **Re-Commissioning**

The *Re-Commissioning* program is designed to help owners target electric savings that can be achieved through a systematic tune-up of existing equipment (i.e., measures that deliver savings through no or low-cost improvements). The focus is on restoring building operations to their original design intent or better. The program trains and utilizes Re-Commissioning Service Providers to assist customers with their projects.

To maintain program cost-effectiveness, qualifying projects are screened based on electrical usage, building size, type and function, the existing capabilities of building control systems, and the owner's commitment to implement the operational efficiencies identified. If the owner does not implement the operational efficiencies identified through the collaborative process, repayment of some or all of the direct costs of the re-Commissioning analysis may be required.

Program participation and savings for 2012 are provided in Tables 39 and 40 below.

**Table 39**  
**Projects Completed**

	2012 Total
Re-Commissioning Commercial	5
Re-Commissioning Industrial	0
<b>Total Projects Completed</b>	<b>5</b>

**Table 40**  
**Installed Program Measures (gross kWh/year at site)**

Measure Groups	Applications	kWh Savings
HVAC	5	1,333,095
<b>Program Totals</b>	<b>5</b>	<b>1,333,095</b>

Program performance results for the reporting period are provided in Table 41.

**Table 41**  
**Long-term Cost Effectiveness for Re-Commissioning**

	Benefit/Cost Ratio	Net Benefits
Total Resource Test plus 10 percent	1.70	\$338,222
Total Resource Cost Test	1.54	\$263,292

Utility Cost Test	1.66	\$297,375
Participant Cost Test	11.35	\$575,564
Rate Payer Impact	0.77	(\$222,202)

### Program Management

The program manager is responsible for the *Commercial & Industrial Re-Commissioning* program in Utah; *Energy FinAnswer* program in Idaho, California, Utah, Washington, and Wyoming; and the *Self-Direction Credit* program in Utah and Wyoming. The Company employs four full-time project managers<sup>34</sup> in support of the program manager.

*Re-Commissioning* program is administered by the Company. Consequently, the program manager is responsible for the following:

- Program cost effectiveness and performance
- Ensuring the program is operated in compliance with commission tariffs and Company guidelines including but not limited to qualification of customers
- Customer communication and outreach
- Engineering analysis of customer opportunities
- Quality control and assurance
- Customer service, including the delivery of services and incentive
- Verification of savings<sup>35</sup>

### Infrastructure

Individual projects are directly managed by one of the Company's project managers. The project manager works directly with the customer or through the appropriate community and customer account manager located in Utah. Given the diversity of the commercial and industrial customers served by the Company, a pre-approved, pre-contracted group of engineering firms are also used to perform facility specific energy efficiency analysis, quality assurance and verification. Please refer to Table 38 for the list of engineering firms currently under contract.

### Evaluation

As of the end of 2012, a process and impact evaluation for program years 2009-2011 was underway by a third party evaluator.

<sup>34</sup> Based on the volume of projects, temporary project managers and/or support staff are employed from time-to-time

<sup>35</sup> Summary of inspection process is in Appendix 4.

## Self Direction Credit

The *Self Direction Credit* program is available to Utah business customers who meet minimum usage requirements of 5,000,000 kWh per year or have a peak load of at least 1,000 kW in the prior 12 months. Customers are responsible for providing the energy engineering work necessary to document the energy savings of proposed projects<sup>36</sup>. This program is designed to provide another option for business customers who have projects similar to those qualifying for incentives from the Energy FinAnswer or FinAnswer Express programs. Incentives are provided in the form of credits used to offset the DSM Cost Adjustment surcharge on the monthly bill and are available for both new construction and retrofit projects.

Program participation and savings for 2012 are provided in Tables 42 and 43 below.

Table 42  
Projects Completed

	2012 Total
Self-Direction Commercial	13
Self-Direction Industrial	20
<b>Total Projects Completed</b>	<b>33</b>

Table 43  
Installed Program Measures (gross kWh/year at site)

Measure Groups	2012 Total	2012 Totals
	Applications	kWh Savings
Controls	2	476,430
HVAC	4	1,238,337
Lighting	24	9,793,995
Motors	3	4,005,823
<b>Program Totals</b>	<b>33</b>	<b>15,514,585</b>

Program performance results for the reporting period are provided in Table 44.

