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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: The Public Service Commission of Utah

From: The Office of Consumer Services

Michele Beck, Director
Alex Ware, Utility Analyst

Date: September 18, 2020

Subject: Docket 20-035-T07

In the Matter of: Rocky Mountain Power's Proposed Tariff Revisions to Electric Service Schedule No. 114, Load Management Program.

INTRODUCTION

On September 03, 2020, Rocky Mountain Power (RMP) requested approval of proposed revisions to the Load Management Program under tariff Electric Service Schedule No. 114. On September 4, 2020, the PSC issued a Notice of Filing and Comment Period that set a deadline of September 18, 2020 for parties to file initial comments and September 25, 2020 for reply comments.

In late May 2020, RMP provided a draft of the advice letter to the demand-side management (DSM) Steering Committee stakeholders and met with the committee on June 4, 2020 to present the proposed revisions to Schedule No. 114, which entail the creation of a new program called Wattsmart Batteries, discussed further in the next section. RMP held an additional meeting with the DSM Steering Committee on August 11, 2020 to further discuss the proposed new program and field questions. RMP answered additional written questions from several Steering Committee members, which we have reviewed.

The Office of Consumer Services (OCS) submits these comments to the PSC regarding RMP's proposed changes to tariff Schedule No. 114.

BACKGROUND

The purpose of this filing is to propose a new DSM Battery Demand Response Program, called Wattsmart Batteries (Program), to be administered through Electric Service Schedule No. 114. The associated proposed changes to the tariff sheets are included in Exhibit A of RMP's proposal.

RMP states that the new Wattsmart Batteries program (Program) is intended to promote and incentivize the installation of customer-owned behind-the-meter batteries for "system-wide integration and use for overall grid management." RMP notes that its 2019 Integrated Resource Plan (IRP) includes nearly 600 megawatts (MW) of battery storage capacity by 2024 and that this new Program will establish a pathway that ensures the safe installation of batteries behind customers' meters and proper integration of those batteries with the electrical grid.

RMP indicates that at the outset of the program the battery power will only be used to off-set the battery-owning-customer's individual load. RMP will have control of when that offset occurs and the customer will be compensated based on kW of battery storage used. There is also an enrollment incentive for customers who purchase their batteries through the Program and agree to a minimum four-year commitment. There are other terms and conditions, including specifications for a qualified battery, contained in the advice letter that we will not reiterate here.

RMP's intent is that the program will evolve over time such that RMP will have control over the batteries to export power when needed for grid management purposes. In exchange, RMP would compensate the customer with an annual participation incentive based on kW exported to the grid.

RMP states that the proposed Program is possible due to its experience with the Solei battery project under the Sustainable Transportation and Energy Plan (STEP), during which a battery-to-grid integration platform called the Distribution Battery Grid Management Solution (DBGMS) was created.

PROJECTED PARTICIPATION, COSTS, AND COST-EFFECTIVENESS

RMP projects through 2022 that 700 batteries will be added behind the meters of its customers with total Program costs of about \$2.9 million. Those 700 batteries are forecasted to provide 5,600 kW of energy storage. While RMP considers the results of the Utility Cost Test (UCT) to be confidential, we have reviewed the confidential information and confirm that the results show the program to be cost-beneficial.

DISCUSSION

The OCS supports this new program. However, as this is a new type of DSM program, we anticipate RMP will provide frequent status updates with the DSM Steering Committee, and the OCS intends to closely monitor it. There are several elements of the program that are currently unclear to the OCS as to whether the design will prove to be optimal. For example, RMP states that during a battery-to-grid call event they will

not deplete batteries lower than a 10 percent remaining charge. Yet, it is unknown at this time if 10 percent is an acceptable level to the customers that wish to rely on their batteries in times of a power outage. Also, it is difficult to know at this time if the proposed incentives are set at the appropriate levels. Ongoing review with RMP and the Steering Committee will help ensure that the program works well or facilitate program adjustments.

RECOMMENDATION

Approve the Wattsmart Battery program.

cc:

Jana Saba, Rocky Mountain Power

Artie Powell, Division of Public Utilities