



# Wyoming Annual Demand-Side Management Review Report

January 1, 2012 – December 31, 2012

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### List of Abbreviations and Acronyms

CCS	Council of Community Services
CFLs	Compact Fluorescent Lights
DSM	Demand-Side Management
HVAC	Heating, ventilation and air conditioning
IRP	Integrated Resource Plan
kWh	Kilowatt hour
PCT	Participant Cost Test
PTRC	Total Resource Cost Test with 10 percent adder
RIM	Ratepayer Impact Measure Test
SYLR	See ya later, refrigerator®
Schedule 191	Schedule 191 Customer Efficiency Service Charges
TRC	Total Resource Cost Test
UCT	Utility Cost Test
WEC	Wyoming Energy Council
WFS	Wyoming Department of Family Services
WWS	Wyoming Weatherization Services

## EXECUTIVE SUMMARY

Rocky Mountain Power (the “Company”) received approval from the Wyoming Public Service Commission (the “Commission”) on October 3, 2008, to offer its customers energy efficiency services and incentives through six programs targeting residential, commercial and industrial customers. In its Order in Docket No. 20000-264-EA-06 (Record No. 10960), the Commission approved a Stipulation between Rocky Mountain Power, Office of Consumer Services (“OCA”), Wyoming Industrial Energy Consumers (“WIEC”) and Southwest Energy Efficiency Project (“SWEEP”), and directed the Company to file three reports addressing the performance of Wyoming demand-side management (“DSM”) programs. Annual reports were due on April 30<sup>th</sup> of 2010 and 2011; a Comprehensive Report was due July 1, 2012. The Company complied with the Order and in keeping with the standard the Company has completed an annual report for 2012.

This report provides details on program results and activities, expenditures, and Customer Efficiency Service Charge (“Schedule 191”) revenue for the performance period from January 1, 2012, through December 31, 2012. The Company, on behalf of its customers invested \$3.8 million in energy efficiency resource acquisition during the reporting period. The investment yielded approximately 23.3 gigawatt-hours in first year savings<sup>1</sup> and approximately 3.38 megawatts of capacity reduction.<sup>2</sup> Net benefits to customers based on the projected value of the energy savings<sup>3</sup> over the life of the individual measures are estimated at \$9.3 million. The cost effectiveness of the portfolio from various perspectives is provided in Table 1.

**Table 1 - Long-term Cost Effectiveness for the Energy Efficiency Portfolio**

	Benefit/Cost Ratio	Net Benefits
Total Resource Cost (“PTRC”) Test plus 10 percent – total resource cost with the addition of environmental and non-energy benefits <sup>4</sup>	2.16	\$7,719,236
Total Resource Cost Test (“TRC”) – effects on both participants and non-participants <sup>5</sup>	1.96	\$6,412,711
Utility Cost Test (“UCT”) – effect on customers <sup>6</sup>	3.46	\$9,293,984
Participant Cost Test (“PCT”)– effect on participants <sup>7</sup>	2.43	\$8,468,548
Ratepayer Impact (“RIM”) – effect on the cost per kilowatt-hour of sales	0.96	(\$617,617)

Annual performance information for 2012 is provided in detail in Appendix 2.

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

<sup>2</sup> See Appendix 1 for explanation on how the capacity contribution savings values are calculated.

<sup>3</sup> See Table 1 – Utility Cost Net Benefits.

<sup>4</sup> The TRC plus 10 percent includes a benefit adder to account for non-quantified environmental and non-energy benefits of conservation resources over supply side alternatives.

<sup>5</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>6</sup> The UCT compares the total cost incurred by the utility to the benefits associated with displacing or deferring supply side resources.

<sup>7</sup> The PCT compares the portion of the resource paid directly by participants to the savings realized by the participants.

The portfolio was cost effective based on four of the five standard cost effectiveness tests during 2012. The ratepayer impact test<sup>8</sup> was less than 1.0 indicating near-term upward pressure was placed on the price per kilowatt-hour (“kWh”) given a reduction in sales.

As approved by the Commission in Docket No. 20000-264-EA-06, costs associated with Rocky Mountain Power’s energy efficiency programs are recovered through Schedule 191 - Customer Efficiency Service Charges. There are unique surcharges for each customer classification as defined below:

Category 1 (Residential) – Residential Schedules 2 and 18

Category 2 (Small Commercial and Industrial) – Schedules 25, 28, 40, 210 and all lighting schedules

Category 3 (Large Commercial and Industrial) – Schedule 33, 46 and 48T

During the reporting period, the Company through its third party administrators<sup>9</sup> worked with the following number of retailers, contractors and vendors to support the energy efficiency programs in Wyoming:

**Table 2**  
**Energy Efficiency Infrastructure**

Sector	Type	No.
Residential	Lighting Retailers	37
	Appliances Retailers	49
	HVAC <sup>10</sup> Contractors	7
	Insulation Contractors	2
	Window Contractors	2
	Electronic Retailers	41
	Low Income Agencies	3
Commercial and Industrial	Lighting Trade Allies	101
	HVAC Trade Allies	50
	Motors Trade Allies	60
	Engineering Firms	24

<sup>8</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>9</sup> See program specific information for backgrounds on third party administrators.

<sup>10</sup> Heating, ventilation and air conditioning

## REGULATORY HISTORY

During the reporting period the Company filed a number of compliance and/or informational reports, updates and requests with the Commission in support of the Company programs. The following is a list of those filings:

- January 13, 2012, the Company filed to reinstate Schedule 191 – Customer Efficiency Service Charges for Category 1 (residential) and Category 3 (large commercial and industrial).
- February 10, 2012, the Company filed its quarterly program status reports with monthly participation levels, energy savings, DSM program cost data and Schedule 191 balances by category.
- April 18, 2012, the Company filed its quarterly program status reports with monthly participation levels, energy savings, DSM cost data and Schedule 191 balances by category.
- July 2, 2012, the Company submitted its “Wyoming Comprehensive Demand-Side Management Report” with the Commission.
- July 20, 2012, the Company filed its quarterly program status reports with monthly participation levels, energy savings, DSM cost data and Schedule 191 balances by category.
- August 31, 2012, the Company filed a letter advising the Commission of its proposal to ensure customers in rural areas have access to compact fluorescent lighting (“CFL”) under terms similar to those provided in other areas of Wyoming.
- October 15, 2012, the Company filed its quarterly program status reports with monthly participation levels, energy savings, DSM cost data and Schedule 191 balances by category.

