

1 **Q. Are you the same A. Richard Walje who submitted direct and rebuttal**  
2 **testimony in the revenue requirement portion of this proceeding on behalf of**  
3 **PacifiCorp dba Rocky Mountain Power (“the Company”)?**

4 A. Yes.

5 **Q. What is the purpose of your rebuttal testimony?**

6 A. My rebuttal testimony introduces the Company rebuttal witnesses that support the  
7 Company’s revised request to recover \$4.65 monthly through a facilities charge  
8 from residential customers using the net metering rate with their photovoltaic  
9 (“PV”) distributed generation.

10 **Q. What areas will be covered by Company witnesses?**

11 A. Ms. Joelle R. Steward will present information supporting the \$4.65 per month  
12 facilities charge to recover some of the costs net metering customers no longer pay  
13 for their use of the local distribution network and customer services. Mr. Douglas  
14 Marx will describe the impacts that distributed PV generation has on the  
15 distribution network and that the contribution from PV generation to meet the  
16 Company’s daily summer peak load serving requirement is negligible. Finally, Mr.  
17 Gregory N. Duvall will show that the value of net metering PV solar energy should  
18 not be valued higher than the value given to Public Utility Regulatory Policies Act  
19 (“PURPA”) qualifying facility solar projects under the approved avoided cost  
20 methodology in place in Utah.

21 **Q. Why has the requested amount of the net metering facility charge changed?**

22 A. The amount increased from the \$4.25 in the Company's initial filing due to the  
23 lower residential customer charge of \$6.00 agreed to by parties in the settlement,

24 which is \$2.00 less than the customer charge the Company recommended in its  
25 direct case. This is consistent with the direct testimony of Ms. Steward in which  
26 she indicated this amount would increase if the residential customer charge  
27 decreased.

28 **Q. Will the Company collect additional revenues from the \$4.65 per month net**  
29 **metering facility charge, and therefore make a larger profit?**

30 A. No. As explained in Ms. Steward's testimony the charge is revenue neutral to the  
31 Company. The charge is also revenue neutral within the residential class. Therefore  
32 the Company does not additionally profit from the charge.

33 **Q. Why is a net metering facility charge necessary?**

34 A. As presented by Ms. Steward, the charge is meant to recover some of the  
35 distribution system and customer service costs that do not go away when a customer  
36 installs distributed generation. Because of how the current net metering tariff  
37 works, net metering customers pay less for their use of the distribution system and  
38 customer services than they did before they installed distributed generation. In  
39 essence, that portion of those distribution system and customer service costs that  
40 are not paid for by net metering customers still exist for the Company and are  
41 therefore recovered from non-net metering residential customers.

42 **Q. Are there other methods to establish a facilities charge or a different net**  
43 **metering tariff that would be better than the one currently used in Utah?**

44 A. Yes, Ms. Steward's testimony describes an alternative way to determine a facilities  
45 charge based on the capacity of the PV solar installation. She also describes how a  
46 rate structure with three parts is a better design for residential partial requirements

47 customers with distributed generation.

48 **Q. Some parties in this rate case have presented information supporting a “value**  
49 **of solar” above the costs and benefits typically considered in a general rate**  
50 **case. How do you respond?**

51 A. Mr. Duvall’s testimony shows that the range of credits net metering customers  
52 receive for their PV generation is well above the value of PV solar determined in  
53 the Qualifying Facilities docket. And that this value is applicable to distributed solar  
54 generation provided by net metering customers.

55 **Q. Some say because of the minimal number of Utah customers currently taking**  
56 **advantage of net metering rates and the number of issues described in the net**  
57 **metering testimony filed by all parties, the Commission should not grant the**  
58 **Company’s request for a facilities charge and should address the request in a**  
59 **future docket. How do you respond?**

60 A. I believe the Company’s witnesses have made an irrefutable case that net metering  
61 rates, as currently structured, do not adequately recover costs from net metering  
62 customers for their use of the distribution network and customers services  
63 compared to what other residential customers pay. There are no compelling reasons  
64 not to address this specific situation now.

65 Net metering has become a particular concern in the western United States  
66 where, based on Solar Electric Power Association data, approximately 70 percent  
67 of the rooftop systems in the United States are located. The passionate debates on  
68 these issues affect tens of thousands of net metering customers. The Company  
69 wants to arrive at solutions before the issues reach the magnitude of those being

70 experienced in other areas.

71 **Q. Because of the Company's position in this case, it is being accused of being**  
72 **anti-renewable energy, anti-solar, and anti-net metering. How do you**  
73 **respond?**

74 A. I disagree with these contentions for the following reasons. We have the second  
75 largest portfolio of owned wind generation by a rate regulated utility in the country.  
76 We developed one of the first geothermal plants outside of California. Our Blue  
77 Sky tariff is one of the oldest and best, as recognized by federal agencies, for its  
78 support of renewable energy and has funded over 100 community renewable energy  
79 projects. Over 30,000 Utah customers voluntarily participate in Blue Sky. We  
80 recently announced a plan to build a solar project that would be available to all  
81 customers through the Blue Sky program. Our holding company is developing  
82 several of the largest photovoltaic projects in the world and we will be delighted to  
83 introduce that expertise into Utah when it is economically feasible. As far as net  
84 metering goes, we want a rate structure that will assure that those using the system  
85 pay a fair amount for that use and that we have adequate understanding of the  
86 impacts on the distribution system, and funding, to assure we can effectively  
87 connect more distributed generation to the grid.

88 **Q. Please summarize the Company's testimony regarding net metering.**

89 A. The Company's proposed net metering facilities charge is meant to assure that all  
90 customers equitably pay for their use of the distribution system and for customer  
91 services. Ms. Steward's testimony shows that a \$4.65 monthly net metering  
92 facilities charge is a fair amount and near the amount net metering customers

93 previously paid for using the distribution system before they installed their  
94 generation. Though many other issues and approaches to determining distributed  
95 generation costs and benefits can continue to be debated, the Company believes  
96 implementing this facilities charge now is a good first step in that process.

97 **Q. Does this conclude your rebuttal testimony?**

98 A. Yes.