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Reply Comments

To: Utah Public Service Commission

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Energy Section Manager

Bob Davis, Utility Analyst

Brenda Salter, Utility Technical Consultant

Myunghee Tuttle, Utility Analyst

Date: July 26, 2018

Re: **Reply Comments STEP Annual Report; Docket No. 18-035-16** - Rocky Mountain Power's First Annual Sustainable Transportation and Energy Plan Act (STEP) Program Status Report for the Period of January 1, 2017 through December 31, 2017.

Issue and Background

On April 30, 2018, Rocky Mountain Power (RMP) filed with the Utah Public Service Commission (Commission) its first annual report for the STEP Program. On the same day, the Commission issued an action request to the Division of Public Utilities (Division) to review RMP's filing for compliance and to make recommendations by May 30, 2018. On May 2, 2018, the Commission issued its Notice of Filing and Comment Period for any interested party whom may want to submit comments by May 30, 2018 and reply comments by June 14, 2018. On May 8, 2018, the Division filed a request to extend the comment period. On May 9, 2018, the Commission issued its Notice of Amended Comment Period approving the extension request and modifying the comment date to July 12, 2018, with reply comments due July 27, 2018.

On July 11, 2018, Southwest Energy Efficiency Project and Utah Clean Energy (SWEEP and UCE) submitted joint comments in this docket. On July 12, 2018, the Division and Office of Consumer Services (OCS) each filed comments in this docket. On July 20, 2018, the OCS filed reply comments in this docket. The following is the Division's reply comments to those comments filed by SWEEP and UCE, and the OCS.

Division Response to OCS

Multi-Family Housing Electric Vehicle (EV) Incentives

The EV Program reporting period for the first annual STEP report covers a partial year. The Division agrees with the OCS that observation of at least another year of the Multi-Family Housing incentive levels will better inform the parties to determine whether the incentive levels should be increased to the maximum levels as proposed by SWEEP and UCE.

The Division supports the OCS's concerns with the potential problems of unjust costs to other ratepayers associated with RMP owning any charging assets. The Division is not certain that RMP owned charging infrastructure as proposed by SWEEP and UCE would be in the public interest. If RMP was to own charging infrastructure, it could lead to recovery of costs through rate base plus ratepayer funding the STEP program under Schedule No. 196.

DC Fast Charging Incentives

The Division agrees with the OCS that the current incentives for fast charging infrastructure should remain the same for at least another reporting period before adjusting any incentives as proposed by SWEEP and UCE.

TOU Study and Residential Level 2 Charging

The Division agrees with the OCS that no incentive adjustments should be made to the TOU Study portion of the EV Program until the program runs at least another year. The EV program has a \$2,000,000 annual budget.¹ Using more funds for TOU outreach and incentives as proposed by SWEEP and UCE will result in less available funds for other infrastructure incentive funding. The Division offered recommendations in its action request response to this

¹ See Utah Code Section 54-7-12.8 (6)(b)(i), https://le.utah.gov/xcode/Title54/Chapter7/54-7-S12.8.html?v=C54-7-S12.8_2016051020160510.

docket to provide better transparency for the EV Program. Allowing more time for the EV Program to evolve and the reporting to become more transparent will provide additional data to properly evaluate the need for additional incentives.

Conclusion

The Division supports the OCS's conclusions in its reply comments filed with the Commission on July 20, 2018. Based on the comments and reply comments filed by the OCS, and the joint comments filed by SWEEP and UCE, parties may wish to meet with RMP in the near future to discuss potential revisions to the reporting process. The Commission need not order such a meeting. The Division recommends the Commission acknowledge RMP's 2017 annual STEP status report with the foregoing comments and the following recommendations presented in its initial comments and supported by the OCS:

- 1) Include a spreadsheet that reconciles USIP expenditures and ending balances that correlate to the STEP Report, RMP Exhibit A.
- 2) Include a brief summary and spreadsheet explaining the DSM/STEP Liability and Asset balancing accounts.
- 3) Include a spreadsheet explaining the EV Program expenditures.
- 4) Provide accounting and explanations in the annual report that demonstrate the EV Program in a more transparent manner.
- 5) The parties should meet to discuss how to proceed with accounting for EV custom project incentives and other commitments.
- 6) Provide at a minimum, a status report for the additional filing requirements for the EV Program.
- 7) File with the Commission to reallocate funds from the Alternative NOx Emission Control Technology to another program.
- 8) The Division suggests that RMP provide an explanation for any external OMAG expense in future reports.

Cc: Joelle Steward, RMP
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Service List