### *Customer Efficiency Service Charge*

In Docket No. 20000-264-EA-06 (Record No. 10960) the Commission approved the recovery of energy efficiency expenditures through Schedule 191 – Customer Efficiency Service Charge. This charge appears as a line item on customer bills. The Company was directed to book as incurred energy efficiency expenditures to the balancing account for the appropriate customer category (i.e. residential, small commercial and industrial, and large commercial and industrial).

On December 22, 2011, the Company filed an Application in Docket No. 20000-406-EA-11 to reinstate<sup>11</sup> the Category 2 (small commercial and industrial) Customer Efficiency Charge at the

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<sup>11</sup> Customer Energy Efficiency Service charges were suspended in Docket No. 20000-383-EA-10 effective January 1, 2011



rate of 0.9 percent after the brief suspension period. The Commission approved the Company's request effective February 2, 2012.

A similar request was filed on January 13, 2012, to reinstate Category 1 (residential) and Category 3 (large commercial and industrial) Customer Efficiency Service Charges. This request was approved by the Commission with an effective date of March 1, 2012.

The Customer Efficiency Services Charge balances by category as of December 31, 2012, are shown in Table 3, Table 4 and Table 5 below.

**Table 3**  
**Schedule 191 Balance - Category 1 (Residential)**

	<b>Accumulated Balance adjusted for accruals as of 12/31/2011</b>						\$ (11,828)
	<b>Monthly Program Cost - Fixed Assets</b>	<b>Accrued Costs</b>	<b>Rate Recovery</b>	<b>Carrying Charge</b>	<b>Cash Basis Accumulated Balance</b>	<b>Accrual Basis Accumulated Balance</b>	
January	39,308	10,596	4	(348)	(222,214)	37,731	
February	119,890	(28,314)	(611)	(234)	(103,170)	128,461	
March	100,264	21,410	(155,222)	(188)	(158,316)	94,725	
April	132,036	(6,073)	(103,979)	(208)	(130,467)	116,501	
May	154,182	(11,014)	(94,888)	(145)	(71,318)	164,635	
June	67,259	61,747	(99,169)	(126)	(103,355)	194,345	
July	141,468	(50,678)	(118,613)	(133)	(80,633)	166,390	
August	86,892	14,448	(122,025)	(142)	(115,908)	145,562	
September	104,253	(3,499)	(106,978)	(169)	(118,802)	139,170	
October	98,810	(93,802)	(93,345)	(167)	(113,503)	50,666	
November	149,767	16,186	(116,220)	(139)	(80,095)	100,260	
December	97,334	(20,202)	(148,391)	-	(131,152)	29,001	
<b>2012 totals</b>	<b>\$ 1,291,463</b>	<b>\$ (89,197)</b>	<b>\$ (1,159,438)</b>	<b>\$ (1,999)</b>			

Table 4  
Schedule 191 Balance - Category 2 (Small Commercial and Industrial)

Accumulated Balance adjusted for accruals as of 12/31/2011							\$ 351,577
	Monthly Program Cost - Fixed Assets	Accrued Costs	Rate Recovery	Carrying Charge	Cash Basis Accumulated Balance	Accrual Basis Accumulated Balance	
January	70,091	50,761	(39)	450	347,361	472,840	
February	98,382	39,685	(93,326)	504	352,921	518,084	
March	64,453	(9,079)	(99,086)	484	318,772	474,856	
April	94,457	(19,674)	(84,231)	467	329,465	465,875	
May	119,602	11,653	(92,236)	495	357,327	505,390	
June	112,046	(23,388)	(97,346)	526	372,553	497,228	
July	112,893	(28,415)	(101,806)	545	384,185	480,445	
August	207,034	3,049	(107,606)	626	484,239	583,549	
September	168,201	(7,514)	(97,331)	749	555,857	647,653	
October	50,911	(17,989)	(94,275)	770	513,263	587,070	
November	166,137	(9,841)	(96,480)	790	583,710	647,676	
December	298,576	9,256	(98,170)	-	784,116	857,338	
<b>2012 totals</b>	<b>\$ 1,562,783</b>	<b>\$ (1,496)</b>	<b>\$ (1,061,932)</b>	<b>\$ 6,406</b>			

Table 5  
Schedule 191 Balance - Category 3 (Large Commercial and Industrial)

Accumulated Balance adjusted for accruals as of 12/31/2011							\$ (306,929)
	Monthly Program Cost - Fixed Assets	Accrued Costs	Rate Recovery	Carrying Charge	Cash Basis Accumulated Balance	Accrual Basis Accumulated Balance	
January	298,180	37,122	-	(383)	(117,222)	27,989	
February	72,401	5,554	-	(117)	(44,938)	105,828	
March	134,119	2,967	(37,534)	5	51,652	205,384	
April	46,953	(8,209)	(93,813)	41	4,833	150,356	
May	93,201	26,254	(100,167)	2	(2,131)	169,646	
June	60,706	15,806	(108,773)	(38)	(50,237)	137,346	
July	70,406	(38,171)	(106,806)	(99)	(86,736)	62,676	
August	82,454	(47,055)	(116,846)	(150)	(121,277)	(18,921)	
September	41,905	(57,857)	(119,419)	(231)	(199,023)	(154,523)	
October	24,346	6,946	(110,745)	(349)	(285,771)	(234,325)	
November	78,078	10,525	(124,929)	(446)	(333,069)	(271,097)	
December	29,759	(1,773)	(125,503)	-	(428,812)	(368,614)	
<b>2012 totals</b>	<b>\$ 1,032,507</b>	<b>\$ (47,891)</b>	<b>\$ (1,044,535)</b>	<b>\$ (1,765)</b>			

**Column Explanations:**

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

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

Rate Recovery: Revenue collected through Schedule 191.

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

Deposit rate for 2012 was 1.73 percent

Cash Basis Accumulated Balance: Current balance of the account; a running total of account activities. If more is collected in revenue than is spent for a given month, the accumulated balance will be increased by the net amount. A negative accumulative balance means cumulative revenue exceeds cumulative expenditures; a positive accumulative balance means cumulative expenditures exceed cumulative revenue. .

