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**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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<p>In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations</p>	<p><b>DOCKET NO. 13-035-184</b></p> <p><b>Rebuttal Testimony of Michael D. Rossetti on Behalf of Utah Citizens Advocating Renewable Energy (UCARE) Exhibit 1.0 (RT)</b></p>
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REBUTTAL TESTIMONY OF MICHAEL D. ROSSETTI  
ON BEHALF OF  
UTAH CITIZENS ADVOCATING RENEWABLE ENERGY

June 26, 2014

RESPECTFULLY SUBMITTED,  
Utah Citizens Advocating Renewable Energy

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Michael D. Rossetti

1 **Q: Please state your name, address and relationship to Rocky Mountain Power**  
2 **(“RMP”).**

3 A: My name is Michael D. Rossetti. My address is 13051 Shadowlands Lane,  
4 Draper, Utah 84020. I am a residential Net Energy Metering (“RNEM”) customer  
5 and founder of Utah Citizens Advocating Renewable Energy (“UCARE”).

6 **Q: Are you the same Michael D. Rossetti who submitted direct testimony on**  
7 **behalf of UCARE in this proceeding?**

8 A: Yes.

9 **Q: For which party will you be offering testimony in this case?**

10 A: I will be offering testimony on behalf of UCARE.

11 **Q: What is the purpose of your rebuttal testimony?**

12 A: The purpose of my testimony is to show that the rated capacity-based residential  
13 net-energy metering fees proposed by the Office of Consumer Services (“OCS”)  
14 are not equitable to all parties affected by distributed residential energy  
15 production and do not satisfy the requirement that both costs and benefits be  
16 considered when determining RNEM fees.

17 **Q: Who are the “parties involved”?**

18 A: The “parties involved” for the purposes of this rebuttal are:

- 19 1. The citizens of Utah as a whole, including residential net-metering customers  
20 of RMP,  
21 2. Residential net-metering customers of RMP, and  
22 3. Rocky Mountain Power, the purveyor of electricity to most residents of Utah.

23 **Q: Who advocates the interests of each of these parties in these proceedings**  
24 **insomuch as this rebuttal is concerned?**

25 A: The primary advocates of the interests of each of these parties are:

- 26 1. The Office of Consumer Services of the Public Service Commission of Utah  
27 advocates for the citizens of Utah,  
28 2. UCARE advocates for the residential net-metering customers of RMP, and  
29 3. Rocky Mountain Power advocates for itself.

30 There are, of course, other parties involved in these proceedings whose advocacy  
31 overlaps those listed above as well as advocating for other parties.

32 **Q: Please summarize your conclusions and recommendations.**

33 A: In brief, UCARE asserts the following:

- 34 1. That the “rated solar capacity monthly” fee proposed by OCS is not equitable  
35 for one of the parties involved: the residential net-metering customer.  
36 2. That the OCS has not performed an analysis of benefits realized from the  
37 RNEM program in satisfaction of legislative requirements.  
38 3. That the OCS has not determined the system development costs associated  
39 with implementing their proposal and, thus, the cost that will be passed on to  
40 RMP customers.  
41 4. That the purported impact of RNEM is insignificant and thus does not warrant  
42 premature implementation of a policy for which the costs and benefits have  
43 not adequately been studied nor a feasible and equitable approach identified.

44 **Q: Why do you assert that the rated system capacity approach for determining**  
45 **the RNEM fee is not equitable for the residential net-metering customer?**

46 A: A monthly fee based on the *maximum rated system capacity* of a solar PV system,  
47 as proposed by the OCS<sup>1</sup>, does not take into account a variety of factors that  
48 affects the performance of each individual system: shade, inclination, orientation,  
49 tracking, etc. In order to calculate the *effective system capacity* an assessment by a  
50 professional solar technician would have to be performed on each system. Such  
51 an assessment would add significant costs and, because things like trees grow  
52 and/or die, an occasional reassessment would likely be required. Even with such  
53 an assessment, the resulting effective capacity would be questionable due to  
54 uncontrollable factors such as smog, a very significant consideration along the  
55 Wasatch Front.

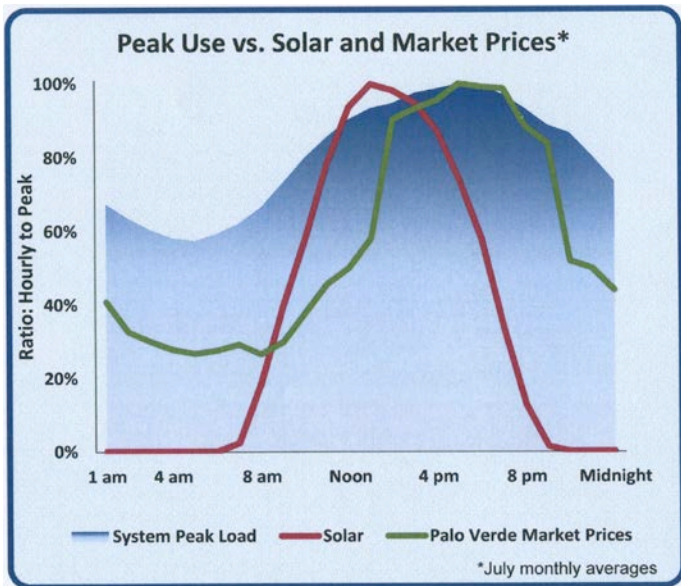
56 **Q: Why do you assert that benefits of the RNEM program have not been**  
57 **considered?**

