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Division of Public Utilities

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Memorandum

TO: Public Service Commission

FROM: Division of Public Utilities
Philip Powlick, Director
Artie Powell, Energy Manager
Thomas Brill, Technical Consultant

DATE: December 6, 2010

RE: RMP's Proposed Standardized Interconnection and Net Metering Service Agreements and Net Metering Facilities – Docket No. 10-035-44 and RMP's Proposed Standardized Non-Net Metering Agreements, Docket No. 10-035-45.

RECOMMENDATION (Approval)

The Division of Public Utilities (Division) recommends conditional approval of Rocky Mountain Power's (Company) proposed standardized net metering and non-net metering interconnection agreements. The Division has determined that the Company's proposed interconnection forms are in compliance with the Commission's August 31, 2010 Order on Rocky Mountain Power's Proposed Electrical Interconnection Agreements.

BACKGROUND

On October 21, 2010 the Company filed with the Utah Public Service Commission (Commission) a number of standard agreement forms and agreements applicable for generating facilities. The forms are:

1. Application for Electrical Interconnection, Generating Facility – Level 2 or 3 Interconnection Review (For Generating Facilities with Electric Nameplate Capacities above 25 kW and no Larger than 20 MW).
2. Generating Facility Electrical Interconnection Agreement, Level 1, 2 or 3 Interconnection (or Generating Facility Interconnection Agreement)
3. Interconnection and Net Metering Service Agreement for Net Metering Facility Level 1 Interconnection
4. Interconnection and Net Metering Service Agreement for Net Metering Facility Level 2 Interconnection
5. Interconnection and Net Metering Service Agreement for Net Metering Facility Level 3 Interconnection
6. Utah Interconnection Level 3 Feasibility Study Agreement
7. Utah Interconnection Level 3 System Impact Study Agreement
8. Utah Interconnection Level 3 Facilities Study Agreement
9. Application for Electrical Interconnection, Certified Inverter-Based Generating Facility – Level 1 Interconnection Review (for Generating Facilities with Electric Nameplate Capacities no Larger than 25 kW)

These documents, in clean and red-lined versions, were submitted in response to the Commission's August 31, 2010 Report and Order and Notice of Technical Conference (Order) in Dockets Nos. 10-035-44 and 10-035-45. These resubmitted standard forms and agreements were intended to address the Commission's conclusions and directions in the Order, as well as discussions held during the September 23, 2010 technical conference.

Previous to this, on February 1, 2010 the Company filed with the Commission five proposed standard net metering interconnection forms pursuant to R746-312, which became Docket No. 10-035-44. The Division filed comments on these forms, and, on April 27, 2010 the Company resubmitted each form. In addition, the Company filed five standard interconnection forms applicable to non-net metering interconnection. This filing became Docket No. 10-035-45. The

Division again submitted comments on May 27, 2010, in response to both net metering and non-net metering forms.

On August 31, 2010, the Commission issued its Order and required the Company to revise its agreements and forms, to attend a technical conference in order to discuss the Company's proposed interconnection forms, and then to resubmit the revised forms after the technical conference. The Commission's Order also directed that the Company submit for review a net metering interconnection feasibility study agreement and forms similar to the Company's FERC-approved "Application for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10 kW" and "Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10 kW." In particular, the Commission noted in its Order seven issues for the Company to address in its revised filing.

DISCUSSION

The Division, upon a review of the resubmitted forms, has determined that the Company's revised interconnection forms are in compliance with the Commission's August 31, 2010 Order as well as R746-312. Furthermore, the Division agrees with the Company's response, provided in its cover letter with the filing, to the seven issues raised by the Commission in its Order. The seven issues are: 1) explanation for two sets of standard interconnection forms; 2) study agreements; 3) minimum standard provisions in interconnection agreements; 4) references to documents; 5) Section 12.9 of Generating Facility Electrical Interconnection Agreement; 6) Inverter-Based Facility Standard Forms; 7) Attachment 5 of the Generating Facility Electrical Interconnection Agreement. The Division is satisfied with the content and reasoning provided by the Company on each of these issues.

1. Explanation of Two Sets of Standard Interconnection Forms.

In its cover letter with the resubmitted forms, the Company provided extensive justification for the use of two sets of forms. The Division agrees with the Company's justification.

2. Study agreements.

The Company re-evaluated the study agreements and determined that it was appropriate to consolidate the interconnection study agreements. The Company submitted the revised study agreements. For each, the Company maintained the framework of the initial study agreements applicable to non-net metering interconnections and revised them to reflect net metering interconnection as appropriate. The Division agrees with this approach.