Table 44  
Long-term Cost Effectiveness for Self Direction Credit

	Benefit/Cost Ratio	Net Benefits
Total Resource Test plus 10 percent	2.67	\$7,536,715
Total Resource Cost Test	2.43	\$6,441,579
Utility Cost Test	2.63	\$6,789,850
Participant Cost Test	2.98	\$8,886,869
Rate Payer Impact	0.86	(1,752,058)

<sup>36</sup> Customers can elect to purchase engineering analysis completed under the *Energy FinAnswer* program.

The Self Direction Administrator report for 2012 is attached as Appendix 10.

### Program Management

The program manager is responsible for the *Self Direction Credit* program in Utah and Wyoming; the *Energy FinAnswer* program in Utah, California, Idaho, Washington and Wyoming; and the *Commercial & Industrial Re-Commissioning* program in Utah. Program manager is responsible for the cost effectiveness of the program, identifying and contracting with the program administrator through a competitive bid process, establishing and monitoring program performance and compliance, and recommending changes in the terms and conditions set out in the tariff.

### Program Administration

The *Self Direction Credit* program is administered by Nexant<sup>37</sup>. Nexant is responsible for the following:

- Tracking and administration of customer credits
- Monitoring code and standard changes
- Qualification of materials and equipment
- Verification and qualification of engineering analysis and eligible measure costs
- Quality control and assurance
- Verification of installation and savings – summary of the inspection process is included in Appendix 4
- Customer communication and outreach

### Evaluation

As of the end of 2012, a process and impact evaluation for program years 2009-2011 was underway by a third party evaluator.

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<sup>37</sup> See *FinAnswer Express* Program Administration section on page 72.

## COMMUNICATIONS, OUTREACH AND EDUCATION

The Company utilizes earned media, customer communications, outreach, paid media and program specific media in an effort to communicate the value of energy efficiency, provide information regarding low-cost, no-cost energy efficiency measures and to educate customers on the availability of technical assistance, services and incentives. The overall goal is to engage customers in reducing their energy usage through behavioral changes as well as changes in equipment, appliances and structures.

### Earned Media

Earned media is managed by the Company's external communications department in cooperation with the customer and community managers located in Utah. "Earned media" generally refers to favorable television, radio, newspaper or internet news coverage gained through press releases, media events, opinion pieces, story pitches or other communication with news editors and reporters. A list of the news stories, date of publication or airing, media outlet and web links (where available) is included in Appendix 8.

### Customer Communications

As part of the Company's regular communications to our customers, support materials and newsletters across all customer classes, and the Company's website promote energy efficiency initiatives and case studies on a regular basis. Introduced in spring of 2012 and continuing twice a year, the Company added the *wattsup* newsletter for all residential customers. This bill insert provided information about wattsmart energy efficiency programs and incentives prior to seasonal changes. Inserts describing specific energy efficiency programs and incentives and outer envelopes featuring energy efficiency messages and programs have also been used on a consistent basis.

The Company also utilizes social media, such as Twitter and Facebook to communicate and engage customers on DSM offers and incentives. The Company continues to build a "fan" base by providing at least three tips and program messages each week. As of December 2012, there were more than 1,500 Twitter followers in Utah who receive weekly tweets about energy efficiency.

### *wattsmart* Campaign

#### Paid Media

Communication efforts for 2012 provided residential and business customers with comprehensive information related to the Company's energy efficiency and peak reduction programs; summer cooling including Cool Keeper, low-cost, no-cost approaches to reducing electric consumption, and incentives for making changes; and to provide residential customers information on the Company's summer tiered rate structure.

The audiences for communications were prioritized as follows:



- *PRIMARY*: Residential households in Utah’s service area
- *SECONDARY*: Early adopters and public decision makers
- *TERTIARY*: Small and large businesses

Various communication channels were utilized to optimize effectiveness, frequency and coverage; and to build on the messages. Table 45 outlines the value provided by each communication channel.

