State of Utah
Department of Commerce
Division of Public Utilities

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ACTION REQUEST RESPONSE

To: Utah Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Artie Powell, Energy Section Manager
Bob Davis, Utility Technical Consultant

Date: July 31, 2019

Re: **Acknowledge, Docket No. 19-035-29** – In the Matter of Rocky Mountain Power's Customer Owned Generation and Net Metering Report and Attachment A for the Period April 1, 2018 through March 31, 2019.

RECOMMENDATION (Acknowledge with Recommendation)

The Division of Public Utilities ("Division") has reviewed Rocky Mountain Power's ("RMP") Customer Owned Generation and Net Metering Report and Attachment A for the annualized billing period ending March 31, 2019, and finds that it complies with the Public Service Commission's ("Commission") reporting requirements. The Division recommends that RMP add a table to Section 6 in its report illustrating the "Monthly Export in kWh" for Schedule 136 customers. The Division supports RMP's proposal to credit the surrendered Schedule 135 excess credits on a monthly basis. The Division finds no outstanding issues, other than those reported below, and recommends that the Commission acknowledge RMP's Report.

ISSUE

On July 1, 2019, RMP filed its 2019 Net Metering Report and Attachment A ("Report") with the Commission and the Commission issued an action request to the Division to review the filing for compliance and make recommendations. On July 2, 2019, the Commission issued a Notice of Filing and Comment Period whereby any interested party may submit comments on or before July 31, 2019, with reply comments on or before August 15, 2019. The Division respectfully submits the following comments in support of its recommendation.

BACKGROUND

In its Order dated November 30, 2010 in Docket Nos. 10-035-58, 08-035-T04, and 08-035-78, the Commission ordered:

> The reporting requirements contained in R746-312-16 (Rule) replace the Company's net metering reporting requirements in Docket Nos. 08-035-T04 and 08-035-78 with the following exceptions and clarifications:
>
> a) All net metering interconnections must be noted in the annual report filed pursuant to the Rule;
> b) the information required by R746-312-16(2)(a) is the same cumulative information as provided in Attachment A of the Company's 2010 Report with the addition of the zip code, year of installation, and notation if the interconnection is a net metered resource;
> c) the Company's annual report filed pursuant to the Rule should provide all of the data required by the Rule through the end of the annualized billing period of the year the report is being submitted unless otherwise approved; and
> d) the Company is required to report information on the amount of net metering installed capacity relative to its net metering cap and any [unforeseen] problems or barriers in the tariff in its annual report filed pursuant to the Rule.

The reporting requirements contained in R746-312-16, Public Utility Maps, Records and Reports, state:

> (1) Each public utility shall maintain current records of interconnection customer generating facilities showing size, location, generator type, and date of interconnection authorization.
> (2) By July 1 of each year, the public utility shall submit to the commission an annual report with the following summary information for the previous calendar year:
>   (a) the total number of generating facilities approved and their associated attributes including resource type, generating capacity, and zip code of generating facility location;
>   (b) the total rated generating capacity of generating facilities by resource type;
>   (c) for net metering interconnections, the total net excess generation kilowatt-hours received from interconnection customers by month; and

(d) for net metering interconnections, the total amount of excess generation credits in kilowatt-hours, and their associated dollar value that have expired at the end of each annualized billing period.

The Commission's September 24, 2015 Order for Docket No. 15-035-64, ordered that future customer-owned generation and net metering reports shall provide:

(1) An explanation of the calculation of the price attributed to expired net excess generation credits.
(2) A column indicating the rate schedule under which each customer is taking service, or alternatively, the revenue class of each customer.[1]

In Docket No. 17-035-31, RMP agreed to several recommendations made by the parties. RMP incorporated those changes to its report and those proposed by the Division and Office of Consumer Services ("OCS") to encompass the transitional distributed generation relating to Docket No. 14-035-114:

(1) A table indicating which customer classes (or schedules) are represented by the "Customer Rate Schedule" codes on Attachment A.
(2) An explanation as to why, as a general matter, some customers may have a kilowatt-hour credit in a year prior to the customer's interconnection date.
(3) A statement that the required net metering excess energy valuation is found on Attachment B or elsewhere if the Company changes the reporting configuration.

In Docket No. 18-035-28, RMP agreed to the DPU's recommendation to add a Section 9 to its report illustrating the "Measurement to Cap" for large non-residential customers under Schedule No. 136. Additionally, RMP agreed to identify the applicable tariff schedule when referring to net metering and customer generation in tables as recommended by the OCS.