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

## 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>12</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 Wyoming was 208 average megawatts or 10 percent of retail sales.<sup>13</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>12</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>13</sup>Ibid.

The achievable technical potential for Wyoming by sector is shown in Table 6. The 2011 study indicates that 18 percent of the achievable technical potential for the Company, excluding Oregon,<sup>14</sup> is in Wyoming.<sup>15</sup>

**Table 6**  
**2012 Wyoming Energy Efficiency Achievable Technical Potential by Sector**

Sector	Average Megawatts in 2030	Percent of Retail Sales
Residential	40	25%
Commercial	45	16%
Industrial	122	7%

Note there is an additional 0.6 average MW associated with agriculture and street lights

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>16</sup> are shown in Table 7.

**Table 7**  
**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

<sup>14</sup> Demand-side Management potential studies are performed by the Energy Trust of Oregon.

<sup>15</sup> Page 49, Table 52 of the 2011 Assessment of Long-term, System-Wide Potential for Demand-Side and Other Supplemental Resources.

<sup>16</sup> 2008 IRP update, March, 2010, and 2011 IRP LC 52 Revised IRP Action Plan, January, 2012.

## ENERGY EFFICIENCY PROGRAMS

Energy efficiency programs are offered to all major customer sectors: residential, commercial, industrial and agricultural. The overall energy efficiency portfolio includes six programs: *Home Energy Savings* – Schedule 111, *Residential Refrigerator Recycling* – Schedule 117, *Low Income Weatherization* – Schedule 118, *Energy FinAnswer* – Schedule 125, *FinAnswer Express* – Schedule 115 and *Self-Direction* – Schedule 192. In addition to the energy efficiency programs, the Company on behalf of customers invests in outreach and education concerning the efficient use of electricity. Results for 2012 are provided in Table 8.

Table 8  
Wyoming Results January 1, 2012 – December 31, 2012<sup>17</sup>

Category and Program	k Wh/Yr Savings (at site)	k Wh/Yr Savings (at generator)	Program Expenditures
<b>Category 1 - Residential</b>			
Low Income Weatherization (118)	79,697	87,277	\$ 30,055
Refrigerator Recycling (117)	1,302,338	1,426,203	\$ 180,949
Home Energy Savings (111)	5,946,755	6,512,351	\$ 810,231
<b>Total Category 1</b>	<b>7,328,790</b>	<b>8,025,832</b>	<b>\$ 1,021,236</b>
<b>Category 2 - Agricultural, Commercial &amp; Industrial</b>			
FinAnswer Express (115)	10,760	11,758	\$ 596
<b>Sub-Total Category 2 (Agricultural)</b>			
Energy FinAnswer (125)	236,724	257,795	\$ 57,341
FinAnswer Express (115)	6,220,067	6,773,715	\$ 1,210,766
Self Direction (192)	0	0	\$ 666
<b>Sub-Total Category 2 (Commercial)</b>	<b>6,456,791</b>	<b>7,031,510</b>	<b>\$ 1,268,773</b>
Energy FinAnswer (125)	1,079,531	1,140,103	\$ 204,315
FinAnswer Express (115)	112,338	118,641	\$ 58,875
Self Direction (192)	0	0	\$ 814
<b>Sub-Total Category 2 (Industrial)</b>	<b>1,191,869</b>	<b>1,258,745</b>	<b>\$ 264,003</b>
<b>Total Category 2</b>	<b>7,659,420</b>	<b>8,302,013</b>	<b>\$ 1,533,372</b>
<b>Category 3 - Commercial and Industrial</b>			
Energy FinAnswer (125)	0	0	\$ 20,742
FinAnswer Express (115)	766,642	834,881	\$ 151,474
Self Direction (192)	0	0	\$ 2,842
<b>Sub-Total Category 3 (Commercial)</b>	<b>766,642</b>	<b>834,881</b>	<b>\$ 175,059</b>
Energy FinAnswer (125)	5,720,534	6,041,513	\$ 600,105
FinAnswer Express (115)	47,084	49,726	\$ 180,791
Self Direction (192)	0	0	\$ 13,911
<b>Total Category 3 (Industrial)</b>	<b>5,767,618</b>	<b>6,091,239</b>	<b>\$ 794,807</b>
<b>Total Category 3</b>	<b>6,534,260</b>	<b>6,926,120</b>	<b>\$ 969,866</b>
<b>Total Energy Efficiency (Categories 1, 2 and 3)</b>	<b>21,522,470</b>	<b>23,253,964</b>	<b>\$ 3,524,474</b>
		Portfolio EM&V and Technical Reference Library	\$ 92,046
		Outreach & Communication	\$ 154,752
			<b>\$ 3,771,271</b>

<sup>17</sup> Savings for 2012 are reported savings only. The values at generation include line losses between the customer site and the generation source. The company's line losses by sector are 9.51 percent for residential, 8.90 percent for commercial, 5.61 percent for industrial and 9.28 percent for irrigation. Portfolio EM&V and Technical Reference Library breakdown: Cat 1 - \$30,574, Cat 2 - \$33,462, and Cat 3 - \$28,010.

## RESIDENTIAL PROGRAMS

The residential energy efficiency portfolio is comprised of three programs, *Home Energy Savings*, *Refrigerator Recycling* and *Low Income Weatherization*. As shown in Table 9, 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 9  
Long-term Cost Effectiveness for Residential Portfolio

	Benefit/Cost Ratio	Net Benefits
Total Resource Test plus 10 percent	1.73	\$1,107,394
Total Resource Cost Test	1.57	\$868,618
Utility Cost Test	2.34	\$1,366,527
Participant Cost Test	2.96	\$2,382,685
Rate Payer Impact	0.70	\$(1,015,057)

### *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 10.

Table 10  
Eligible Program Measures (Units)

Measures	2012 Total Units
Central Air Conditioner Equipment	13
Central Air Conditioner Proper Sizing	2
Electric Water Heater	47
Ceiling Fan	5
Clothes Washer	665
Computer Monitor	3
Desktop Computer	1
Dishwasher	285
Flat Panel Television	1,516
Freezer	87
Light Fixture	289
Refrigerator	498
Room Air Conditioner	48
Evaporative Cooler - Permanently	25

Measures	2012 Total Units
Installed	
Evaporative Cooler - Portable	13
Heat Pump to Heat Pump Upgrade	1
Heat Pump Water Heater	1
Heat Pump, Single-Head, Ductless	3
Insulation-Attic	227,691
Insulation-Combination Bonus	2
Insulation-Wall	4,820
Windows	1,749
Lighting	167,678
<b>Grand Total</b>	<b>405,442</b>

Program performance results for the reporting period are provided in Table 11 below.