Table 45  
Communication Channels

Communication Channel	Value to Communication Portfolio	Placement
Television	Due to the strength and reach of the Salt Lake City designated market area, television works as the most effective media channel	April – September 2012 – average 157 spots per week 23,051,000 impressions
Radio	Given the cost relative to television, radio builds on communications delivered via the television while providing for increased frequency of messages	April – September 2012 – average 195 spots per week 12,897,680 impressions
Newspaper	Supports broadcast messages and guarantees coverage of the Utah service territory	April – September 2012 – average 13 insertions per paper 3,159,590 impressions
Website <a href="http://www.rockymountainpower.net">www.rockymountainpower.net</a> <a href="http://wattsmart.com">wattsmart.com</a>	Supports all other forms of communications by serving as a source for detailed information regarding the company’s program and other energy efficiency opportunities	20,033 wattsmart page web visits  215,979 overall energy efficiency (includes wattsmart) web visits
Facebook	Awareness for early adopters regarding energy efficiency tips and a location to share information on how to be wattsmart; feature incentive programs and other seasonal information  Information posted three times a week	As of December 2012 we had 570 <i>wattsmart</i> Facebook fans
Other Online ( <i>i.e. banner ads on local sites, blogs, behavioral ad targeting, and pay-per-click ad placements</i> )	Supports the broadcast and print media while also increasing awareness for early adopters who are online and are likely to be receptive to energy saving messaging.	17,061,287 impressions for all flash banners and paid searches during the campaign months.
Magazine	Content targeting business and metro	<i>The Enterprise, Utah Business</i>

	area customers	<i>magazine</i> .95,200 impressions
Spanish language media	Broadens communications to include Spanish-speaking customers	369,000 TV impressions 1,438,400 radio impressions 182,000 print impressions
Out of Home/Transit	Supports the broadcast and print media while increasing awareness	45,959,333 impressions

The total number of 2012 impressions for the wattsmart campaign was 104,213,490. These impressions are based on paid media for wattsmart and do not include impressions for sponsorship advertising, program specific advertising, earned media, billing statement – like outer envelopes and bill messages, social media or company web page visits.

The Company leveraged the messages initially developed in the communications campaign through various public outreach initiatives in 2012 for the first half of the year. Upon approval of the Year 4 Communications and Outreach plan in mid-2012, the Company developed and finalized the creative for “habit” behavior change and for **wattsmart** New Homes. These were rotated into the schedule in July 2012.

Web links to the current portfolio of advertisements are included in Appendix 9 of this report.

### Public Outreach

Table 46 summarizes the Company’s efforts to educate the public on the importance of incorporating energy efficiency practices.

Table 46  
Outreach Initiatives

Initiative	Description
Jazz Partnership – Basketball	As part of our partnership with the Utah Jazz Green Team, the Rocky Mountain Power <b>wattsmart</b> programs received a significant media presence through television and radio (in-game, pre and post game), on the web and during the halftime report at the “green game.” It also included an arena presence through LED signage, “Game Time” magazine, and “SuperScreen” features in 2012. Additional media included one hundred 30 second KJZZ TV prime time spots, one hundred 30 second radio spots on Citadel stations (101FM, 98.7FM, 93.3FM, 1320AM, 101.9FM, 860AM, 107.5FM and 1230AM) and a six week pre-movie feature at all Megaplex theaters in May and June.
Jazz Partnership - Baseball	On- field promotions during 24 home games throughout the Salt Lake Bees season – including messaging on the LED signage at Spring Mobile Ballpark in 2012.
Jazz Partnership – Basketball “Green Game”	Our “Green Game” highlighted low cost, no cost energy efficiency tips and Rocky Mountain Power efficiency programs through pre-game and in-game activities and visuals.

Initiative	Description
Radio Disney Rockin' Recess	Through the Company's sponsorship with the local Utah Radio Disney AM station, the Company was able to host Rocky Mountain Power <i>wattsmart</i> "Rockin' Recess" in-school events to reach out to children during school. We were able to support 14 school Rockin' Recess assemblies in 2012 with a total attendance of nearly 8,800 students.
Ragnar Relay	Rocky Mountain Power's <i>wattsmart</i> program sponsored the Ragnar Relay event. Twelve Company employees completed the 192 mile Ragnar Relay from Logan to Park City. The team spread the word about energy efficiency with messages on their shirts, vans, and banners at the exchange points. The sponsorship included banners at the start, runner exchanges, the finish line, and a booth at the "finishers fair." The Company was able to share the <i>wattsmart</i> message with nearly 40,000 Ragnar attendees
Education	<p>This is the third year that the energy efficiency and education program, <i>Think! Energy Utah – Take Action at Home</i>, was offered to fifth grade students throughout Utah. The program encourages students to <i>Think! Talk! and Take Action!</i> to save energy. The school-to-home energy awareness and energy efficiency education program was conducted by a team of National Energy Foundation presenters in October and November of 2011. Each presentation consisted of a 60 minute assembly for fifth grade students and their teachers.</p> <p>2011-2012 School year accomplishments for the Energy Efficiency Education program include:</p> <ul style="list-style-type: none"> <li>• Presentations at 120 elementary schools throughout Utah</li> <li>• 368 teachers/classrooms participated</li> <li>• 9,938 fifth grade student participants</li> </ul> <p>In the third quarter of 2012, we began to work with National Energy Foundation to adapt existing educational materials with <i>wattsmart</i> branding to integrate them with other <i>wattsmart</i> marketing in Utah. "Be <i>wattsmart</i>, Begin at Home" materials include letters to educators, teachers and parents, promotional postcards, a student handbook, a teacher's guide and packet, a home energy checklist, evaluation forms and a presentation. These materials will be used in 2013.</p> <p>NEF began registration efforts in the fall – reaching out to sixth-grade teachers in Utah – to align with energy curriculum in each state. As of December 31, 2012, 119 Utah schools have registered to participate, meeting the number of contracted presentations in 2011/2012.</p>
Real Salt Lake	Real Salt Lake sponsorship includes one in-game or closing billboard, one :30 postgame commercial spot, one postgame

