ROCKY MOUNTAIN POWER

POWERING YOUR GREATNESS

2025 Utah Energy Efficiency and Peak Reduction Annual Report

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EXECUTIVE SUMMARY

Rocky Mountain Power, a division of PacifiCorp, serves customers in Utah, Idaho, and Wyoming, including ~1,056,003 customers in Utah. The company focuses on acquiring energy efficiency and peak reduction resources as cost-effective alternatives to traditional supply-side resources, helping to manage load growth and meet peak demand.

PacifiCorp develops a biennial Integrated Resource Plan (IRP) to balance cost, risk, uncertainty, supply reliability, and long-term public policy goals.[1] This plan outlines future actions to ensure reliable and reasonably priced service, incorporating energy efficiency and peak management opportunities based on their availability, characteristics, and costs.

Rocky Mountain Power employs external implementers to administer its programs, with independent external evaluators validating energy savings from these initiatives.[2] The company uses various communication channels, including earned media, customer communications, education, outreach, advertising, and program-specific marketing, to promote energy efficiency and inform customers about available programs, services, and incentives.

The report details the results, activities, and expenditures of the DSM Cost Adjustment Tariff Rider ("Schedule 193") for the period from January 1, 2025, to December 31, 2025. During this period, Rocky Mountain Power invested $95.3 million in energy efficiency and peak reduction resources, resulting in approximately 385,909 megawatt hours (MWh) of first-year energy savings,[3] 4,269,048 MWh of lifetime savings, and peak management reductions of approximately 362 megawatts (MW). The net benefits of these energy savings are estimated at $126 million over the life expectancy of the measures.

The Demand-side Management (DSM) portfolio was deemed cost effective according to the Utility Cost Test (UCT), which is the primary cost benefit test used in Utah. Detailed cost effectiveness results can be found in Table 20, Appendix B, and Confidential Appendix C of the report.

In 2025, Rocky Mountain Power's portfolio was comprised of the following energy efficiency and peak reduction programs:

Energy Efficiency Programs:

- Wattsmart Homes
- Home Energy Reports
- Low Income Weatherization
- Wattsmart Business

Peak Reduction Programs:

- Irrigation Load Control
- Cool Keeper
- Wattsmart Batteries
- Wattsmart Business Demand Response
- EV Charging Demand Response

[1] Information on PacifiCorp's Integrated Resource Plan (IRP) can be found at: Integrated Resource Plan.
[2] Information on Rocky Mountain Powers planning process, program administration, program evaluations, communication, and outreach can be found at: Demand-Side Management.
[3] Reported savings are ex-ante gross at generation.

ADVISORY GROUP AND STEERING COMMITTEE ACTIVITIES

Consistent with the discussion in Docket No. 12-035-69, the Company seeks input regarding its DSM programs from both the Utah DSM Steering Committee and the Utah DSM Advisory Group. These groups include representatives from various constituent organizations. Members of the Steering Committee, who are not already governed by Commission confidentiality rules, signed Confidentiality Agreements with the company to provide input on issues involving sensitive, confidential, or proprietary information. Throughout 2025, the Company consulted with the DSM Steering Committee and DSM Advisory Group on various matters and held formal meetings on the following topics:

March 13, 2025 – DSM Advisory Group

- **Office of Energy Development (OED) Presentation**: the OED presented on HOMES and HEERA funds.
- **Conservation Potential Assessment (CPA):** Reviewed the CPA and role within the IRP.
- **2025 Integrated Resource Plan (IRP):** Reviewed the 2025 IRP modeling and methodology.

March 13, 2025 – DSM Steering Committee

- **DSM Budget:** Reviewed and discussed the DSM budget and savings forecast for 2025.
- **Wattsmart Business Advice Letter:** Reviewed and discussed proposed changes to the Wattsmart Business program.
- **LIDAC Customer Outreach:** Discussed outreach efforts for LIDAC customers.
- **Utah Clean Energy Requests (UCE):** Discussed several topics requested by UCE, including 2024 DSM outcomes, Wattsmart Drive program updates, Cool Keeper program updates, and Heat Tape controls.

June 26, 2025 – DSM Advisory Group

- **2024 DSM Annual Report –** Discussed 2024 DSM annual report results.
- **2025 IRP –** Reviewed the 2025 IRP results and DSM selections.

June 26, 2025 – DSM Steering Committee

- **DSM Semi-Annual Report –** Reviewed the DSM semi-annual report results and forecast.
- **Schedule 193 Rates –** Reviewed regulatory asset balances and discussed options to mitigate the asset balance's growth.
- **Cost Effectiveness Guidelines –** Discussed cost effectiveness guidelines and current application status under docket under 24-035-47.
- **General Rate Case Commitments –** Discussed commitments affecting DSM under the Phase II Stipulation in Docket No. 24-035-04.
- **Utah Clean Energy Requests –** Addressed several requests and questions for the agenda from UCE related to the IRP, large new loads, Wattsmart Battery program, heat pumps, and time of use.

August 28, 2025 – DSM Steering Committee

- **LIDAC Customer Outreach:** Discussed updates on LIDAC customer outreach efforts.
- **Program Updates:** Provided updates on demand response programs.
- **Quarterly Reporting:** Discussed updates to the quarterly reporting format.
- **General Rate Case Commitments:** Discussed updates on general rate case commitments for DSM.
- **Cost Effectiveness Guidelines:** Summarized the technical workshop help August 14, 2025, in Docket No. 24-035-47.

October 28, 2025 – DSM Steering Committee

- **DSM Forecast Report:** Reviewed and discussed the 2026 budget and savings forecast.
- **Schedule 193 Rate Adjustment:** Reviewed and discussed options for adjusting Schedule 193 rates to mitigate regulatory asset growth.

- **Schedule 111 Wattsmart Homes Changes:** Discussed proposed changes to the Wattsmart Homes program administered through Schedule 111.
- **Cost Effectiveness Guidelines:** Discussed the outcome of the cost effectiveness guidelines docket under 24-035-47.
- **General Rate Case Commitments:** Discussed updates on the GRC commitments related to DSM and time of use education.
- **Steering Committee Membership:** Discussed the potential for adding University of Utah researchers as Steering Committee members.

PORTFOLIO OF PROGRAMS
RESIDENTIAL ENERGY EFFICIENCY PROGRAMS
WATTSMART HOMES
Program Description

The Wattsmart Homes program is designed to provide incentives for residential customers to use more energy efficient products and services. It covers the housing types:

- Newly Constructed Homes
- Single Family Existing Homes
- Multi-family Housing Units
- Manufactured Homes

The program is available to residential customers under electrical service schedules 1, 2, or 3. Landlords with properties where tenants are billed under these schedules also qualify.

In 2025, the Wattsmart Homes program passed the Utility/Program Administrator Cost Test (UCT) with a benefit-cost ratio of **2.58**.

