



State of Utah

DEPARTMENT OF COMMERCE
Committee of Consumer Services

To: The Public Service Commission of Utah

From: The Committee of Consumer Services
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Date: November 25, 2008

Subject: In the Matter of the Consideration of Changes to Rocky Mountain Power's Schedule No. 135 - Net Metering Service, Docket No. 08-035-78.

Background

On September 25, 2008, the Public Service Commission (Commission) opened Docket No. 08-035-78 to consider two changes to Rocky Mountain Power's Schedule No. 135 – Net Metering Service. The Commission requested public comments regarding: 1) establishing a higher amount of generating capacity from customer generation systems than 1.0 percent of Rocky Mountain Power's peak demand during 2007; and 2) the appropriate value of excess customer-generated electricity credits pursuant to Utah Code §54-15-104 (3)(a)(i).

The Committee makes the following observations and recommendations on these two issues.

Amount of generation capacity allowed on the system

Currently the amount of net metered generation capacity on Rocky Mountain Power's system is considerably under the allowed amount. While the Committee does not see an urgent need to increase that amount we do not object to a reasonable increase.

The appropriate value of excess customer-generated electricity credits

Determining whether a value for electricity credits other than the currently approved method of average energy price is appropriate would require more information than we currently possess. It is possible that at the conclusion of the solar incentive pilot program such information may be more readily available.

However, the Committee believes that any change to the established tariff must maintain these policy objectives, which provide important consumer protections:

1. Costs of the program paid by non-participating customers within their rates are not greater than the value they receive;¹
2. Net metering participants pay their share for the infrastructure required to operate Rocky Mountain Power's system;
3. Net metering payments do not provide sufficient enticement to oversize customer generation systems beyond offsetting part or all of the customer's requirements for electricity².

1 This should be viewed similarly to the PURPA rate payer neutrality standard and should include all costs of the net metering program.

2 The Committee's understanding of net metering is that its purpose is to promote distributed resources that offset usage. Expanding the program beyond that objective would warrant more detailed analysis and policy discussions.