3. Minimum Standard Provisions in Interconnection Agreements.

The Order notes that R746-312-17 requires the inclusion of specific provisions in every standard interconnection agreement. The Company revised the Generating Facility Interconnection Agreement and the Net Metering Interconnection Agreements to ensure that each of the minimum provisions is properly included. The Company included a reference table that indicates the specific minimum provisions in each interconnection agreement. The Division agrees with the Company's approach to this issue.

4. References to Documents.

The Commission directed that all referenced documents should be publicly available or attached to the agreements. The Company addressed this issue by adding internet links for customers to access information. The Division agrees with the Company's approach to this issue.

5. Section 12.9 of Generating Facility Electrical Interconnection Agreement.

The Company addressed this issue with its discussion of security issues. Since revisions to Section 12.9 would be required to address the Commission's concerns, the Company requested that it not be required to provide a response regarding security matters. While the Division accepts the Company's concerns with security and related issues, it is not clear to the Division that the Company could not respond in some appropriate manner. The Division recommends that the Company respond to this concern, given some cloak of confidentiality either in this or another docket.

6. Inverter-Based Facility Standard Forms.

The Commission directed the Company to include among its non-net metering interconnection forms its FERC-approved OATT "Application for Interconnecting a Certified Inverter-Based

Small Generating Facility No larger than 10 kW” and “Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10 kW,” revised to reflect the provisions of R746-312. The Commission also directed the Company to either increase the level of the applicability of these forms to 25 kW or provide an explanation of why the increase is inappropriate in this context. In its cover letter for the filing, the Company provided an explanation and requested a waiver of the Commission’s requirement in the Order to submit this standard form. The Company pointed out that it has drafted an interconnection application for certified inverter-based generating facilities and increased the threshold to 25 kW and that this was appropriate to be consistent with the forms for net metering interconnections and the Level 1 interconnection review found in R746-312. The Company has included with this filing the “Application for Electrical Interconnection, Certified Inverter-Based Generating Facility – Level 1 Interconnection Review.” The Division accepts the Company’s reasoning and explanation and believes this approach is adequate.

7. Attachment 5 of the Generating Facility Electrical Interconnection Agreement.

The Commission found that Attachment 5 to the Non-Net Metering Interconnection Agreement contained many provisions not addressed by R746-312. The Commission directed the Company to provide an explanation for each requirement and whether the provisions are consistent with other interconnection agreements issued by the Company. The Company shortened Attachment 5 to the revised General Facility Interconnection Agreement to incorporate by reference the customer responsibility to comply with the Operating Requirements. Some of the original Attachment 5 provisions concerning customer operation and maintenance responsibilities were incorporated into the main interconnection agreement to the extent they are consistent with R746-312-17(1)(c). The Division agrees with the Company’s reasoning and explanation.

In addition, Appendix A of the Order outlined several corrections and suggestions for formatting and consistency improvement for the standard forms and agreements. The resubmitted standard forms and agreements reflect the Company’s corrections. The Division notes that there is considerably more consistency across the resubmitted forms. The Division also notes that when the Company did not make an Appendix A-directed improvement or correction, it provided an

explanation in its cover letter to the filing. The Division has found a few other minor corrections to be made. Exhibit F needs a line space before item 1.5.3 and after item 1.6. Exhibit J requires the following corrections: item 1.2 should be item 1.3; the label 1.2 between 1.1 Scope and item 1.1's paragraph should be removed; a line space is needed before item 1.5.3; item 1.5.7 should be item 1.5.6; items 1.7 and 1.8 need formatting; and item 1.19 should be item 1.10. Exhibit J's redundant page numbering should also be removed. Exhibit P needs track changes turned off and underlining removed in the first page. Also, in Exhibit P "coupling coupling" appears and should be fixed. Exhibit R, like Exhibit P above, needs track changes turned off and underlining removed on its first page. Finally, Exhibit X is a red-lined version and should be a clean version. (Exhibit W is the corresponding red-lined version.)

CONCLUSION

The Division recommends conditional approval of the Company's proposed standardized net metering and non-net metering interconnection agreements. The Division has determined that the Company's proposed interconnection forms are in compliance with the Commission's August 31, 2010 Order on Rocky Mountain Power's Proposed Electrical Interconnection Agreements.

CC: Michele Beck, OCS
Dave Taylor, RMP