Program Performance and Major Achievements in 2025

In 2025, the Wattsmart Homes program achieved significant milestones, including 74,229,809 kWh in gross energy savings at the site and the disbursement of $23 million in incentives. The program is implemented by Evergreen Consulting for the existing homes program channel, Resource Innovations for the new homes program channel, and Resource Smart (Formerly ICAST) for the multifamily program channel.

In 2025, Rocky Mountain Power's Wattsmart Homes program achieved several significant milestones:

- **Sustained High Customer Demand**: Wattsmart Homes entered 2025 with strong momentum for record-level participation continuing to drive customer adoption of:
    - High-efficiency HVAC systems (with focus on heat pumps)
    - Home weatherization measures (insulation and air sealing)
    - ENERGY STAR appliances
    - Smart thermostats and controls
    - Energy-efficient new homes built above code.
- **Expanded Electrification-Ready Measures:** Wattsmart Homes continued to support Utah's transition toward efficient electrification by incentivizing electric heat pumps and heat pump water heaters, high-efficiency cooling systems, and smart energy management technologies. This positioned the program to address both energy savings, and future grid needs while remaining aligned with PSC-approved cost-effectiveness standards.
- **Improved Customer Experience and Delivery:** In 2025, Wattsmart Homes benefited from program delivery enhancements that improved rebate application processing times, contractor and trade-ally participation, and accessibility for rural and multilingual customers. These improvements helped reduce administrative barriers and supported continued growth in the program's participation.

- **Support for Energy-Efficient New Construction:** Through the Wattsmart New Homes offering, the program continued to incentivize homes built above code. These homes deliver long-term energy savings, reduced operating costs, and improved indoor comfort compared to code-minimum construction, extending program benefits beyond retrofits.
- **Regulatory Acknowledgement and Compliance:** In August 2025, the Utah PSC issued a formal acknowledgment confirming that Rocky Mountain Power complied with DSM reporting requirements and recognized continued improvements in DSM cost-effectiveness outcomes year over year. Wattsmart Homes was included among the core residential programs reviewed under this acknowledgement.
- **Survey Success**: The Wattsmart Homes program continues to receive high marks from residential customers, maintaining an 8.8/10 satisfaction rating. The rating was consistent throughout 2025.

These achievements highlight the program's commitment to energy efficiency and customer satisfaction.

HOME ENERGY REPORTS PROGRAM

Program Description

The Home Energy Reports program is a behavioral initiative aimed at reducing energy consumption among participants. It achieves this by offering comparative energy usage data for equivalent homes in the same geographical area. Additionally, the reports provide participants with practical tips to help them decrease their energy usage.

In 2025, the Home Energy Reports program demonstrated strong cost-effectiveness, passing the Utility/Program Administrator Cost Test (UCT) with a benefit-cost ratio of **4.02** This high ratio indicates that the program's benefits significantly exceeded its costs, highlighting its success in promoting energy-efficient behaviors among participants.

Program Performance and Major Achievements in 2025

In 2025, the Home Energy Reports program achieved 110,475 MWh in gross energy savings at the site.

Report Highlights:

- Individual recommendations to save energy.
- Insights on energy usage by appliance type.
- Home characteristics included in the report with easy access to update the home profile.
- Monthly usage history included in reports.

Additionally, online portals are updated periodically to provide greater insights for all residential customers. The Home Energy Reports (HER) program experiences natural attrition primarily due to move outs with some customers choosing to opt out of receiving reports. Attrition is an expected characteristic of behavioral energy efficiency programs and does not indicate a decline in program effectiveness.

Rocky Mountain Power manages attrition through refills and by periodically refreshing report content messaging, optimization of targeting and segmentation, continued benchmarking of Utah results against national HER performance norms, and portfolio-level planning that balances behavioral programs with measure-based programs (e.g., Wattsmart Homes). This approach ensures that overall DSM savings remain stable, even as individual program savings evolve.

LOW INCOME WEATHERIZATION

Program Description

The Low-Income Weatherization program offers energy efficiency services to income-eligible households at no cost, through a partnership with the Utah Department of Workforce Services, Housing and Community Development Division (HCD). Rocky Mountain Power has a contract with HCD to provide these services, leveraging federal funds and subcontracting with seven non-profit agencies to install energy efficiency measures in eligible homes across the company's service area.

Rocky Mountain Power funds 50 percent of the cost of approved measures, which is matched by HCD with federal funding, enabling more homes to benefit from the program each year.

In 2025, the Low-Income Weatherization program fell slightly below the Utility/Program Administrator Cost Test (UCT), with a benefit-cost ratio of **0.97**. This result indicates that program costs marginally exceeded quantified benefits. The shortfall is driven by higher upfront installation costs and the inclusion of comprehensive, health- and safety-related measures that are not fully captured in traditional cost-effectiveness metrics, despite providing important non-energy benefits to income-eligible households.

Program Performance and Major Achievements in 2025

In 2025, the Low-Income Weatherization program achieved 112,279 kWh in gross energy savings at the site and served 303 homes.

Rocky Mountain Power's Low Income Homes program in Utah achieved several significant milestones:

- **Continued Delivery of Comprehensive Home Upgrades**: In 2025, the Low-Income Weatherization program continued to deliver whole-home efficiency improvements to qualifying households, including insulation and air sealing, furnace repair or replacement, efficient heating and cooling equipment, and health and safety measures required under the weatherization guidelines. The approved measures also include a stand- alone measure for crisis heating and cooling system repair or replacement with eligibility determined by the agency when they respond to an emergency. These upgrades provided long-term reductions in household energy consumption, helping to address energy burden for some of Utah's most at-risk residential customers.
- **Sustained focus on Energy Burden Reduction**: The program remained targeted toward households with the highest energy burdens, including seniors, people with disabilities, and families with young children. By reducing structural energy losses relying solely on bill assistance. Low Income Weatherization delivered persistent, multi-year savings, improving affordability beyond a single heating or cooling season.
- **Leveraging Multiple Funding Sources**: A key achievement in 2025 was the continued ability to leverage ratepayer funds alongside federal and state weatherization resources, increasing the number of homes that could be served. Rocky Mountain Power's contributions complemented federal Weatherization Assistance Program (WAP).
- **Integration within the DSM Portfolio**: The Utah Division of Public Utilities and the PSC continued to recognize Low Income Weatherization as an essential and equitable component of the DSM portfolio. While the program is not primarily evaluated on traditional cost-effectiveness metrics, it supports broader system benefits by reducing arrearages and collection costs, improving customer affordability and retention, and supports long-term energy savings in structurally inefficient housing. These benefits reinforce the program's role alongside market-based offerings such as Wattsmart Homes.

These achievements underscore the program's commitment to supporting low-income communities and promoting energy efficiency.

NON-RESIDENTIAL- ENERGY EFFICIENCY PROGRAMS

WATTSMART BUSINESS

Program Description

The commercial, industrial, and agricultural energy efficiency program portfolio is offered through a single Non-Residential Energy Efficiency program called Wattsmart Business. This program aims to encourage new and existing non-residential customers to enhance their electric energy efficiency by installing energy efficiency measures and adopting improved energy management protocols. Qualifying measures are those that, when implemented in an eligible facility, result in verifiable electric energy efficiency improvements.