Paragraph 21 of the Settlement Stipulation in Docket No. 14-035-114 specified the treatment of surrendered excess export credits from Schedule 136 customers at the end of the annualized billing period be treated similar to Schedule 135 credits, or for another use as determined by the Commission.[2]

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[1] See Docket No. 15-035-64, Commission's Order, September 24, 2015, p. 5.
[2] Commission Order Approving Settlement Stipulation; Docket No. 14-035-114, September 29, 2017, ¶ 21 and ¶ 39.

In a letter dated August 30, 2018, the Commission approved the parties' recommendation to apply Schedule 136 surrendered excess export credits towards the Energy Balancing Account ("EBA").[3] The Commission opened Docket No. 18-035-39 to consider alternative uses for the Schedule 135 surrendered excess export credits. The Commission issued its order on January 11, 2019 concluding that the current use of expired credits is reasonable and used to fund Schedule 91. However, the Commission found that it was in the public interest to ensure incremental value is being provided to low-income customers and directed RMP to grant a one-time credit to all Schedule 3 customers based by dividing the $159,840 value of the excess credits by the final count of Schedule 3 customers at the end of the April 2018 billing cycle.[4]

DISCUSSION

On September 29, 2017, the Commission issued its Order for the Net Metering Compliance proceeding, Docket No. 14-035-114. The Commission approved the parties' stipulation, effectively ending the Net Metering program to new entrants as of November 15, 2017.[5] The Stipulation allows Schedule 135, Net Metering Service, customers to remain on Schedule 135 until December 31, 2035. Schedule 136, Transition Program for Customer Generators, is for customers who file an application on or after November 15, 2017: they may remain on Schedule 136 until December 31, 2032.[6] The stipulation created a need to amend certain parts of the Net Metering Report to include both traditional net metering customers under Schedule 135 and transitional customers under Schedule 136. RMP met with interested parties to discuss changes to the report that would fulfill the reporting requirements established by the Commission.[7]

For the reporting period of April 1, 2018 through March 31, 2019, RMP reports 3,540 total customer generators composed of 16 new Schedule 135 net metering facilities and 3,524 new transition facilities. These new additions compare to 9,584 new facilities reported during the same period in the prior year composed of 9,372 Schedule 135 additions and 212 Schedule 136

[3] See https://pscdocs.utah.gov/electric/18docs/1803528/304191CorresWiderburg8-30-2018.pdf.
[4] See https://pscdocs.utah.gov/electric/18docs/1803539/3061961803539o1-11-2019.pdf.
[5] See "Order Approving Settlement Stipulation," https://psc.utah.gov/2016/06/20/docket-no-14-035-114-2/.
[6] The Transition Program for Customer Generators will end at the conclusion of Docket No. 17-035-61.
[7] Commission Correspondence, Gary L. Widerburg, Docket No. 17-035-31, November 28, 2017.

transition additions. New facilities under Schedule 136 experienced exponential growth from 212 new facilities in last year's report to 3,524 new facilities for this reporting period comprised exclusively of solar. The total facilities for both Schedule 135 and Schedule 136 is 34,824.[8]

As of March 31, 2019, RMP reports 276,031 kW of total generation composed of 248,259 kW for Schedule 135 and 27,772 kW for Schedule 136. This represents a 17 percent increase from last year's reported total combined generation capacity of 236,511 kW. The 2019 Report illustrates a combined total solar only generation capacity at March 31, 2019 of 275,412 kW[9] composed of both Schedule 135 and Schedule 136. The Company reported 234,580 kW in 2018, 161,442 kW in 2017, 66,226 kW in 2016, and 32,573 kW in 2015. This represents a 746 percent increase over the five-year period.[10]

The Non-Net Metering did not change from last year's revised count of 52. These are customer generators larger than 2 MW or connecting to the grid by other switchgear or inverter configurations. However, as of March 31, 2019, the Report shows an addition of one battery storage customer, making a total of 53 Non-Net Metering customers. The battery storage customer is not on record in Attachment A. The Division asked RMP to provide information for the battery storage customer in its DPU Data Request 2.7. Attachment A illustrates 52 Non Net-Metering records. The total Non-Net Metering MW reported in 2019 remains the same as last year's reported 132.45 MW.[11]

The Excess Energy Value used to calculate the value of expired credits from 2014[12] to present for Schedule 135 customers has been $.0346, $.0303, $.0221, $.0207, and $.0183, respectively. The 2019 report lists 30,999 Schedule 135 customers with 8,371,936 kWh of expired credits equating to $153,206. This compares to last year's report of 6,428 customers with 7,721,729 kWh of expired credits equating to $159,840. This represents a four-percent decline in

