

199—35.9(476) Energy efficiency and demand response cost recovery. Each utility shall be allowed to recover the authorized energy efficiency and demand response plan expenditures adjusted for any overcollections or undercollections calculated on an annual basis. The utility may propose to recover the portion of the costs of process-oriented industrial assessments related to energy efficiency.

35.9(1) Accounting for costs. Each utility shall maintain accounting plans and procedures to account for all energy efficiency and demand response costs.

a. Each utility shall maintain a subaccount system, work order system, or accounting system which identifies individual costs by each program.

b. Each utility shall maintain accurate employee, equipment, material, and other records which identify all amounts related to each individual energy efficiency or demand response program.

35.9(2) Automatic adjustment mechanism. Each utility shall file by June 1 of each year energy efficiency and demand response costs proposed to be recovered in rates for the 12-month recovery period beginning at the start of the first utility billing month at least 30 days following board approval.

35.9(3) Energy efficiency cost recovery (EECR) and demand response cost recovery (DRCR) factors. Each utility shall calculate an EECR factor to recover the costs associated with the energy efficiency plan, and each electric utility shall also calculate a DRCR factor to recover costs associated with the demand response plan. The utility shall calculate EECR/DRCR factors separately for each customer classification or grouping previously approved by the board. A utility shall not use customer classifications or allocations of indirect or other related costs, other than those previously approved by the board, without filing for a modification of the energy efficiency and demand response plan and receiving board approval. Each utility may elect to file its first EECR and DRCR factors up to 120 days after November 13, 2019.

a. EECR/DRCR factors shall be calculated according to the following formula:

$$\text{EECR/DRCR factor} = \frac{\text{authorized recovery} + \text{overcollection/undercollection}}{\text{annual sales units}}$$

b. EECR/DRCR factor is the energy efficiency or demand response recovery amount per unit of sales.

c. Authorized recovery is the difference between the actual energy efficiency or demand response expenditures by customer class for the previous calendar year and the approved energy efficiency or demand response budget by customer class for the previous calendar year plus the approved energy efficiency or demand response budget by customer class for the current calendar year.

d. Overcollection or undercollection is the actual amount recovered by customer class for the previous recovery period less the amount authorized to be recovered by customer class for the previous recovery period. This may also include adjustments ordered by the board in prudence reviews.

e. Annual sales units are the estimated sales for the 12-month recovery period for customers who have not requested an exemption as allowed by rule 199—35.7(476).

35.9(4) Filing requirements. Each utility proposing to recover energy efficiency or demand response costs through an automatic adjustment mechanism shall provide the following information:

a. The filing shall restate the derivation of each EECR/DRCR factor previously approved by the board.

b. The filing shall include new EECR/DRCR factors based on allocation methods and customer classifications and groupings approved by the board in previous proceedings.

c. The filing shall include all worksheets and detailed supporting data used to determine new EECR/DRCR factors. Information already on file with the board may be incorporated by reference in the filing.

d. The filing shall include a reconciliation comparing the amounts actually collected by the previous EECR/DRCR factors to the amounts expended. Overcollection or undercollection shall be used to compute adjustment factors.

e. If the board has determined in a prudence review that previously recovered energy efficiency or demand response costs were imprudently incurred, adjustment factors shall include reductions for these amounts.

35.9(5) *Tariff sheets.* Upon approval of the new EECR/DRCR factors, the utility shall file separate tariff sheets for board approval to implement the EECR/DRCR factors in the utility's rates.

35.9(6) *Customers' bills.*

a. Each electric and natural gas utility shall include the EECR factor, the customer's usage, and the dollar amount charge on the customer's bill. Customers who receive one bill for electric and natural gas service shall have a separate line item on the bill for the electric EECR and the natural gas EECR.

b. Each electric utility shall represent the DRCR factor, the customer's usage, and the dollar amount charge on the customer's bill.

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