Incentives and services offered through Wattsmart Business include:

- Typical Upgrades/Listed Incentives/Express Lighting
- Small Business and Medium Business Express Lighting

- Midstream Lighting and HVAC/LED Instant Incentives
- Custom Analysis
- Energy Management
- Energy Project Manager Co-funding
- Whole Building New Construction/Major Renovation Incentives

In 2025, the Wattsmart Business program demonstrated strong cost-effectiveness, passing the Utility/Program Administrator Cost Test (UCT) with a benefit-cost ratio of **2.26**.

Program Performance and Major Achievements in 2025

In 2025, Rocky Mountain Power's Wattsmart Business Program in Utah reached several notable milestones. The program achieved gross energy savings of 179,492,487 kWh at the site and distributed $21.9 million in incentives.

- **Strong Participation Across Customer Segments:** During 2025, the Wattsmart Business program maintained robust participation across small, medium, and large business customers, reflecting sustained demand for cost-effective energy efficiency improvements. Participation remained broad-based across sectors such as retail, office, education, healthcare, and industrial facilities, helping drive both energy and demand savings statewide.
- **Continued Shift Toward Non-Lighting and Custom Measures:** Program activity in 2025 continued the long-term transition away from traditional lighting measures toward high-efficiency HVAC systems and controls, process and refrigeration improvements, variable frequency drives and motor upgrades, and custom projects tailored to site-specific operational savings. This shift reflects both market transformation in lightning and increased customer interest in deeper, longer-lived efficiency investments.
- **Contribution to Portfolio-Level Savings:** Wattsmart Business remained a significant contributor to total DSM energy savings in Utah in 2025. Measured savings increasingly reflected non-lighting and custom projects, which tend to deliver higher per-project savings and longer measure lives, supporting overall portfolio persistence.
- **Support for Capital-Intensive Efficiency Projects:** A key achievement in 2025 was the program's ability to support capital-intensive efficiency upgrades that customers may not otherwise pursue without incentive and technical assistance. This included complex HVAC retrofits, controls integration, industrial process improvements, and whole building new construction/major renovation. These projects delivered durable savings and operational benefits beyond simple equipment replacement.
- **Technical Assistance and Customer Engagement:** Wattsmart Business continued to emphasize technical assistance and project development support, helping customers identify energy savings opportunities, evaluating project economics, and navigating implementation. This support played a key role in maintaining program participation amid increasing project complexity.
- **Alignment with Broader Grid and Planning Objectives:** In 2025, Wattsmart Business remained aligned with Rocky Mountain Power's broader system objectives by supporting load reduction during peak periods, improved system efficiency, and long-term demand management. The program complemented demand response and peak reduction offerings by reducing baseline load at commercial and industrial facilities.
- The Wattsmart Business program continues to receive high marks from participating business customers, maintaining a 9.3/10 satisfaction rating.

These achievements highlight the program's commitment to promoting energy efficiency and supporting businesses in their sustainability efforts.

PEAK REDUCTION PROGRAMS

Peak Reduction programs help Rocky Mountain Power balance customer energy requirements during peak summer usage hours. These programs aim to defer the need for costly investments in delivery infrastructure and peak generation resources, which would otherwise be necessary to serve high demand loads for a few select hours each year. By doing so, they maximize the efficiency of the existing electrical system and reduce costs for all customers.

Programs targeting capacity-related resources are tailored to the most prevalent end-use loads in each jurisdiction, such as agricultural pumping and residential cooling loads in Utah. In 2024, the company offered the following programs:

- **Irrigation Load Control program (Schedule 105)** for the agricultural sector.
- **Cool Keeper program (Schedule 114)** for the residential and small commercial sectors.
- **Wattsmart Business Demand Response program (Schedule 114)** for the larger commercial and industrial sector.
- **Wattsmart Batteries (Schedule 114)** for eligible residential and commercial batteries.
- **Wattsmart Electric Vehicle Demand Response (Schedule 114)** for eligible electric vehicles.

IRRIGATION LOAD CONTROL

Program Description

The Irrigation Load Control program is available to irrigation customers receiving electric service under Schedule 10, Irrigation and Soil Drainage Pumping Power Service. Participants enroll with a third-party administrator and agree to curtail their electricity usage in exchange for incentives. These incentives are based on the site's average available load during program hours, adjusted for any opt-out or non-participation.[4]

Most participants have their irrigation systems set up with a dispatchable two-way control system, allowing Rocky Mountain Power to manage their loads. Participants receive a 4-hour advance notice before mandatory events and can opt-out, though each opt-out reduces their final incentive.

In 2025, the mandatory program season ran from May 27th to August 15th. The voluntary program season followed from August 16th to September 30th. Mandatory events were scheduled from 2 PM to 9 PM Mountain Standard Time, Monday through Friday, excluding holidays, with a 4-hour notification for each event.

The Irrigation Load Control program passed the Utility Cost Test (UCT) for 2025. This program, administered by Rocky Mountain Power, is designed to help manage energy use during peak summer hours by allowing irrigation customers to curtail their electricity usage in exchange for incentives.

Program Performance and Major Achievements in 2025

Rocky Mountain Power's Irrigation Load Control program in Utah achieved several significant milestones:[5]

- **Reliable Seasonal Peak Load Reduction**: In 2025, the Irrigation Load Control program continued to deliver reliable, dispatchable load reduction during the irrigation season, supporting system performance during periods of evaluated summer demand. Controlled load reductions were targeted at critical peak hours, helping offset system stress without requiring permanent reductions in agricultural output.
- **Stable Participation from Agricultural Customers**: Program participation in 2025 remained stable and consistent, reflecting continued engagement from irrigators who value the program's predictable control protocols, limited impact on crop irrigation schedules, and clear communication regarding control events. This consistency supports the program's dependability as a seasonal capacity resource.
- **Effective Integration with Peak Reduction Portfolio**: The Irrigation Load Control program continued to complement other Utah peak reduction initiatives, such as Cool Keeper and demand response offerings, by addressing a highly seasonal but significant load segment. Its performance during irrigation months contributed to broader portfolio-level peak management goals.
- **Continued Delivery of Cost-Effective Peak Capacity**: A major achievement in 2025 was the program's ability to deliver low-cost peak demand reductions relative to supply-side alternatives. By leveraging existing irrigation equipment and established control infrastructure, the program continued to provide dependable capacity without requiring major new capital investments.