**Table 11**  
Long-term Cost Effectiveness for Home Energy Savings

	Benefit/Cost Ratio	Net Benefits
Total Resource Cost Test plus 10 percent	1.61	\$834,299
Total Resource Cost Test	1.47	\$634,946
Utility Cost Test	2.46	\$1,183,299
Participant Cost Test	2.36	\$1,651,922
Rate Payer Impact	0.72	\$(794,136)

### Program Management

The program manager is responsible for the *Home Energy Savings* program and *Refrigerator Recycling* program in Wyoming, California, Idaho, 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 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, PECI was spun-off from the City of Portland, becoming a private, non-profit corporation energy services company.



PECI has been designing and implementing energy efficiency programs on a national scale since 1990.

PECI is responsible for the following:

- Retailer and trade ally engagement – PEGI identifies, recruits, supports and assists retailers to increase the sale of energy efficient lighting, appliances and electronics. PEGI enters into promotion agreements with each lighting manufacturer and retailer for the promotion of discounted 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 3.
- 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 37 retailers to promote CFLs. Table 12 lists the lighting retailers participating in the program.

Table 12<sup>18</sup>  
Retail Stores – Compact Fluorescent Lights

Retailer	City
Ace Hardware - Baileys	Casper
Ace Hardware #10776	Kemmerer
Ace Hardware #11263	Green River
Ace Hardware #8349	Rock Springs
Big Lots #4444	Casper

<sup>18</sup> To be considered for participation for discounted CFLs, sales coming from Rocky Mountain Power customers must be a significant majority of total sales. With 50 percent or less of the total sales coming from Rocky Mountain Power customers, retail stores in Douglas, Buffalo, Worland, Lovell, Cody, Thermopolis, Riverton and Lander do not meet this requirement and therefore are not eligible to participate. CFL coupons will be distributed in 2013 to residential customers in specific locations who do not have access to a participating retailer.

Retailer	City
Cazin's Ace Hardware	Evanston
Dollar Tree #2891	Rock Springs
Family Dollar #5599	Rawlins
Family Dollar #5767	Mills
Family Dollar #6014	Green River
Family Dollar #6081	Casper
Family Dollar #7224	Evanston
Habitat for Humanity ReStore #3	Mills
Home Depot #6001	Casper
Home Depot #6003	Rock Springs
Menards #3243	Casper
Ridley's #1153	Pinedale
Ridley's #1163	Kemmerer
Sam's Club #6425	Casper
Smith's #182	Rock Springs
Smith's #185	Casper
Smith's #187	Green River
Smith's #86	Evanston
True Value #1552	Casper
True Value #2201	Rock Springs
True Value Hardware - Bookliff Sales	Rock Springs
True Value Hardware - Coupens CY	Casper
True Value Hardware - Howard Supply Company	Rock Springs
True Value Hardware - United Building Center	Evansville
True Value Hardware #7425	Rawlins
Walgreens #07462	Casper
Walgreens #09092	Rock Springs
Walgreens #7601	Casper
Wal-Mart #1456	Evanston
Wal-Mart #1461	Rock Springs
Wal-Mart #1617	Casper
Wal-Mart #3778	Casper

Over 45 local and national retailers now consistently stock and feature high efficiency appliances promoted through the *Home Energy Savings* program. Table 13 lists the retailers where customers can purchase program qualifying appliances within Rocky Mountain Power's Wyoming service area.

Table 13  
Retail Stores – Appliances

Retailer	City	Ceiling Fan	Clothes Washer	Dishwasher	Electric Water Heater	Evaporative Cooler	Fixture	Freezer	Portable Evaporative Cooler	Refrigerator	Room AC
Ace Hardware #11263	Green River								✓		
Best Buy #1527	Casper		✓	✓						✓	
Brown's Western Appliance	Worland		✓	✓						✓	
Buck's Heating & AC	Rock Springs					✓					
Casper Tin Shop	Casper					✓					
Cazin's Ace Hardware	Evanston		✓	✓	✓					✓	✓
City Plumbing & Heating Inc	Lander				✓						
Cost Plus	Casper		✓	✓				✓		✓	
Gambles	Lander		✓	✓				✓		✓	
Gizmo's Rents	Douglas		✓							✓	
Gizmo's/Cost Plus Appliance	Cody									✓	
Home Depot #6001	Casper	✓	✓	✓	✓	✓	✓	✓		✓	✓
Home Depot #6002	Cheyenne									✓	
Home Depot #6003	Rock Springs		✓	✓	✓	✓	✓	✓		✓	✓
Home Depot #6004	Sheridan										✓
John Paras Furniture & Appliance-Rock Springs	Rock Springs		✓	✓						✓	
Joy Appliance & Adventure Land Video	Buffalo		✓	✓				✓		✓	
Karl's	Gillette		✓								
Kmart #94736	Casper										✓
Kusel's Inc	Riverton		✓	✓						✓	
Letz's TV and Appliance	Casper		✓	✓						✓	
Limmer Roofing	Casper					✓					
Lowe's of Cheyenne	Cheyenne			✓			✓			✓	
Menards #3243	Casper		✓	✓	✓	✓	✓	✓	✓	✓	✓
Meyer's Gambles	Lander		✓	✓		✓		✓		✓	
Neilson's Furniture and Appliance	Kemmerer		✓	✓				✓		✓	
Pamida	Thermopolis										✓
Rasmusson Furniture	Rawlins		✓	✓				✓		✓	
Ridley's Ace Hardware	Pinedale							✓			

