

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

<p><b>In the Matter of the Investigation of the Costs and Benefits of PacifiCorp's Net Metering Program</b></p>	<p><b>Docket No. 14-035-114</b></p> <p>Surrebuttal Testimony of Dan Black for Vivint Solar, Inc.</p>
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September 29, 2015

1 **Q. Please state your name, your position, and the party for whom you are testifying.**

2 A. My name is Dan Black and I am Associate General Counsel for Vivint Solar, Inc.  
3 (“Vivint Solar”). My address is 3301 North Thanksgiving Way, Suite 500, Lehi, Utah  
4 84043 and I am testifying for Vivint Solar.

5 **Q. Did you file testimony previously in this docket?**

6 A. Yes, I filed rebuttal testimony on September 8, 2015 for Vivint Solar.

7 **Q. What is the purpose of your surrebuttal testimony?**

8 A. The purpose of my surrebuttal testimony is to respond to some of the rebuttal testimony  
9 of the other parties, particularly to the testimony of Rocky Mountain Power witness Paul  
10 Clements.

11 **Q. What is your principal concern?**

12 A. With the exception of the Joint Parties, the parties in this proceeding are suggesting  
13 approaches and even delving into rate design in ways to undervalue distributed solar  
14 power generation.

15 **Q. Please give an example.**

16 A. Rocky Mountain Power witness Paul Clements continues to advocate in his rebuttal  
17 testimony that any excess power a net metering customer generates be valued at Rocky  
18 Mountain Power’s avoided cost rate.

19 **Q. Do you understand Mr. Clements’ rationale for that proposal?**

20 A. On page 5, lines 98 to 104, Mr. Clements states that the Commission has determined the  
21 value of solar power for QFs and he believes that the power from rooftop distributed  
22 generation should be given the same value.

23 **Q. Do you agree with that position?**

24 A. No. I think Mr. Clements' proposal undervalues rooftop solar power. Distributed rooftop  
25 solar generation is not the same as power produced by a QF.

26 **Q. What is the basis for that statement?**

27 A. Joint Parties witness Ben Norris describes the differences in the value of power produced  
28 by a QF versus power produced by distributed rooftop solar panels in his rebuttal  
29 testimony on lines 276 to 315. Mr. Norris points out the significant difference in line loss  
30 between the two sources of energy. It doesn't appear that Mr. Clements has taken account  
31 of the fact that rooftop solar generation has virtually no transmission or distribution line  
32 losses.

33 **Q. Does Mr. Norris cite other differences?**

34 A. Yes. He shows that reduced line loss increases the capacity benefit of distributed solar,  
35 that distributed generation reduces required reserve capacity, and that distributed  
36 generation reduces the future distribution capital investment which in turn reduces  
37 revenue requirement. These benefits of distributed generation can be quantified and  
38 should be included and accounted for in any framework the Commission adopts.

39 **Q. Do you have an opinion about why Rocky Mountain Power takes the approach it  
40 does in this proceeding?**

41 A. I can't speak for Rocky Mountain Power, but generally their approach and  
42 recommendations reflect what utilities are recommending elsewhere in the country. In a  
43 report released this past summer by Environment America Research and Policy Center  
44 entitled "Shining Rewards," the authors found that of 11 cost-benefit studies performed,  
45 only the three sponsored by utility companies concluded that the value of solar energy is

46 less than the retail electricity rate. I have attached a copy of the report to this testimony as  
47 Exhibit A.

48 **Q. Does the report explain why?**

49 A. Yes. As is true in Rocky Mountain Power's testimony and in the other parties' testimony  
50 other than the Joint Parties, they exclude benefits or attribute less than the full value of  
51 solar power to the environment and to society by including only costs and savings that  
52 affect the direct costs of operating the grid. These are real costs and should not be  
53 disregarded.

54 **Q. What is the effect of disregarding them?**

55 A. As stated before, it devalues the actual benefits of solar power and net metering. In  
56 addition, it means that net metering customers contribute a benefit for which they are not  
57 compensated. That is not right, just, reasonable or in the public interest.

58 **Q. Do you have other concerns about Rocky Mountain Power's proposal?**

59 A. Yes, I am concerned about Rocky Mountain Power's proposal to use a short term over  
60 which to measure the costs and benefits of net metering. The Office of Consumer  
61 Services makes the same proposal.

62 **Q. Why is that a problem?**

63 A. It makes no sense to evaluate a long-term resource like solar panels and net metering over  
64 something as short as a test year used to set rates. The evaluation period should be much  
65 longer and should probably include the entire life of the resource. I believe that is one of  
66 the reasons why this Commission adopted the Utility Cost Test in its October 7, 2009  
67 order in Docket No. 09-035-27 to analyze the effect of small-scale solar photovoltaic  
68 projects.

69 Q. Does that conclude your surrebuttal testimony?

70 A. Yes

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Surrebuttal Testimony of Dan Black for Vivint Solar was served by email this 29<sup>th</sup> day of September 2015 on the following:

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