[4] For more information on program enrollment, please visit the Company's website at: https://www.rockymountainpower.net/savings-energy-choices/business/irrigation-load-control.html

[5] Rocky-Mountain-Power-ILC-DR-FAQ_Flyer_RMP.pdf

- **Alignment with Agricultural Operations**: The program maintained a strong operational balance by structuring control events to avoid prolonged interruptions, maintaining flexibility aligned with irrigation cycles, and preserving productivity for participating agricultural customers. This balance has been critical to long-term participation and program acceptance within Utah's agricultural community.
- **Support for System Reliability During High-Load Periods**: In 2025, Irrigation Load Control supported system reliability during summer peak conditions, when irrigation demand coincides with higher overall system loads driven by weather and customer usage. The program helped mitigate peak demand growth in rural and agricultural service areas.

In 2025, ten mandatory load control events were initiated, and one voluntary load control event was initiated. The singular voluntary event was classified as voluntary because it occurred outside of the mandatory season window on September 2nd. The irrigation load control program's available load can be utilized as a reserve, providing value to the program and benefits to customers.

A total of 24 customers participated across 98 sites. The total enrolled capacity was 13.9 MW, with a maximum potential load of 9.5 MW and a maximum realized load of 4.5 MW, all at generation.

COOL KEEPER

Program Description

The Cool Keeper program is a direct load management initiative targeting residential and commercial customers who use electric central air conditioners and heat pumps. This program is activated under various circumstances to manage grid demand. Its flexibility and real-time dispatch capabilities make it suitable for various smart grid applications.[6]

When there is a grid need, Rocky Mountain Power uses a central cloud-based platform to send a signal to switches installed on participating customers' cooling systems to turn the compressor off (or prevent it from starting up if its already off). When the event is over, the platform sends a second signal to allow the compressor to turn back on. In 2025, the average curtailment duration was 6 minutes. The program is limited to 100 hours per year, with events lasting up to four hours per day. In case of a system emergency, Rocky Mountain Power may expand the dispatch parameters as outlined in the program tariff.

Participants receive bill credits each month from May to September, with the maximum annual incentive ranging from $30 to $60, depending on the unit size. Participants not enrolled for the entire season receive a daily pro-rated credit for the days they participate.

The Cool Keeper control program passed the UCT cost test for 2025.

Program Performance and Major Achievements in 2025

The maximum potential and realized capacities at generation were 299 MW and 269 MW, respectively.

The program's real-time activation capability enhances its value and flexibility, allowing it to be utilized for frequency response and contingency reserve obligations. Frequency response events are 5-minute events that correct a frequency imbalance on the grid, while contingency reserve events are typically 15-30 minutes, and used to correct an unexpected dip in generation. During the 2025 program season, 282 Cool Keeper control events were initiated, including 268 frequency response events, and 14 contingency events.

Rocky Mountain Power's Cool Keeper program achieved several significant milestones:[7]

- **Strong and Growing Customer Participation**: In 2025, Rocky Mountain Power focused on customer retention and growth and successfully increased the number of participating customers to 113,519 from

[6]For more information on program enrollment, please visit the Company's website at: https://www.rockymountainpower.net/savings-energy-choices/home/cool-keeper.html#:~:text=Cool%20Keeper%20is%20available%20to,%2D800%2D357%2D9214.

[7] Rocky Mountain Power's Wattsmart Program Can Help You Keep Your Cool This Summer

102,850 in 2024. This outcome reflects sustained interest in voluntary demand response options that offer bill credits without noticeable comfort impacts.

- **Predictable Event Performance**: Program design continued to emphasize limited event duration and seasonal dispatch parameters. Over recent seasons, average event duration has remained low (less than 10 minutes) with maximum event times of 45 minutes or less. In addition, Rocky Mountain Power has targeted Cool Keeper to grid needs other than peak load reduction (namely, frequency response and contingency events) to avoid interrupting air-conditioning at the time customers need it most.
- **Positive Customer Experience and Public Engagement**: Public-facing outreach in 2025 emphasized ease of enrollment, minimal comfort impacts, and consistent bill credits. Customer communication helped reinforce understanding that Cool Keeper events are brief, infrequent, and voluntary, contributing to continued customer trust and participation.

WATTSMART BUSINESS DEMAND RESPONSE

Program Description

The Wattsmart Business Demand Response Program offers financial incentives to commercial and industrial (C&I) customers who reduce their load during company-initiated events. This program aims to provide peak load reduction, contingency reserves, frequency response, and other grid services to help manage the overall electric grid effectively.[8]

The program targets large commercial and industrial customers with curtailable loads greater than 500 kW, which can be curtailed with no advance notice or limited advance notice (7 minutes). An automated dispatch without advance notice and a total response time within 50 seconds is considered a real-time event, while a dispatch event with advance notice and response within 7 minutes is considered an advanced notice event.

The Wattsmart Business Demand Response program passed the UCT cost test for 2025.

Program Performance and Major Achievements in 2025

The maximum potential at generation was 431 MW at site, with 10 control events initiated during the 2025 program season.

Rocky Mountain Power's Wattsmart Business Demand Response program in Utah achieved several significant milestones:

- **Confirmation as a Core Peak Reduction Program:** In August 2025, the Utah Public Service Commission formally acknowledged Rocky Mountain Power's DSM portfolio compliance, explicitly listing Wattsmart Business Demand Response as one of the State's recognized Peak Load Reduction programs. This acknowledgment reaffirmed the program's role as a permanent system resource rather than a pilot-stage offering.
- **Alignment with Updated DSM Performance Standards:** Throughout 2025, Wattsmart Business Demand Response continued to operate under evolving DSM performance standards, discussed in PSC technical conferences and stakeholder processes during the year. These standards emphasize measurable, dispatchable demand reductions, reinforcing the importance of commercial demand response as Utah's peak demand grows.
- **Integration with Advanced Dispatch and Fast-Response Technologies:** In 2025, Rocky Mountain Power continued expanding advanced and real-time dispatch demand response capabilities for non-residential customers. The Wattsmart Business Demand Response structure allows year-round availability, sub-hour and fast-response dispatch, and participation in ancillary and reliability services. This integration strengthened the program's value as a grid-responsive resource, not just a seasonal offering.
- **Coordination Across the Peak Reduction Portfolio:** In 2025, Wattsmart Business Demand Response operated in coordination with other Utah peak load reduction programs including Cool Keeper, Irrigation

[8] For more information on program enrollment, please visit the Company's website at: https://www.rockymountainpower.net/savings-energy-choices/business/demand-response.html

Load Control, Wattsmart Batteries. This portfolio approach improves system reliability by diversifying peak reduction sources across residential, agricultural, and commercial sectors, reducing reliance on any single customer class.

- **Support for Future Grid Planning and Reliability:** Wattsmart Business Demand Response milestones in 2025 aligned closely with Rocky Mountain Power's long-term grid planning goals including improving peak flexibility, reducing reliance on new peaking generation, and supporting rapid load growth across Utah. PSC filings and stakeholder discussions increasingly recognized demand response as a planning-grade resource, rather than a discretionary DSM add-on.