Retailer	City	Ceiling Fan	Clothes Washer	Dishwasher	Electric Water Heater	Evaporative Cooler	Fixture	Freezer	Portable Evaporative Cooler	Refrigerator	Room AC
Roger's Home Entertainment Center	Douglas		✓							✓	
Rushmore Furniture Co., Inc.	Rock Springs								✓	✓	
Sam's Club of Casper	Casper										✓
Schofield's	Evanston		✓	✓				✓		✓	
Sears #1867	Laramie		✓	✓				✓		✓	
Sears #2341	Casper		✓	✓				✓		✓	✓
Sears #2371	Cheyenne		✓	✓						✓	
Sears #3018	Riverton		✓	✓				✓		✓	✓
Sears #3359	Cody		✓	✓				✓		✓	
Sears #3410	Sheridan			✓						✓	
Sears #3578	Rock Springs		✓	✓				✓		✓	
Sears #3911	Jackson		✓							✓	
Sunlight Mattress & Discount Appliance	Powell							✓			
Sutherlands Friendly Home Improvement	Casper					✓			✓		✓
Total Services	Douglas		✓	✓				✓		✓	
True Value of Laramie	Laramie		✓								
True Value of Rawlins	Rawlins					✓					
Valley Hardware	Basin		✓								
Wal-Mart of Casper (2nd St)	Casper										✓
Worland True Value	Worland					✓					

Table 14 and Table 15 list the heating, ventilation, and air conditioning (“HVAC”), weatherization and window contractors.

Table 14  
HVAC Contractors

Contractor Name	City	Central Air Conditioner (CAC)	CAC Best Practices Installation	CAC Proper Sizing	CAC Tune-up	Heat Pump (HP) Conversion	HP Upgrade	Ductless HP	HP Tune-up	Duct Sealing and Duct Insulation
24 Hour Heating & Air Conditioning	Casper	✓	✓	✓	✓	✓	✓	✓	✓	
Advanced Air Systems	Cheyenne	✓		✓		✓	✓	✓		
Arrowhead Inc.	Casper	✓	✓	✓	✓	✓	✓	✓	✓	✓
Casper Tin Shop	Casper	✓		✓		✓	✓	✓		
Laramie Heating & Sheet Metal	Laramie	✓		✓		✓	✓	✓		
Powder River Heating and A/C	Buffalo	✓		✓		✓	✓	✓		
Tim Force Tin Shop	Casper	✓		✓		✓	✓	✓		

Table 15  
Weatherization Contractors

Contractor Name	City	Attic Insulation	Floor Insulation	Wall Insulation	Windows
24 Hour Heating & Air Conditioning	Casper	✓	✓	✓	
Casper Window and Door	Casper				✓
Insulation Inc.	Rock Springs	✓	✓	✓	
Rocky Mountain Window Distributors	Evansville				✓

Retailers promoting qualifying energy efficient electronics participating in the program are in Table 16.

Table 16  
Retail Stores – Electronics

Retailer	City	Desktop Computer	Flat Panel TV	Monitor
Best Buy #1527	Casper		✓	✓
Brown's Western Appliance	Worland		✓	
Cazin's Ace Hardware	Evanston		✓	
Cost Plus	Casper		✓	
Gambles	Lander		✓	
Gizmo's Rents	Douglas		✓	
Hammer Electronics	Riverton		✓	
John Paras Furniture & Appliance-Rock Springs	Rock Springs		✓	
Joy Appliance & Adventure Land Video	Buffalo		✓	
Kmart #7107	Rock Springs		✓	
Kmart #7139	Jackson		✓	
Kmart #94736	Casper		✓	
Kmart #9792	Laramie		✓	
K-Mart of Riverton #4837	Riverton		✓	
Kusel's Inc	Riverton		✓	
Letz's TV and Appliance	Casper		✓	
Meyer's Gambles	Lander		✓	
Music Box (Laramie)	Laramie		✓	
Rasmusson Furniture	Rawlins		✓	
Roger's Home Entertainment Center	Douglas		✓	
Rushmore Furniture Co., Inc.	Rock Springs		✓	
Sam's Club of Casper	Casper		✓	
Schofield's	Evanston		✓	
Sears #1867	Laramie		✓	
Sears #2341	Casper		✓	
Sears #2371	Cheyenne		✓	
Sears #3018	Riverton		✓	
Sears #3359	Cody		✓	

Retailer	City	Desktop Computer	Flat Panel TV	Monitor
Sears #3578	Rock Springs		✓	
Staples	Casper			✓
Target of Casper	Casper		✓	
Wal-Mart #1778	Cody		✓	
Walmart of Casper (2nd St)	Casper		✓	
Walmart of Casper (Cy Ave)	Casper		✓	
Walmart of Cheyenne	Cheyenne		✓	
Walmart of Cody	Cody		✓	
Walmart of Evanston	Evanston		✓	
Walmart of Laramie #1412	Laramie		✓	
Walmart of Riverton #1457	Riverton	✓	✓	
Walmart of Rock Springs	Rock Springs		✓	✓
Walmart of Sheridan	Sheridan		✓	

### Refrigerator Recycling

The Refrigerator Recycling<sup>19</sup> (“*See ya later, refrigerator®*”) program is designed to decrease electricity use through voluntary removal and recycling of inefficient refrigerators and freezers. Participants receive a \$40 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 17.

Table 17  
Eligible Program Measures (Units)

Measures	2012 Total
Refrigerator Recycling	915
Freezer Recycling	196
Energy Savings Kit	1,037

Program performance results for 2012 are provided in the Table 18 below.

Table 18  
Long-term Cost Effectiveness for Refrigerator Recycling

	Benefit/Cost Ratio	Net Benefits
Total Resource Cost Test plus 10 percent	3.02	\$263,095
Total Resource Cost Test	2.74	\$227,313
Utility Cost Test	1.98	\$176,869
Participant Cost Test <sup>20</sup>	NA	\$682,731
Rate Payer Impact	0.65	(\$189,858)

In 2012, more than 143,319 pounds of metal, 22,220 pounds of plastics, and 3,333 pounds of tempered glass were recycled. In addition, the capture, recovery or destruction of more than 1,534 pounds of ozone depleting Chlorofluorocarbons (greenhouse gases) and Hydro fluorocarbons, commonly used in refrigerants and foam insulation equates to approximately 4,600 metric tons of carbon dioxide.

### Program Management

The program manager is responsible for the *Refrigerator Recycling* program and *Home Energy Savings* program in Wyoming, California, Idaho, 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,

<sup>19</sup> Also known as See ya later, refrigerator® (“SYLR”)

<sup>20</sup> Participants in SYLR program incur no costs.



