

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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| In the Matter of Rocky Mountain Power's |) | |
| Proposed Revisions to Electric Service |) | Docket No. 14-035-T04 |
| Schedule No. 37, Avoided Cost Purchases |) | |
| from Qualifying Facilities |) | DPU EXHIBIT 1.0R |

Rebuttal Testimony of
Abdinasir M. Abdulle, Ph.D.
Division of Public Utilities

August 29, 2014

1 **INTRODUCTION**

2 **Q. Please state your name, business address, and employment for the record.**

3 A. My name is Dr. Abdinasir M. Abdulle. My business address is 160 E. 300 South, Salt
4 Lake City, Utah 84114; I am employed by the Utah Division of Public Utilities (Division
5 or DPU).

6 **Q. Are you the same Dr. Abdinasir M. Abdulle who prefiled a direct testimony in this**
7 **proceeding?**

8 A. Yes. I am.

9 **SCOPE OF TESTIMONY**

10 **Q. What is the purpose of your testimony?**

11 A. The purpose of my rebuttal testimony is to address certain issues raised in the direct
12 testimony of Ms. Sarah Wright of Utah Clear Air (UCE). Specifically, I will address the
13 issues of wind and solar integration charges, capacity cost during sufficiency period, and
14 elimination of the option to pay rates as fixed capacity payment plus a flat energy rate.

15 I do not comment on all of Ms. Wright's issues and assertions. However, silence on a
16 given issue should not be necessarily construed as agreement with her position.

17 **DPU RESPONSES**

18 **Q. What did Ms. Wright proposed regarding wind and solar integration charges?**

19 A. Ms. Wright proposed that Schedule 37 pricing should not include integration charges.
20 She justified her proposal among other things on the premises of the difference between
21 Schedule 38 and 37. She claims that Schedule 38 allows for negotiation for avoided
22 transmission losses and capital costs. Thus, it would be inappropriate to apply the
23 integration charges that the commission ordered for Schedule 38 to Schedule 37 without
24 also allowing for negotiations for payments for transmission losses and capital costs.

25 **Q. What is the position of the Division regarding this proposal?**

26 A. The Division disagrees with this proposal. As I indicated in my direct testimony, the
27 Division believes that with the exception of some simplifications that are already in
28 place, all QFs should be treated equally and their avoided costs should be calculated the
29 same way regardless of their size. That is, avoided costs should be calculated for all QFs
30 in a manner that ratepayer indifference is maintained.

31 The simplifications are what set Schedules 37 and 38 apart. These simplifications are
32 intended to alleviate the administrative burden on the small QFs (Schedule 37). In her
33 direct testimony in this case, Ms. Wright stated “Even if the Company were to propose
34 the negotiation of these payments, this would contravene the intent of Schedule 37, which
35 is to provide a simplified, transparent method of posting and updating pricing for smaller
36 QF’s.”¹

37 **Q. What did Ms. Wright propose regarding capacity cost during sufficiency period?**

¹ 14-035-T04. Direct Testimony of Sarah Wright. Utah Clean Energy Exhibit 1.0. Lines 115-118.

38 A. Ms. Wright rejected the Company proposal to do away with the capacity payments during
39 resource sufficiency period. She proposed that Schedule 37 should include capacity
40 payment during the sufficiency period.

41 **Q. Would you comment on this proposal?**

42 A. Yes. The Division is opposed to this proposal. As I indicated in my direct testimony,
43 allowing capacity payments during sufficiency period when an FOT is displaced, which
44 includes a capacity payment, would over-compensate the QF. This is contrary to the
45 ratepayer indifference objective.

46 **Q. Ms. Wright recommended “retaining the capacity and energy payment option, but
47 modifying it consistent with the capacity value of variable renewable resources.” Do
48 you agree with this recommendation?**

49 A. No. As I mentioned in my direct testimony retaining this option will inevitably result in
50 intermittent resources getting overcompensated. Since the high and low capacity factor
51 resources will get the same capacity payments, low capacity factor resources will choose
52 this option every time. Therefore, the Division recommends elimination of this option.

53 **Q. Does that conclude your rebuttal testimony?**

54 A. Yes.