WATTSMART BATTERIES

Program Description

The Wattsmart Batteries program encourages the installation of qualified individual batteries to enhance electric grid management. By leveraging these batteries, the program aims to maximize renewable energy usage and support a sustainable electric grid. The batteries are utilized for various smart grid applications, including frequency response, peak load management, transmission relief, and daily load cycling. They are integrated into PacifiCorp's Energy Management System to provide real-time grid benefits.[9]

Eligible participants receive an upfront enrollment incentive capped at $2,000 per household and committed to a 4-year program term. After one year of participation, they also qualify for an ongoing annual bill credit.

The Wattsmart Battery program passed the Utility Cost Test (UCT) for 2025.

Program Performance and Major Achievements in 2025

The **Wattsmart Battery Program** by Rocky Mountain Power has made significant strides in Utah. Here are some key highlights:[10]

- **Strong and Sustained Participation**: In 2025, Wattsmart Battery continued to experience strong customer adoption, building on rapid growth in prior years.
- **Reliable Dispatchable Grid Resource:** Throughout 2025, enrolled batteries were actively integrated into Rocky Mountain Power's grid operations as a dispatchable peak reduction and flexibility resource. The program continued to provide peak shaving during high-load periods, load shifting to support renewable integration, and fast-response capacity through coordinated battery dispatch. These capabilities position Wattsmart Batteries as a planning-relevant DSM resource, not just a customer incentive offering.
- **Commercial Battery Market Expansion:** A major milestone in 2025 was the certification of additional commercial battery providers, most notably Torus, which became one of only two vendors approved to meet Rocky Mountain Power's rigorous technical and telemetry standards. This approval expanded the program into commercial-scale systems ranging from 30 kW to 1.2 MW, significantly increasing the program's peak reduction potential.
- **Advancement of Virtual Power Plant Capabilities:** In 2025, the Wattsmart Battery program gained national recognition as a "best-in-class battery virtual power plant" in the U.S. Department of Energy's Virtual Power Plants Liftoff Update. The program was cited for delivering both bulk system value and distribution system value, and for deploying usable capacity far faster than traditional generation resources.
- **Expanded Technology Eligibility:** The program expanded the list of eligible battery technologies in 2025, including the addition of Tesla Powerwall 3 systems beginning September 1, 2025. This broadened customer access to the program and supported continued enrollment momentum by aligning with widely adopted battery platforms.
- **Integration with Broader System Planning:** Wattsmart Batteries continued to support Rocky Mountain Power's long-term resource and reliability planning by reducing reliance on peaking generation, supporting renewable energy integration, and increasing grid flexibility in high-growth areas. The program's role aligns

[9] For more information on program enrollment, please visit the Company's website at: www.rockymountainpower.net/battery
[10] Wattsmart Battery Program

with Utah's Operation Gigawatt initiative and Rocky Mountain Power's broader investment in distributed energy resources and storage.

WATTSMART ELECTRIC VEHICLE DEMAND RESPONSE

Program Description

Approved in late 2023, the Wattsmart Electric Vehicle Demand Response Program (also known as Wattsmart Drive) is an innovative pilot designed to test the viability of utilizing electric vehicles for grid management. The pilot sends pause-charging signals directly to electric vehicles charging within Rocky Mountain Power's Utah territory when dispatched. Acting as a frequency demand response resource, these signals are dispatched to customers within seconds, pausing charging for up to five minutes. Customers receive real-time notifications via SMS and have the option to opt out of these events.

Event Dispatches

Wattsmart Drive, approved as a pilot program, operates independently from Rocky Mountain Power's Energy Management System due to the non-integration of its supporting software platform. The primary objective of this pilot is to evaluate the feasibility of utilizing electric vehicle (EV) charging as a frequency demand response resource. To assess the program's viability, Rocky Mountain Power manually dispatched events on various days and times to simulate real frequency demand response scenarios. These events, referred to as "Frequency Test Events" in the Electric Vehicle Charging Demand Response Events table, were not triggered by actual grid frequency needs but were conducted to test the pilot's potential.

A distinctive aspect of employing EVs for demand response is their mobility and variable charging patterns. In 2025, a total of 42 events were dispatched. Event times were selected to mimic frequency event trends. While frequency events can occur at any time on any day, one goal of Wattsmart Drive is to show the viability of leveraging this program as a long-term frequency demand response program. As such, event dispatch times were selected based on recent frequency event times, often a day or so later, to take advantage of representative times.

It is not required to include this item given that it remains in the pilot phase; however, the Company has elected to incorporate it into the cost-effectiveness analysis to enhance transparency, demonstrate program progress, and provide early insight into performance. The pilot remains cost-effective, and its costs and benefits have been appropriately incorporated into the overall program totals, with its pilot status clearly noted.

Program Performance and Major Achievements in 2025

- **Event Dispatch:** Program enrollment growth was healthy throughout 2025. The larger volume of enrolled customers made it more likely for vehicles to be charging within Utah territory at any given time, leading to more potential load reduction when events were scheduled, regardless of the timing. Because of the program growth, more events were scheduled at more varying times, providing insights for how this program may be used in the future. A total of 42 events were scheduled in 2025, resulting in a maximum load reduction of 1.48 MW at site, and an average reduction of 0.42 MW at site.
- **Program Marketing:** Four email marketing campaign occurred over 2025, increasing enrollment from 80 vehicles at the end of 2024 to 1019 vehicles at the end of 2025. Marketing efforts took advantage of vendor technology; using advanced analytics, our program vendor was able to provide a list of residential sites that they predict have electric vehicles. Previously, the program was only marketed towards customers who had participated in the AC Level 2 charger incentive program or enrolled in the EV Time of Use rate. This new list allowed us to market the program to a new set of customers that were less likely to be aware of our program offerings.

EXPENDITURES

TOTAL PORTFOLIO BUDGET AND EXPENDITURES

Table 1: Forecast to Actual Savings Comparison

Utah 2025 DSM Programs	2023 IRP Update for 2025		2025 Forecast		2025 Actual	
	(Gross - at Gen)		(Gross - at Gen)		(Gross - at Gen)	
	MWH	MW	MWH	MW	MWH	MW
Class 1 - Load Control Programs						
A/C Load Control		271		320		299
Irrigation Load Control		25		14		13.9
Wattsmart Batteries Program		11		45		37
C&I Load Control Program		43		54		31
EV Charging Demand Response		0.01		2		3.93
Total Class 1		**349**		**435**		**386**
Class 2 - Residential Programs						
Low Income	N/A	N/A	180	0.03	119	0.02
Wattsmart Homes	N/A	N/A	60,481	10.52	78,949	13.74
Total Residential Class 2	**N/A**	**N/A**	**60,661**	**10.55**	**79,068**	**13.76**
Class 2 - Non-Residential Programs						
Wattsmart Business	N/A	N/A	214,130	37.24	189,343	32.9
Total Class 2	**266,501**	**46.33**	**274,791**	**47.78**	**268,411**	**46.70**
Total Class 2 Estimated Range			**261-051-288,530**			
Misc.						
Home Energy Reporting[11]	**N/A**	**N/A**	**109,318**	**19.01**	**117,498**	**20.44**