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 20 years ago in Snohomish County, north of Seattle, Washington, and 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 for the “*See ya later, refrigerator®*” program.

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:

- 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 Rocky Mountain Power to ensure JACO’s performance. The summary of the inspection process is included in Appendix 3.

### Infrastructure

Prior to the Company offering the recycling program in the state, refrigerator and freezer recycling services were not available. Today, a refrigerator recycling pick-up crew based in Casper, Wyoming collects participating customer appliances across the state and trucks these units to a JACO facility in Salt Lake City, Utah, for disassembly and recycling.

### *Low Income Weatherization*

The *Low Income Weatherization* program is designed to leverage funds with state and federal grants so that energy efficiency services can benefit income eligible households at no cost.

Program participation and number of homes receiving specific measures is provided in Table 19.

Table 19  
Eligible Program Measures (Units)<sup>21</sup>

	2012 Total
CFL Kits Distributed to Homes	520
Participation – Total # of Completed/Treated Homes	13
Number of Homes Receiving Specific Measures	
Ceiling Insulation	7
Floor Insulation	6
Duct Insulation	1
Infiltration and Weather-stripping	7
Water Pipe Insulation and Sealing	5
CFL bulbs	11
Replacement Refrigerators	3
Low Flow Showerheads	3

Program performance results for 2012 are provided in Table 20.

Table 20  
Long-term Cost Effectiveness for Low Income Weatherization

	Benefit/Cost Ratio	Net Benefits
Total Resource Cost Test plus 10 percent	1.33	\$10,001
Total Resource Cost Test	1.21	\$6,359
Utility Cost Test	1.21	\$6,359
Participant Cost Test <sup>22</sup>	NA	\$48,032
Rate Payer Impact	0.54	(\$31,063)

### Program Management

The program manager is responsible for the *Low Income Weatherization* programs in Wyoming, California, Idaho, Utah and Washington and energy assistance programs in Wyoming, California, Idaho, Oregon, Utah and Washington. For each program and in each state the program manager is responsible for the cost effectiveness of the program, partnerships and agreements in place with local 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 tariff.

<sup>21</sup> American Recovery and Reinvestment Act funding for low income weatherization program was available through September 30, 2012.

<sup>22</sup> Participants in low-income weatherization program incur no costs.

### Program Administration

Rocky Mountain Power currently has contracts in place with the three agencies providing low income weatherization throughout the state of Wyoming. These include Council of Community Services (“CCS”), Wyoming Energy Council (“WEC”) and Wyoming Weatherization Services (“WWS”). They subcontract with the Wyoming Department of Family Services (“WFS”) to provide low income weatherization services with funding grants WFS receives from state and federal government sources. Company funding of 50 percent of the cost of approved measures is leveraged by the agencies with these government grants.

By contract with the Company, CCS, WEC and WWS are responsible for the following:

- Income Verification – Agencies determine if participants are income eligible based on WFS guidelines. Household’s interested in obtaining weatherization services apply through the WFS’s Low Income Energy Assistance Program Application. The current income guidelines are included in Appendix 4.
- Energy Audit – Agencies complete a United States Department of Energy approved audit 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 measures listed in Schedule 118.
- Post Inspections – Agencies inspect 100 percent of completed homes and WFS staff randomly inspects 5 - 10 percent for verification of services. See Appendix 3 for verification summary.
- Billing Notification - Agencies are required to submit a billing to Company within sixty days after job completion. A homeowner agreement and invoice form indicating the measures installed and associated cost is submitted on each completed home.

The program tariff also allows Rocky Mountain Power to distribute measures included in Schedule 118 directly to income eligible households. A total of 520 kits including four CFLs were distributed in 2012 in an effort to provide near-term cost effective benefits to income eligible customers as the broader weatherization services were implemented using American Reinvestment and Recover act funding. Kits will no longer be distributed beyond 2012.

## Commercial and Industrial Programs

The commercial and industrial energy efficiency portfolio is comprised of three programs, *FinAnswer Express*, *Energy FinAnswer* and *Self Direction*. The commercial and industrial portfolio was cost effective based on five of the five standard cost effectiveness tests for 2012 reporting period, as shown in Table 21 below.

Table 21  
Long-term Cost Effectiveness for Commercial and Industrial Portfolio

	Benefit/Cost Ratio	Net Benefits
Total Resource Test plus 10 percent	2.40	\$6,858,639
Total Resource Cost Test	2.19	\$5,790,890
Utility Cost Test	4.27	\$8,174,254
Participant Cost Test	2.29	\$6,085,862
Rate Payer Impact	1.06	\$644,237

### *FinAnswer Express*

The *FinAnswer Express* program is designed to assist commercial, industrial, and agricultural customers to 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>23</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.

<sup>23</sup> Incentive tables can be found online at <http://www.rockymountainpower.net/bus/se/epi/wyoming/ilc/fe2.html> for retrofits and <http://www.rockymountainpower.net/bus/se/epi/wyoming/nfmr/fe.html> for new construction/major renovation

Program participation and savings by customer category and measure group is provided in Table 22 and Table 23 below.

Table 22  
Installed Program Measures (applications)

Measure Groups	2012 Total
Category 2	
Irrigation	1
Building Shell	1
Food Service	4
HVAC	7
Lighting	253
Motor	11
Sub-total Category 2	277
Category 3	
Additional Measures	1
Building Shell	4
Compressed Air	1
HVAC	3
Lighting	3
Motors	13
Sub-total Category 3	25
<b>Grand Total</b>	<b>302</b>

Table 23  
Installed Program Measure Savings (gross kWh/year @ site)

Measure Groups	2012 Total
Category 2	
Irrigation	10,760
Building Shell	6,610
Food Service	147,005
HVAC	409,815
Lighting	5,597,693
Motor	171,282
Sub-total Category 2	6,343,165
Category 3	
Additional Measures	62,429
Building Shell	5,013
Compressed Air	99,074
HVAC	419,862
Lighting	180,264
Motors	47,084
Sub-total Category 3	813,726
<b>Grand Total</b>	<b>7,156,891</b>

Program performance results by customer category for the reporting period are provided in Table 24 and Table 25 below.