[8] 2019 Customer Generation Report, Section 1, Number of Customer Generation Systems, p. 1. The numbers reported in this report are the Division's analysis and do not necessarily correspond to those reported by RMP. The Division asked RMP for clarification of its numbers in data requests 2.1 through 2.14. RMP has not responded to those requests at the time of this filing.
[9] This number includes 1,200.7 kW of solar/battery facilities under Schedule 135 reported in prior years.
[10] 2019 Customer Generation Report, Section 3, Total kW Combined Capacity, p. 3 of 5.
[11] Id. RMP's response to OCS Data Request 1.3 illustrates 53 Non-Net Metering Customers and 132.64 MW of capacity.
[12] During the April 17, 2017 meeting, the parties agreed to track the expired credits for a five-year rolling period to mitigate data collection complexity.

expiring value year-over-year. All remaining projects have been completed since the closure of the Net Metering Program. The amount of Schedule 135 expired excess credits is not anticipated to change significantly year-over-year in future reports.

RMP reports and calculates the excess expired credits for Schedule 136 transition customers separately from Schedule 135 customers. The expired credit value for Schedule 136 customers is currently $.092. RMP reports 3,825 customers in this year's Report with a value of $26,925.[13] The Division asked RMP to provide more detail of Schedule 136 expired excess credits in a format similar to its Schedule 135 calculations in DPU Data Request 2.8.

Section 8 illustrates a current enrolled capacity of 27.77 MW, representing 16.34 percent of the 170 MW_{DC} program cap for residential and small business customers. The current enrolled capacity for large non-residential customers is 1.21 MW, representing 1.73 percent of the 70 MW_{DC} cap.[14]

In addition to prior report rate schedules, this year's Report adds Rate Schedules 08CGN06136 - Utah Commercial Transition Generation, 08CGN23136 - Utah Commercial Transition Generation, 08CGR01136, 08CGR02136, 08CGR03136, and 08CGR23136 - Utah Residential Transition Generation for a total of 18 rate schedules.

In addition to the Schedule 135 Excess Net Metering Generation per month, Section 6, the Division recommends that RMP add a table to Section 6 in future reports illustrating the total export credits in kWh for each month for Schedule 136 customers.

Expired Schedule 135 Excess Generation Credits

On January 11, 2019, the Commission issued its Order[15] directing RMP to make a one-time credit to all Schedule 3 customers on record during the April 2019 billing cycle. The Order also included language that allowed RMP to propose a different timing of the credit in future years. Consistent with the Commission's Order, RMP proposes that the value of excess generation credits from Schedule 135 customers continue to be credited to the HELP program.

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[13] 2018 Customer Generation Report, Section 5, Total Value of Expired Credits, p. 4. The Division continues to analyze excess and expired credits to monitor system sizing. The expired credits could be the result of energy efficiency or combination of both.

[14] An additional 2.9 MW of large customer generation and 18.7 MW of residential and small business generation is pending according to Rocky Mountain Power's "Utah Megawatt Capacity Update". See RMP's website at: https://www.rockymountainpower.net/env/nmcg/utah/Utah_megawatt_capacity_update.html.

[15] See https://pscdocs.utah.gov/electric/18docs/1803539/3061961803539o1-11-2019.pdf.

However, instead of a one-time credit to Schedule 3 customers at the end of April in any year, RMP proposes a monthly credit increase.[16]

Currently, expired net metering credits offset ("HELP") funds collected from all customers through Schedule No. 91 and Schedule No. 92. The HELP funds lower low-income customers' power bills by approximately $12.60 per month. Based on this year's estimate of excess credit value of $153,206, RMP's proposal would increase the credit to $13.15 per month based on the record of customers during the April 2019 billing cycle.

The Division supports RMP's proposal to credit Schedule 3 customers on a monthly basis versus the one-time credit used in the past. This will likely lower RMP's and other stakeholders' burden in reviewing and approving the credit after the April billing cycle of each year. The Division agrees with RMP that reviewing the credit in the annual net metering report is sufficient to make adjustments as needed going forward.

CONCLUSION

The Division has reviewed RMP's 2019 Customer Generation Net Metering Report, Attachments A and B, and concludes that RMP's filing complies with the Commission's reporting requirements. The Division recommends that RMP add a table to Section 6 in its report illustrating the "Monthly Export in kWh" for Schedule 136 customers. The Division will review RMP's responses to the Division's data requests 2.1 through 2.14 and update its conclusions in its reply comments due August 15, 2019. The Division supports RMP's proposal to credit the surrendered Schedule 135 excess credits on a monthly basis. The Division recommends the Commission acknowledge RMP's Customer Owned Generation Net Metering Report and Attachment A.

cc: Joelle Steward, RMP
Jana Saba, RMP
Michele Beck, OCS
Service List

[16] RMP's Customer Owned Generation and Net Metering Report and Attachment A for the period April 1, 2018 through March 31, 2019, Docket No. 19-035-29, July 1, 2019, p. 2.