Table 2: Program Results for January 1, 2025 – December 31, 2025

Load Management Programs	MW/Yr. Savings (at site)	MW/Yr. Savings (at gen)	Program Expenditures
Cool Keeper	280	299	$11,044,246
Irrigation Load Control	13	13.9	$89,157
C&I Load Control	30	31	$2,329,519
Wattsmart Batteries	35.16	37.39	$7,289,152
EV Charging Demand Response	3.57	3.93	$155,044
Total Load Management	**362**	**386**	**$20,907,118**
Energy Efficiency Programs	**kWh/Yr. Savings (at site)**	**kWh/Yr. Savings (at gen)**	**Program Expenditures**
Low Income Weatherization	112,279	119,417	$99,474
Home Energy Reporting	110,475,378	117,498,298	$2,061,736
Wattsmart Homes	74,229,809	78,948,598	$29,704,609
Total Residential	**184,817,466**	**196,566,313**	**$31,865,818**
Total Wattsmart Business	**179,492,487**	**189,342,965**	**$40,864,279**

[11] The HER incremental savings row reflects evaluated program impacts based on participant consumption analysis in the absence of a randomized control group. Savings are estimated using normalized pre- and post-program usage and therefore differ methodologically from traditional measure-based program savings presented elsewhere in the table.

Load Management Programs	MW/Yr. Savings (at site)	MW/Yr. Savings (at gen)	Program Expenditures
Total Energy Efficiency	**364,309,953**	**385,909,278**	**$72,730,098**
Other Portfolio Expenditures			
		Outreach and Communications	$982,907
		Portfolio - EM&V Non-Residential	$243,168
		Portfolio - EM&V Residential	$133,696
		Portfolio – DSM Central	$169,247
		Portfolio Potential Study	$53,751
		Portfolio TRL	$82,673
		Portfolio - Training	$0
Total Utah Program Expenditures			**$95,302,656**

SAVINGS BY PROGRAM

Table 3: 2025 Program Performance by Measure Category Savings for Wattsmart Homes (Single-Family)

Measure Category	Total kWh (at Site)	Total Incentive	Total Projects
Appliances	61,115	$21,629	566
Building Shell	570,757	$607,578	2,311 sq. ft.
Electronics	10,503	$1,530	68
HVAC	34,409,185	$12,976,924	14,071
HVAC-NH	7,093,015	$1,755,755	2,569
Lighting	39,643	$5,893	159
Transportation	394,393	$72,024	321
Water Heating	86,498	$22,385	52
Water Heating-NH	19,617	$4,900	6
Whole Building	26,693,972	$26,693,972	136
Whole Building-NH[12]	4,829,780	$1,406,471	3,258
Grand Total	**74,208,478**	**$23,188,628**	

Table 4: 2025 Program Performance by Measure Category Savings for Wattsmart Homes (Multi-Family)

Measure Category[13]	Total kWh (at Site)	Total Incentive	Total Projects
Appliances	3,871	$1,085	31
Building Shell	73	$126	2
Electronics	443	$65	13
HVAC	15,236	$8,690	110
Lighting	934	$140	14
Transportation	684	$125	1
Grand Total	**21,331**	**$10,231**	**171**

[12] The Whole Building New Home measure is categorized under a pay-for-performance model. A pay-for-performance measure in energy efficiency is a strategy where payments for energy efficiency improvements are based on the actual performance and measured energy savings of the implemented measures. This approach incentivizes builders to construct homes above code baselines to achieve higher energy savings; incentives are paid based on kWh saved as built above code.

[13] In addition to multifamily and single-family new construction, the program also includes multifamily retrofit projects. These retrofit projects involve upgrading existing multifamily buildings to improve energy efficiency and integrate renewable energy solutions.

Table 5: Wattsmart Homes New Construction Single Family Participation

New Construction Measures	Total kWh (at Site)	Total Incentives
Single Family		
Smart Thermostat	**166,661**	$49,525
Heat Pumps	**7,890,566**	$1,985,097
Heat Pump Water Heater	**14,155**	$3,500
Electric Heat (PFP)	**683,046**	$88,366
Gas Heat (PFP)	**3,187,984**	$1,040,658
Total Single Family	**11,942,412**	**$3,167,146**

Table 6: Wattsmart Homes Custom Multifamily Participation for Low Income and Market Rate Properties

Custom Multifamily	Total kWh (at Site)	Total Incentives
Low Income	**37,211,105**	**$11,234,752**
New Construction	34,584,876	$10,000,424
Retrofit	2,626,229	$1,234,328
Market Rate	**796,583**	**$308,780**
New Construction	739,139	$286,377
Retrofit	57,444	$22,403
Grand Total	**38,007,688**	**$11,543,532**

Table 7: Low Income Weatherization Program Homes Served and Measures Installed

Measure Type	Installed
Insulation	101
Crisis Heating & Cooling Repair and/or Replacement	7
Duct Sealing & Insulation	12
Furnace Fan	41
Energy Education	297
LED Bulbs	168
Weatherization	20
Refrigerator Replacement	16
Total Number of Homes Served	**303**
Total kWh Savings @ Site	**$112,279**

Table 8: 2025 Program Performance by Measure Category Savings for Wattsmart Business

Measure Category	Total kWh (at Site)	Total Incentive	Bill Credits	Total Projects
Additional Measures	3,705,029	$534,849	$0	21
Agriculture	2,489,542	$347,814	$0	49
Building Shell	4,784,129	$375,659	$0	58
Compressed Air	5,606,012	$605,332	$518,797	29
Direct Install	2,269,012	$721,317	$0	231
Energy Management	37,270,088	$741,042	$4,465	98
Food Service	98,681	$15,980	$0	24
HVAC	20,437,079	$3,271,686	$63,747	465
Lighting	29,502,546	$4,824,272	$0	11,476

Measure Category	Total kWh (at Site)	Total Incentive	Bill Credits	Total Projects
Motors	20,787,214	$2,071,218	$275,192	48
Oil & Gas	29,121	$4,500	$0	3
Refrigeration	1,727,462	$255,952	$0	28
Transportation	1,627,551	$49,375	$0	11
Whole Building	49,152,424	$7,392,602	$0	238
Energy Project Manager Co-Fund	-	$622,422	$0	12
Water Heating	6,597	$1,750	$0	1
Grand Total	179,492,487	$21,835,769	$862,200	12,792

Table 9: Wattsmart Business Savings by Sector

Sector	Total kWh (at Site)	Total Incentive	Bill Credit	Total Projects
Agricultural	**1,586,850.00**	$212,491	$0	45
Commercial	**131,893,534.01**	$18,272,531	$36,517	12,460
Industrial	**46,012,102.85**	$3,350,829	$825,683	287
Grand Total	**179,492,486.86**	**$21,835,769**	**$862,200**	**12,792**

