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ACTION REQUEST RESPONSE

To: Public Service Commission of Utah
Ted Boyer, Chair
Ric Campbell, Commissioner
Ron Allen, Commissioner

From: Utah Division of Public Utilities
Phil Powlick, Director
Artie Powell, Energy Section manager

Date: June 8, 2009

Subject: Docket No. 09-035-30, Rocky Mountain Power's 2009 Net Metering Report for Utah; Cross reference Docket No. 08-035-T04.

ISSUE

On or about April 29, 2009, Rocky Mountain Power ("RMP" or "Company") filed with the Utah Public Service Commission ("Commission") its Net Metering Report for the annualized billing period ending March 31, 2009. The Commission issued an Action Request to the Division of Public Utilities ("DPU") on May 7, 2009, requesting an "analysis to determine how this report can be used and implemented in the future." This memo constitutes the DPU's Action Request response.

DISCUSSION

In its order in Docket No. 08-35-T04 ("Order"), the Commission directed the Company to file an annual net metering report by April 30th of each year indicating, "the number of Utah net metering installations, the respective individual capacity of each installation, the total capacity of the Utah customer-generation as of the end of the annualized billing period, and any [unforeseen] problems or barriers in the tariff [Schedule 135]."[1]

On April 29, 2009, in compliance with the Commission's Order, the Company filed its Net Metering Report ("Report") for the annualized period ending March 31, 2009. The Report details the total number of net metering customers by resource type, the total kilowatt generation capacity by resource type, the individual capacity of each individual installation, and a comparison of the Commission ordered capacity cap and the total installed capacity. The report also indicates no unforeseen problems. Therefore, the Division finds the Company's report in compliance with the Commission's Order.

As explained in the Commission's Order in Docket No. 08-035-78, the DPU recommended adoption of minimal reporting requirements as a convenient way of tracking participation in the Company's net metering tariff and to track the installed capacity relative to the installed capacity.[2] At the time of the Division's recommendation, some parties participating in this docket expressed concern that the cap, which was set at 0.1 percent of the Company's 2007 peak demand, was too small and represented a barrier to customer participation. At 0.1 percent, the cap equated to approximately 4,615 kilowatts. These parties recommended increasing the cap to 20 percent. The installed capacity as of December 31, 2008 was approximately 656 kilowatts or approximately 14 percent of the then current cap.[3] The Division saw little need to increase the cap and viewed the reporting requirement as method of tracking the installed capacity and allowing adequate time to adjust the cap if necessary. However, in its

[1] "Order Approving Tariff with Certain Conditions," Docket No. 08-035-T04, June 13, 2008, p. 6.
[2] In its memo dated November 26, 2008, Docket No. 08-035-78, the Division indicated that there was some question as whether capacity should be measured as the installed capacity of the resource of the capacity of the inverter associated with the resource. The Company's report is not clear on this point, but for purposes of this memo, the Division is assuming that the capacity is measured as the installed capacity of the resource.
[3] As of March 31, 2009, the installed capacity was approximately 813 kW, or approximately 18% of the 0.1 percent cap (4,615 kW).

order in Docket No. 08-035-78, the Commission increased the cap from 0.1 percent to 20 percent of the Company's 2007 peak demand.[4]

At a 20 percent level, the cap is approximately 923,000 kilowatts. As of March 31, 2009, the installed net metering capacity was approximately 813 kilowatts, which equates to 0.09 percent of the cap. According to the Company's report, the installed capacity represents 415 customers with the largest individual installation being 25 kilowatts. The Company also provides a way for the Company to report any problems with the tariff or installations or barriers to customer entry. In this first annual report, the Company reports that it is unaware of any problems. The report also indicates the diversity in resource types. For example, in this report the Company indicates 400 solar, 14 wind, and one (one) fuel cell installations.

The Division also recommended in Docket No. 08-035-78 that capacity be measured as the capacity as the installed capacity of the resource or, where an inverter is required, as the capacity of the inverter. Given the smaller original cap levels, some parties in the docket perceived this as an issue. While this may no longer be an issue given the increased cap size, the Division recommends that the Company clarify how it is measuring capacity for reporting purposes.

The Division also notes that under the current tariff, excess credits expire at the end of the annualized billing period. The Division recommends that in future reports the Company report on how many total credits have expired, the number of customers with expired credits, and how many expired credits per customer.

CONCLUSION/RECOMMENDATIONS

After reviewing the Company's first annual net metering report, the Division finds the report complies with Commission orders. While it is unlikely the installed capacity will approach or exceed the cap any time in the near future, the Division finds the report informative and recommends that the Company continue to file the report on an annual basis. Additionally, the Division recommends that in future reports the Company clarify how capacity is measured

[4] "Report and Order Directing Tariff Modifications," February 12, 2009, p. 13.

for reporting purposes and that the report include some basic information on expired credits. The Division views the Company's net metering report as a monitoring tool. With the additional information identified herein, the Division believes the report will serve the intended purpose of monitoring the program and allow parties to identify potential issues as they arise.

CC Michelle Beck, Office of Consumer Services
Jeff Larsen, Rocky Mountain Power