58 A: The OCS has not identified *any* benefits associated with the RNEM program.  
59 Other parties to this case have identified many benefits and UCARE believes that  
60 there are financial benefits and will identify those benefits during a later  
61 presentation. It would behoove even the most skeptical to at least consider that  
62 CO<sub>2</sub>, NO<sub>2</sub>, NO<sub>x</sub>, and Hg emission reductions have *some* benefit to the general  
63 citizenry. And, even though peak solar does not *perfectly* match peak  
64 consumption, it is disingenuous to claim that there is no value at all in offsetting

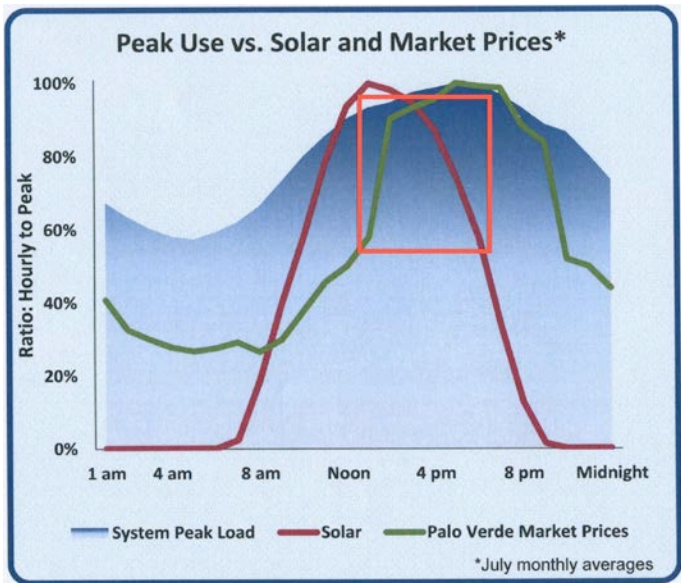
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<sup>1</sup> See: “Direct Cost of Service Rate Design Testimony of Daniel E. Gimble for OCS”

65 high-cost peak electricity.<sup>2</sup> Consider the following graph presented by RMP at the  
66 recent 2014 Utah Governor’s Energy Development Summit:



67  
68 This shows a significant overlap of solar production during peak market pricing.  
69 Allow me to highlight the significant area of high-cost offsetting:



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<sup>2</sup> For examples see “Sierra Club:Exhibit B - Exhibit SC\_DM-2 - NEM Avoided Cost Methodology”

71                   During this overlap, excess RNEM electricity is being delivered to the  
72                   closest non-RNEM neighbor at no cost to the utility—at a time when kWh costs are  
73                   quite expensive—and the RNEM customer receives credits. Later in the day, the  
74                   RNEM customer exchanges those neighborly kWhs credits for cheaper-to-  
75                   produce electricity.

76                   This is just one example of benefits resulting from the RNEM program.  
77                   There are many others. UCARE believes that the OCS should diligently inventory  
78                   and analyze all potential benefits at least as well as they have analyzed the costs.

79   **Q:   Why do you assert that costs associated with modifications to RMP’s billing**  
80   **system have not been considered.**

81   A:   The OCS has not estimated nor requested an estimate from RMP of the cost of  
82   modifying the billing and monitoring systems to support a capacity-based net-  
83   metering charge. This is a cost that will be passed on to the residential customer  
84   and should be considered.

85   **Q:   Why do you recommend that a decision regarding RNEM fees be delayed?**

86   The OCS seems to accept, without question, the claim by RMP that  
87   approximately 2,000 RNEM customers have cost-shifted \$313,069 to all  
88   residential customers for the year.<sup>3</sup> Let’s consider the significance of that  
89   ‘shifting’. During that year, 8,887,629 residential bills were sent out which means  
90   that each of those bills were purportedly increased by 3½¢ due to ‘cost-shifting’.  
91   Even if the number of RNEM customers were to increase by 30% over the next

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<sup>3</sup> Source: 249702Exhibit JJJ - Direct Testimony of Joelle R Steward 1-3-2014.docx.

92 year, the per-bill cost-shifting would only approach 4.6¢, all without considering  
93 any benefits of the RNEM program.

94 Looking at this in another way, during this time period,  
95 6,203,851,850 kWhs of electricity were delivered to residential customers,  
96 making the per-kWh impact of purported cost-shifting only 0.00505¢, an increase  
97 of a mere 0.044%. (The proposed 5.1% residential rate hike is a factor of 116X  
98 greater than the purported impact of the RNEM program.)

99 UCARE asserts that purported ‘cost-shifting’ impact, even without  
100 considering any benefits, is insignificant and does not justify a rushed, premature,  
101 poorly considered, and inequitable solution that will have a dramatic dampening  
102 effect on private citizen investment in renewable energy.

103 **Q: Do you have any final comments?**

104 A: Yes. The members of UCARE urge the members of the Public Service  
105 Commission to keep in mind that, while Rocky Mountain Power’s leadership  
106 publicly states that their primary concern is to insure that residential customers are  
107 being treated fairly, Rocky Mountain Power’s *primary* responsibility is to watch  
108 out for the welfare of their stock holders and investors, *not* to watch out for the  
109 welfare of their residential customers, or, in other words, the citizens of Utah.  
110 Rather, it is the responsibility of the Office of Consumer Services to watch out for  
111 the interests of Utahns and insure that *all* citizens are treated fairly, including  
112 citizens who happen to net-meter electricity. UCARE believes that the Office of  
113 Consumer Services is uniquely qualified to fulfill this responsibility by  
114 developing a proposal that will be equitable to *all* parties involved.

115 **Q. Does this conclude your rebuttal testimony?**

116 **A:** Yes.