LOAD CONTROL EVENTS

Table 10: Irrigation Load Control Events

Date	Event	Event Times	Estimated Load Reduction at Gen (MW)
7/11/2025	1	6:00 PM - 9:00 PM MDT	3.5
7/14/2025	2	4:00 PM - 8:00 PM MDT	3.3
7/15/2025	3	4:00 PM - 8:00 PM MDT	3.6
7/17/2025	4	4:00 PM - 7:00 PM MDT	2.9
7/28/2025	5	5:00 PM - 9:00 PM MDT	4.5
7/30/2025	6	5:00 PM - 9:00 PM MDT	4.2
8/5/2025	7	6:00 PM - 9:00 PM MDT	3.4
8/11/2025	8	6:00 PM - 9:00 PM MDT	3.1
8/12/2025	9	6:00 PM - 9:00 PM MDT	3.7
8/13/2025	10	6:00 PM - 9:00 PM MDT	3.0
9/2/2025	11*	4:00 PM - 8:00 PM MDT	2.1

*Indicates voluntary events

Table 11: Irrigation Load Control Program Performance

Maximum Potential MW (at Site)	**13.0**
Maximum Potential MW (at Gen)	13.9
Average Realized load MW (at Site)	3.2
Maximum Realized load MW (at Site)	4.2
Total Customer Participation	24
Total Sites	98

Table 12: Cool Keeper Load Control Events[14]

Month	Number of Events	Max of Estimated Load Reduction at Gen (MW)	Average Estimated Load Reduction at Gen (MW)
April	47	35	2
May	41	192	23
June	36	269	94
July	18	230	138
August	39	205	121
September	62	171	54
October	39	75	12

Table 13: Program Performance for Cool Keeper

Maximum Potential MW (at Site)	280
Maximum Potential MW (at Gen)	299
Average Realized Load MW (at Gen)	87.5
Maximum Realized MW (at Gen)	269
Total Participating Customers	113,519

Table 14: Wattsmart Battery Control Events[15]

Month	Number of Events	Reason for Event	Avg kW Potential	Residential or Commercial
Jan	4	Frequency	23,583	Residential
Feb	13	Frequency	24,516	Residential
Mar	36	Frequency	25,342	Residential
Apr	48	Frequency	26,530	Residential
May	41	Frequency	27,294	Residential
Jun	34	Frequency	28,757	Residential
Jul	16	Frequency	29,788	Residential
Aug	25	Frequency	30,452	Residential
Sep	61	Frequency	32,212	Residential
Oct	38	Frequency	33,262	Residential
Nov	17	Frequency	34,643	Residential
Dec	17	Frequency	35,156	Residential

Table 15: Program Performance for Wattsmart Batteries

Maximum Potential MW (at Site)	35.16
Maximum Potential MW (at Gen)	37.39
Total Participating Batteries	6,388

[14] See Appendix D for Cool Keeper Event Detail.

[15] See Appendix E for Battery Event Detail.

Table 16: Wattsmart Business Load Control Events

Event Date	Event Start/End Time (MDT)	MW achieved at Site	Type
1/21/25	10:07 to 10:27	13.28	Advance Notice
5/27/25	14:07 to 14:27	16.2	Advance Notice
6/14/25	9:16 to 9:36	12.14	Advance Notice
7/10/25	19:28 to 19:48	8.3	Advance Notice
7/14/25	20:00 to 20:45	6.7	Advance Notice
7/15/25	19:00 to 19:45	9.35	Advance Notice
7/24/25	1:23 to 1:43	9.96	Advance Notice
9/4/25	7:42 to 8:02	19.35	Advance Notice
11/21/25	9:52 to 10:12	16.18	Advance Notice
12/22/25	7:14 to 7:34	13.67	Advance Notice

Table 17: Program Performance for C&I Load Control

Maximum Potential MW (at Site)	**30**
Maximum Potential MW (at Gen)	31
Total Participating Sites	68

Table 18: Electric Vehicle Charging Demand Response Events

Event Date	Event Start Time MDT (all events 5 minutes in duration)	MW achieved at site	Count of Vehicles with Paused Charging	Type
2/7/2025	8:37 PM	0.07	8	Frequency Response Test
3/6/2025	5:16 PM	0.02	3	Frequency Response Test
3/18/2025	9:31 PM	0.24	17	Frequency Response Test
3/31/2025	12:50 PM	0.00	2	Frequency Response Test
4/16/2025	10:27 AM	0.03	3	Frequency Response Test
5/7/2025	11:36 PM	0.18	21	Frequency Response Test
5/13/2025	10:20 AM	0.01	2	Frequency Response Test
5/29/2025	10:05 PM	0.29	36	Frequency Response Test
6/4/2025	10:38 PM	0.53	31	Frequency Response Test
6/12/2025	11:57 PM	0.10	6	Frequency Response Test
6/16/2025	7:33 AM	0.18	10	Frequency Response Test
6/18/2025	11:11 PM	0.45	31	Frequency Response Test
7/9/2025	10:19 PM	0.22	14	Frequency Response Test
7/11/2025	10:48 PM	0.11	7	Frequency Response Test
7/17/2025	1:00 AM	0.06	4	Frequency Response Test
7/20/2025	12:32 AM	0.03	2	Frequency Response Test
7/23/2025	8:05 PM	0.05	5	Frequency Response Test
7/30/2025	11:21 PM	0.02	1	Frequency Response Test
8/1/2025	1:54 PM	0.05	5	Frequency Response Test
8/5/2025	10:32 PM	0.41	29	Frequency Response Test
8/7/2025	10:21 PM	0.70	52	Frequency Response Test
8/12/2025	9:26 PM	1.03	84	Frequency Response Test
8/19/2025	10:50 PM	1.33	114	Frequency Response Test
8/26/2025	11:14 PM	1.16	89	Frequency Response Test
9/11/2025	11:32 PM	1.16	92	Frequency Response Test

Event Date	Event Start Time MDT (all events 5 minutes in duration)	MW achieved at site	Count of Vehicles with Paused Charging	Type
9/23/2025	9:00 PM	1.15	93	Frequency Response Test
9/29/2025	9:11 PM	1.05	82	Frequency Response Test
10/1/2025	9:04 PM	1.29	99	Frequency Response Test
10/3/2025	10:38 AM	0.50	33	Frequency Response Test
10/7/2025	11:58 AM	0.28	28	Frequency Response Test
10/14/2025	1:04 PM	0.18	13	Frequency Response Test
10/21/2025	3:50 PM	0.29	17	Frequency Response Test
10/29/2025	2:18 PM	0.34	25	Frequency Response Test
11/6/2025	5:35 PM	0.62	30	Frequency Response Test
11/11/2025	9:00 AM	0.12	15	Frequency Response Test
11/19/2025	11:16 PM	1.48	117	Frequency Response Test
11/21/2025	3:32 PM	0.34	30	Frequency Response Test
11/25/2025	1:12 PM	0.30	25	Frequency Response Test
12/4/2025	10:15 AM	0.19	16	Frequency Response Test
12/12/2025	11:23 AM	0.47	34	Frequency Response Test
12/23/2025	3:46 PM	0.33	31	Frequency Response Test
12/31/2025	12:00 PM	0.14	15	Frequency Response Test