Table 24  
Long-term Cost Effectiveness for FinAnswer Express Category 2

	Benefit/Cost Ratio	Net Benefits
Total Resource Test plus 10 percent	1.83	\$2,427,554
Total Resource Cost Test	1.66	\$1,939,720
Utility Cost Test	3.84	\$3,608,106
Participant Cost Test	1.90	2,683,928
Rate Payer Impact	0.93	(\$348,623)

Table 25  
Long-term Cost Effectiveness for FinAnswer Express Category 3

	Benefit/Cost Ratio	Net Benefits
Total Resource Test plus 10 percent	1.73	\$291,344
Total Resource Cost Test	1.57	\$228,383
Utility Cost Test	1.90	\$297,352
Participant Cost Test	4.30	\$525,241
Rate Payer Impact	0.76	(\$203,474)

### Program Management

The program manager is responsible for the *FinAnswer Express* program in Wyoming, California, Idaho, Utah, and Washington. 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 *FinAnswer Express* 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 3.

In addition, the Company’s project managers coordinate *FinAnswer Express* projects and provide customers with program services and incentives using the energy engineering consultants described further in the *Energy FinAnswer* program section.

### 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 5 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 122. The current counts of participating trade allies by technology are in the Table 26.

Table 26  
Participating Trade Allies<sup>24</sup>

	Lighting trade allies	HVAC trade allies	Motors and VFD trade allies
List dated 4/3/2013	101	50	60

<sup>24</sup> Some trade allies may participate in more than one technology so the count of unique participating firms is less than the total count by technology.

### *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 \$0.15 per kWh for first year energy savings and \$50 per kW of average monthly demand savings, up to a cap of 70 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”) 2003 energy code by at least 10 percent.

Projects completed by category for the reporting year is provided in Table 27.

Table 27  
Projects Completed

Measure Group	2012 Total
Energy FinAnswer Category 2	3
Energy FinAnswer Category 3	5
Total Projects Completed	8

Program savings by category and measure group is provided in Table 28.

Table 28  
Installed Program Measures (gross kWh/year at site)

Measure Groups	2012 Total
Category 2	
Building Shell	91,290
HVAC	87,362
Lighting	52,292
Motor	981,119
Controls	104,192
Sub-Total Category 2	1,316,255
Category 3	
Compressed Air	5,601,306
Controls	62,494
Motors	56,734
Sub-Total Category 3	5,720,534
<b>Grand Total</b>	<b>7,036,789</b>



Program performance results by customer category for the reporting period are provided in Table 29 and Table 30 below.

Table 29  
Long-term Cost Effectiveness for Energy FinAnswer Category 2

	Benefit/Cost Ratio	Net Benefits
Total Resource Cost Test plus 10 percent	1.73	\$457,350
Total Resource Cost Test	1.57	\$358,936
Utility Cost Test	3.76	\$722,482
Participant Cost Test	1.38	\$267,312
Rate Payer Impact	1.12	\$104,475

Table 30  
Long-term Cost Effectiveness for Energy FinAnswer Category 3

	Benefit/Cost Ratio	Net Benefits
Total Resource Cost Test plus 10 percent	5.10	\$3,700,625
Total Resource Cost Test	4.63	\$3,282,085
Utility Cost Test	6.74	\$3,564,549
Participant Cost Test	3.96	\$2,609,382
Rate Payer Impact	1.36	\$1,110,092

### Program Management

The program manager is responsible for the *Energy FinAnswer* program in Wyoming, California, Idaho, Utah and Washington; the *Self-Direction Credit* program in Wyoming and Utah; and the *Commercial & Industrial Re-Commissioning* program in Utah. The Company employs four full-time project managers<sup>25</sup> in support of the program manager.

*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
- Customer communication and outreach
- Monitoring code and standard changes
- Qualification of materials and equipment
- Engineering analysis of customer opportunities
- Quality control and assurance

<sup>25</sup> Based on the volume of projects, temporary project managers and/or support staff are employed from time-to-time  
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- Customer service, including the delivery of services and incentive
- Verification of installation and savings<sup>26</sup>

### Infrastructure

Given the diversity of the commercial and industrial customer served by the Company, a pre-approved, pre-contracted group of engineering firms are used to perform facility specific energy efficiency analysis, quality assurance and verification. This being said, the individual projects are directly managed by one of the Company's project manager. The project manager works directly with the customer or through the appropriate community and customer account manager located in Wyoming. Table 31 lists the engineering firms currently under contract with the Company.

Table 31  
Engineering Firms

Engineering Firm	Main Office Location
Abacus Resource Management Company	Beaverton, OR
BacGen Technologies	Seattle, WA
Brendle Group Inc	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

On April 17, 2012, the Company issued a request for proposal to engineering firms in Wyoming to participant in the program. A list of 64 engineering firms was received from Wyoming Chapter of the American Council of Engineering Companies (<http://www.acecwy.org/>) and reviewed for qualifications aligning with the program and customer requirements. The request

<sup>26</sup> Summary of inspection process is in Appendix 4.

for proposal was issued to 14 firms in the state. There were no proposals received from engineering firms in Wyoming.

### *Self Direction Credit*

The *Self Direction Credit* program is available to Wyoming 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>27</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 bill credits as opposed to a one-time incentive and are used to offset the Customer Efficiency Service surcharge on the monthly bill. Both new construction and retrofit projects qualify under the program's eligibility requirements. In addition, there is a provision for customers who can demonstrate that they have no additional cost effective energy efficiency projects at their location for a reduced Schedule 191. The program is primarily marketed through customer and community managers and by referral between other programs for business customers.

There was no program participation in 2012.

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<sup>27</sup> Customers can elect to purchase engineering analysis completed under the *Energy FinAnswer* program.

## COMMUNICATIONS, OUTREACH AND EDUCATION

The Company utilizes earned media, customer communications, 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 Rocky Mountain Power's external communications department in cooperation with the customer and community managers located in Wyoming. "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. From January 1, 2012 – December 31, 2012, the Company identified 18 news stories that mentioned its energy efficiency programs or tips which resulted from (1) earned media activities, (2) articles placed in newspapers' progress editions in conjunction with paid advertisements, and (3) without prompting by the Company. A list of the news stories, date of publication or airing, media outlet, and web links (where available) is included in Appendix 6.