Initiative	Description
	opening or closing billboard, one pre/in/postgame feature “MLS” scoreboard on 10 ABC4 games and 21 CW30 games. Features on ESPN 700 one :60 pregame and one :60 in-game spot during game broadcasts. A rotating banner on RealSaltLake.com – which received 612,000 page views since July 1, 2012. Three minutes of in-stadium LED messaging – reaching 19,000 fans per game. We received bonus LED time during the Salt Lake United and high school matches played at Rio Tinto Stadium. “Man of the Match” highlight at the end of each home match.
Multicultural Outreach	The Company provided outreach support at the Cinco de Mayo festival in West Valley City. A booth was positioned beside the McDonald's Stage providing an opportunity to get the <i>wattsmart</i> message out to nearly 20,000 attendees. Company representatives spoke to attendees about being <i>wattsmart</i> and energy efficient. The sponsorship also included 120, 30-second spots on Telemundo and inclusion in minimum 100 promotional announcements.

## Program Specific

All energy efficiency program marketing and communications are under the *wattsmart* umbrella to insure a seamless transition from changing customer behavior to the actions they could take by participating in specific programs. Separate marketing activities administered by and specific to the programs ran in conjunction with the *wattsmart* campaign.

### Home Energy Savings

The *Home Energy Savings* program communicates to customers, retailers and trade allies through a variety of channels. As part of an effort to reach more customers, the Utah appliance and lighting application was translated to Spanish.

*Home Energy Savings* program staff attended the Salt Lake Tribune Home and Garden Festival March 7-11, 2012 at the South Towne Expo Center in Sandy, Utah. To help drive festival attendance, admission coupons were inserted in customer bills leading up to the show. Just over 1,400 customers used the coupon or the online coupon code. Many customers who stopped by the booth expressed an interest in LED lighting and fixtures.

In March, a new brochure for multi-family property owners was developed to educate this segment on the process from pre-qualification to post-inspection.

To encourage program participants to take their home improvements a step further, another new brochure was produced in April for inspectors to leave with customers, promoting the complete list incentives and the benefits of energy efficiency.

In the summer, program communications focused on cooling measures. The cooling campaign included:

- Central air and evaporative cooling brochures
- Room air conditioner point of purchase material
- Additional handout material for retailers and trade allies to use in their sales to customers
- Web features
- Online ads
- Bill insert

Results from the campaign indicate increased savings from cooling measures in 2012 compared to previous years.

A series of lighting events were held at several Home Depot stores and one Lowe's store in July, September and October. *Home Energy Savings* program representatives were available to assist customers in filling out incentive applications for light fixtures.

In October, a heating campaign (similar to the cooling campaign) launched with:

- Web features
- Sales handout and outreach to trade allies
- Bill insert
- Social media

Results from the campaign are not yet available.

In November, the Company launched a Black Friday campaign to promote efficient equipment purchases during the holiday shopping season and encourage participation in the program.

#### Refrigerator/Freezer Recycling (“See ya later refrigerator®”)

The Company promotes its *See ya later, refrigerator®* program through informational advertisements and other customer communications. In 2012, the program garnered 50,282,046 impressions. Breakdown of impressions by media type are shown in Table 47.