Table 19: Program Performance for Electric Vehicle Charging Demand Response

Maximum Potential MW (at Site)	**3.57**
Maximum Potential MW (at Gen)	3.93
Average Realized Load MW (at Site)	0.416
Maximum Realized MW (at Site)	1.48
Total Participating Customers	1019

TOTAL COST EFFECTIVENESS RESULTS BY PORTFOLIO AND PROGRAM

Cost effectiveness is evaluated using a company-specific modeling tool developed by a third-party consultant. This tool incorporates PacifiCorp data and values, such as avoided costs, and follows the methodology specified in California's Standard Practice Manual. The analysis assesses the costs and benefits of Demand-Side Management (DSM) resource programs from various stakeholder perspectives, including participants and non-participants, using four standard tests and an additional fifth test. The primary cost/benefit test used in Utah is the Utility Cost Test (UCT).[16]

Here is the cost-effectiveness tests used for Rocky Mountain Power's programs:

[16] The UCT, also known as the Program Administrator Cost Test, is a method used to evaluate the cost effectiveness of energy efficiency programs from the utility's perspective. The UCT assesses whether the benefits of an energy efficiency program outweigh the costs incurred by the utility to implement the program. **Benefits Considered:** The primary benefits included in the UCT are the energy and capacity savings achieved by the program. These savings are valued based on the avoided costs, which are the costs the utility would have incurred if it had to generate or purchase the equivalent amount of energy. **Costs Considered:** The costs included in the UCT are the total costs incurred by the utility to implement the program. This includes administrative costs, incentives paid to participants, and any other program-related expenses. **Calculation:** The UCT is calculated by dividing the total benefits by the total costs. A UCT ratio greater than 1.0 indicates that the program is cost-effective, meaning the benefits exceed the costs. In summary, the UCT provides a clear picture of the financial viability of an energy efficiency program from the utility's standpoint, helping to ensure that the program delivers value to the utility and its customers.

- **PacifiCorp Total Resource Cost (PTRC) Test**: This test adds 10% to the net benefit side of the benefit/cost formula to account for non-quantified environmental and non-energy benefits of conservation resources over supply-side alternatives.
- **Total Resource Cost (TRC) Test**: Considers the benefits and costs from the perspective of all utility customers, comparing the total costs and benefits from both the utility and customer perspectives.
- **Utility Cost Test (UCT)**: Also known as the program administrator cost test, it provides a benefit-to-cost perspective from the utility only. It compares the total utility cost incurred to the benefit/value of the energy and capacity saved, excluding customer costs or benefits in the calculation.
- **Participant Cost Test (PCT)**: Compares the portion of the resource cost paid directly by participants to the savings realized by the participants.
- **Ratepayer Impact Cost (RIM) Test**: Examines the impact of energy efficiency expenditures on non-participating ratepayers. Unlike supply-side investments, energy efficiency programs reduce energy sales, which typically lowers revenue requirements but may increase rates as fixed costs are spread over fewer kilowatt-hours.

Cost-effectiveness is tested using decrement values from the Integrated Resource Plan (IRP) for all measure categories. The avoided cost for energy efficiency is determined by comparing the system cost of the preferred portfolio with and without energy efficiency, where the cost difference is the value of the "decrement" or system-wide energy efficiency savings. Risk reduction and Transmission & Distribution (T&D) adders are then added to this decrement value to determine the total avoided cost. An avoided cost is equal to the Decrement Value + Risk Reduction adder + T&D adder.

Table 20: 2025 Cost Effectiveness Results by Program[17]

Program	Benefit/Cost Test				
	PTRC	TRC	UCT	PCT	RIM
DSM Portfolio	1.14	1.04	2.46	1.17	0.75
Energy Efficiency Portfolio	0.87	0.79	2.38	1.19	0.55
Non-Residential Energy Efficiency Portfolio	1.62	1.47	2.26	2.64	0.52
Residential Energy Efficiency Portfolio	0.59	0.53	2.67	0.73	0.59
Wattsmart Homes	0.54	0.49	2.58	0.67	0.59
Home Energy Reporting	4.42	4.02	4.02	Pass	0.63
Low Income Weatherization	0.67	0.61	0.97	1.26	0.49
Wattsmart Business	1.62	1.47	2.26	2.64	0.52
Irrigation Load Control Program	Pass	Pass	Pass	Pass	Pass
AC Load Control Program	Pass	Pass	Pass	Pass	Pass
Wattsmart Battery Program	Pass	Pass	Pass	Pass	Pass
Wattsmart Business Demand Response	Pass	Pass	Pass	Pass	Pass
Wattsmart Drive Demand Response - Pilot[18]	Pass	Pass	Pass	Pass	Pass

Portfolio-level cost-effectiveness encompasses overall portfolio costs, including the Potential Assessment and the DSM system database. Sector-level cost-effectiveness, detailed in the Residential and Non-Residential sections of the report, includes expenditures specific to each sector for evaluation, measurement, and verification.

[17] Cost effectiveness details are provided in Appendix B and Confidential Appendix C. A "Pass" designation indicates a benefit-cost ratio of 1.0 or higher, signifying that the benefits meet or exceeded the costs.

[18] The Company has electively included the pilot program in the cost-effectiveness analysis, although such inclusion is not required at this stage of program development. This approach was taken to provide transparency into program performance and to demonstrate progress as the program evolves. The pilot remains cost-effective and its costs and benefits have been incorporated into the overall program totals.

EVALUATIONS

Evaluations are conducted by independent external evaluators to validate the energy and demand savings from the Company's energy efficiency programs. The Company adheres to industry best practices for operation principles, methodologies, evaluation methods, and protocols, including those outlined in the National Action Plan for Energy Efficiency Program Impact Evaluation and the California Evaluation Framework guides.

Key components of the evaluation efforts include:

- **Verification of Installations**: Ensuring the reasonable verification of energy-efficient measure installations and associated documentation through reviews, surveys, and ongoing onsite inspections.
- **Savings Potential Verification**: Regular inspection and commissioning of equipment to verify the potential to achieve savings.
- **Programmatic Verification Activities**: Routine inspections, quality assurance reviews, and tracking checks and balances as part of program implementation. These practices support the verification of installation information before formal impact evaluation results.

Evaluation, measurement, and verification tasks are segregated within the Company to ensure they are managed by personnel not directly responsible for program management.

Program evaluations published in 2024 are summarized in the table below.

Table 21: 2025 Evaluation Activities

Evaluation	Responsible Consultant	Status	Published
2020-2021 Low Income Weatherization Evaluation	ADM	Completed	2025
2022-2023 Wattsmart Business Evaluation	ADM	Completed	2025
2023-2024 Wattsmart Homes Evaluation	ADM	Completed	2025