### *Customer Communications*

As part of the Company's regular communications to its customers, newsletters across all customer classes promote energy efficiency initiatives and case studies on a regular basis. Inserts and outer envelopes featuring energy efficiency messages and programs have also been used on a consistent basis. In 2012, the Company also issued two newsletters focused entirely on seasonal energy efficiency information targeted in the fall and spring.

The Company also utilizes social media, such as Twitter and Facebook to communicate and engage customers on DSM offers and incentives.

### *Paid Media/wattsmart campaign*

Paid media is managed by Rocky Mountain Power's community and customer communications department. "Paid media" are communication activities the Company produces and pays for, such as television, radio, print, digital, social, collateral, and web media.

The Company launched the *wattsmart* advertising campaign in Wyoming media markets February 6, 2012.

Key strategies with this plan, keeping objectives and budgets in the forefront included:

- Moving all Wyoming energy efficiency programs, tips and resources under the *wattsmart* program umbrella
- Implementing an advertising campaign featuring *wattsmart* energy efficiency messaging

- Promoting customer conservation (behavioral changes) and increasing participation and savings through Rocky Mountain Power *wattsmart* DSM programs
- Motivating Wyoming customers to reduce consumption independently or to do so by participating in at least one of Rocky Mountain Power's *wattsmart* DSM programs
- Educating customers on how these programs can help them save money on their utility bills, reduce energy consumption and keep costs down for all Rocky Mountain Power customers in Wyoming.

Investments were leveraged through the expansion of the *wattsmart* campaign in the Company's Utah service territory.<sup>28</sup> In addition, the Company produced two new television spots, and outdoor advertisements targeting Wyoming customers with more of a winter efficiency focus.

A summary of the media purchases made by the Company in 2012 is attached in Appendix 6. Links to the Company's current portfolio of advertisements is also included in Appendix 6.

The audiences for these messages were prioritized as follows:

- *PRIMARY*: Households in Rocky Mountain Power's Wyoming service area
- *SECONDARY*: Small and large business

Various communications channels were utilized to optimize effectiveness, frequency and coverage and to build on the messages. Table 32 outlines the value each communication channel provides the overall effort and the impressions achieved to date.

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<sup>28</sup> Utah television and radio covers western Wyoming and southeastern Idaho.

Table 32  
Communication Channels

Communication Channel	Value to Communication Portfolio	Placement to date
Television	Television has the broadest reach and works as the most effective media channel	Rotation of advertisements Both 30 and 15 seconds spots <i>2,222 placements, 10 weeks 1,766,000 impressions</i>
Radio	Given the cost relative to television, radio builds on communications delivered via television while providing for increased frequency of messages	Rotation of advertisements <i>419 placements, 8 weeks 159,200 impressions (these are based off the books and some of the stations are not rated)</i>
Newspaper	Supports broadcast messages and guarantees coverage in areas harder to reach with broadcast	<i>49 insertions, 7 papers 234,878 impressions</i>
Outdoor	Supports the broadcast and print media while increasing awareness in areas harder to reach with broadcast	30 outdoor boards 3,962,098 impressions
Website <a href="http://www.rockymountainpower.net">www.rockymountainpower.net</a>  Promote <i>wattsmart.com</i> in advertising, which goes to DSM/energy efficiency program page	Supports all other forms of communications by serving as a source for detailed information regarding the Company's program and other energy efficiency opportunities	<i>wattsmart.com</i> - 20,033 visits
Twitter (@RMP_Wyoming)	Awareness for early adopters regarding energy efficiency tips  Tweets posted on a weekly basis	436 followers
Facebook <a href="http://www.facebook.com/rockymountainpower.wattsmart">www.facebook.com/rockymountainpower.wattsmart</a>	Awareness for early adopters regarding energy efficiency tips and a location to share information	546 fans

The total number impressions for the *wattsmart* campaign were 6,122,176.

### *Program Specific*

All energy efficiency program marketing and communications are under the *wattsmart* umbrella to ensure 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. In January and February 2012, new heat pump sales pieces were developed and a retailer resource manual was distributed. Communications promoting online application processing were provided to retailers during the first part of the year as well.

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

- Room air conditioner point of purchase material
- Handout material for retailers and trade allies to use in their sales to customers
- Web features
- Online and print ads
- Bill insert

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

In September, *Home Energy Savings* program representatives hosted a lighting event at the Rock Springs Home Depot store to help customers choose the right lighting and fill out their incentive application.

In the fall, the program launched a heating campaign, including:

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

Results from the campaign will be compiled after the heating season in 2013.

In November 2012, the Company launched a Black Friday campaign to promote efficient equipment purchases during the holiday shopping season and encourage participation in the program.

### Residential Refrigerator Recycling

The Company promotes the *See ya later, refrigerator®* program through informational advertisements and other customer communications. In 2012, the program garnered 1,881,004 impressions. Breakdown of impressions by media type are shown in Table 33.

Table 33  
*See ya later, refrigerator®* Program

Communications Channel	2012
TV	815,000
Newspaper	1,054,800
Digital	11,204

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

#### FinAnswer Express and Energy FinAnswer

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>29</sup> and retained a page<sup>30</sup> on the website dedicated to this topic. In 2012, the program garnered 1,063,942 impressions. Breakdown of impressions are below by media type is shown in Table 34.

Table 34  
Energy FinAnswer and FinAnswer Express programs

Communications Channel	2012
Newspaper	441,670
Magazine	53,610
Radio	129,300
Digital	439,362

<sup>29</sup> [www.rockymountainpower.net/wysave](http://www.rockymountainpower.net/wysave)

<sup>30</sup> [www.rockymountainpower.net/lightingstandards](http://www.rockymountainpower.net/lightingstandards)



## 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.

All of the Wyoming Demand-Side Management programs were evaluated in 2011 and reported on in the 2012 Wyoming Comprehensive Report. There were no additional evaluation activities in 2012.

Outlined below in Table 35 is a list of the programs and the proposed evaluation schedule:

**Table 35**  
**Program Evaluation Schedule**

Program	Evaluation Schedule	Evaluator
Home Energy Savings	2013	The Cadmus Group
See ya later, refrigerator	2013	The Cadmus
Energy FinAnswer	2014	Navigant
FinAnswer Express	2014	Navigant
Self Direct	2014	Navigant
Low Income Weatherization	2015	TBD