Table 47  
See ya later, refrigerator® Program

Communications Channel	2012
TV	18,052,000
Newspaper	22,609,600
Digital	9,260,446
Total Impressions	50,282,046

In October 2012, new outreach materials were developed including point of purchase materials, magnets and Web features.

### wattsmart New Homes

The *wattsmart New Homes* program encourages home builders to incorporate energy efficient measures in the homes they build primarily through training, outreach and support.

In the spring, an ad was placed in the Utah Builder Conference program.

New forms, brochures and website materials were developed in the summer to support program changes.

The Company sponsored the Salt Lake City Home Builder Association Parade of Homes and participated in the builder awards ceremony.

In September, the Company was a main sponsor of the Park City Showcase of Homes. An article with information about the benefits of owning an energy-efficient new home ran in the showcase magazine along with an ad. Signs displayed in the showcase homes helped educate attendees about the home's energy-efficient features.

Participating builders distributed several brochures and ads throughout the year that were paid for, in part, through the *wattsmart New Homes* program's cooperative advertising funds.

### FinAnswer Express and Energy FinAnswer

Customer communications and outreach in support of *FinAnswer Express* and *Energy FinAnswer* utilized print, radio and digital display advertising throughout the reporting period. This was in addition to customer direct contact by Company project managers and corporate and community managers, articles in the Company newsletters, Chamber newsletter outreach and content on the Company website and on Facebook

During 2012 communications emphasized the change in federal lighting standards that took place July 14, 2012. This standard applies to manufacturers of general service fluorescent lamps. Customers were encouraged to retrofit their older linear fluorescent lighting before as well as after the standards change. The Company added a video to the website<sup>38</sup> and retained a page<sup>39</sup> on the website dedicated to this topic.

The Company also introduced a *wattsmart* "open sign" for businesses and approved vendors to display. Customers were photographed with the open sign and the photos were used in print advertising, case studies, newsletter articles, at trade shows and on Facebook.

During 2012, the programs garnered 17,360,070 impressions from paid media. Breakdown of impressions are below by media type is shown in Table 48.

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<sup>38</sup> [www.rockymountainpower.net/utsave](http://www.rockymountainpower.net/utsave)

<sup>39</sup> [www.rockymountainpower.net/lightingstandards](http://www.rockymountainpower.net/lightingstandards)

Table 48  
Energy FinAnswer® and FinAnswer® Express programs

Communications Channel	2012
Newspaper	2,409,699
Magazine	269,400
Radio	3,808,500
Digital display	10,872,471
Total Impressions	17,360,070

## EVALUATIONS

Evaluations are performed by independent external evaluators to validate energy and demand savings derived from the Company's energy efficiency programs. Industry best practices are adopted by the Company with regards to principles of operation, methodologies, evaluation methods, definitions of terms, and protocols including those outlined in the National Action Plan for Energy Efficiency ("NAPEE") Program Impact Evaluation and the California Evaluation Framework guides.

A component of the overall evaluation efforts is aimed at the reasonable verification of installations of energy efficient measures and associated documentation through review of documentation, surveys and/or ongoing onsite inspections.

Verification of the potential to achieve savings involves regular inspection and commissioning of equipment. The Company engages in programmatic verification activities, including inspections, quality assurance reviews, and tracking checks and balances as part of routine program implementation and may rely upon these practices in the verification of installation information for the purposes of savings verifications in advance of more formal impact evaluation results.

Evaluation, measurement and verification ("EM&V") tasks are segregated within the Company's organization to ensure they are performed and managed by personnel who have a neutral interest in the benefits associated with anticipated savings.

In June 2011, Rocky Mountain Power awarded multi-year contracts to evaluate the Company's energy efficiency programs for all states. The contracts awarded were completed through a competitive bid process.

The *Cool Keeper*, *Home Energy Savings*, *See ya later, refrigerator*®, *Cool Cash* and *New Homes* program evaluations summary of recommendations and web link to reports are provided in Appendix 3.

Outlined below is a list of the programs, the program years completed during 2012 and the third party evaluator who performed the evaluation.

<b>Program</b>	<b>Years Evaluated</b>	<b>Evaluator</b>
Cool Keeper	2009-2010	The Cadmus Group
Home Energy Savings	2009-2010	The Cadmus Group
See ya later, refrigerator	2009-2010	The Cadmus Group
Cool Cash	2009-2010	The Cadmus Group
New Homes	2009-2010	The Cadmus Group