

1407 W. North Temple, Suite 310 Salt Lake City, Utah 84116

August 28, 2017

#### VIA ELECTRONIC FILING AND HAND DELIVERY

Public Service Commission of Utah Heber M. Wells Building, 4<sup>th</sup> Floor 160 East 300 South Salt Lake City, UT 84114

- Attention: Gary Widerburg Commission Secretary
- Re: Docket No. 14-035-114 In the Matter of the Investigation of the Costs and Benefits of PacifiCorp's Net Metering Program

Pursuant to Utah Code Ann. § 54-7-1 and the Rules of the Public Service Commission of Utah ("Commission"), Rocky Mountain Power ("Company") hereby submits for filing a Settlement Stipulation ("Stipulation") entered into between the Company; the Division of Public Utilities ("DPU"); the Office of Consumer Services ("OCS"); Vivint Solar, Inc., a Delaware corporation; Auric Solar, LLC; HEAL Utah; Intermountain Wind and Solar, LLC; Legend Ventures, LLC d/b/a Legend Solar, LLC; Utah Solar Energy Association; Salt Lake City Corporation; Summit County, Utah Citizens Advocating Renewable Energy ("UCARE"), and Utah Clean Energy ("Signatories").

The purpose of this filing is to seek Commission approval of the Stipulation. Throughout the current phase of this docket, parties engaged in settlement discussions. On August 10, 2017, certain of those parties filed a motion asking for the hearing in this matter to be postponed based on the status of these settlement discussions. On August 11, 2017, the remaining parties that had filed testimony in this phase of the docket joined the motion. Significantly, all parties who had intervened and been granted party status in this docket since its inception in 2014 were given notice that the continuance was based on progressing settlment negotitations. Based on the motion and the joinder of all parties who had filed testimony in this phase, the Commission continued the hearing, with the hearing scheduled to begin September 18, 2017.

The Signatories have now reached an agreement on terms of a proposed settlement and submit the Stipulation to the Commission for its approval. Park City Municipal Corporation has agreed to the terms of this Stipulation, conditioned upon final approval by its respective council, which may follow the filing of this Stipulation. The remaining parties who filed testimony in this docket were notified of the settlement discussions and invited to participate in negotiations, but either declined to participate in the negotiations or determined not to be a signatory to the Stipulation. All parties are being served with this letter and a copy of the Stipulation.

The Company and the other Signatories recommend that the Commission strike the currently scheduled evidentiary hearings on the Company's Compliance Filing and schedule a hearing on September 18, 2017, for the purpose of addressing the Stipulation, including taking such evidence as may be offered in regards to the Stipulation and addressing any comments, questions, or arguments related to the Stipulation. The Company and the other Signatories also

Public Service Commission of Utah August 28, 2017 Page 2

recommend that all other matters, if any, that may continue to exist in this docket after the Commission has addressed the Stipulation, should be addressed after the Commission has entered an order on the Stipulation.

Informal inquiries may be directed to Joelle Steward at (801) 220-4705.

Sincerely, aus

Jeffrey K. Larsen Vice President, Regulation

cc: Service List – Docket No. 14-035-114

Enclosures

#### **BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

## IN THE MATTER OF THE INVESTIGATION OF THE COSTS AND BENEFITS OF PACIFICORP'S NET METERING PROGRAM

Docket No. 14-035-114

#### SETTLEMENT STIPULATION

)

This Settlement Stipulation ("Stipulation") is entered into in Docket No. 14-035-114 by and among the parties whose signatures appear on the signature pages hereof (collectively referred to herein as the "Parties" and individually as a "Party"). This Stipulation is effective on the date of the issuance of a final order of approval (the "Effective Date") by the Public Service Commission of Utah (the "Commission").

1. As more fully described in Paragraph 11 below, the Parties request that the Commission cap the cumulative generating capacity of customer generation systems as authorized by Utah Code Ann. § 54-15-103(3). The Company will promptly thereafter file an application to initiate a new docket to determine an export credit rate (the "Export Credit Proceeding") for customer-generated electricity, as defined in Utah Code Ann. § 54-15-102(2), which rate will apply as set forth in this Stipulation.

2. The Parties represent that this Stipulation is just and reasonable in result and will result in rates that are just and reasonable. The Parties recommend that the Commission approve this Stipulation and all of its terms and conditions, as set forth herein. The Parties request that the Commission make findings of fact and reach conclusions of law based on the evidence and on this Stipulation and issue an appropriate order thereon.

3. The Parties stipulate to the admission of all pre-filed written testimony in this Docket and have agreed to waive cross-examination of witnesses thereof except as may be otherwise requested by the Commission or may be necessary to support the approval of this Stipulation at hearing.

#### BACKGROUND

4. On November 10, 2015, the Commission established a framework for analyzing costs and benefits of the net metering program under Utah Code Ann. § 54-15-105.1, by which the Company would complete two cost of service studies comparing its actual costs with a hypothetical scenario in which "net metering customers produced no electricity." Order, Docket No. 14-035-114 at \*16 (Utah P.S.C. November 10, 2015) ("November 2015 Order").

5. In response to the Commission's November 2015 Order, on November 9, 2016, the Company submitted a compliance filing that provided the requested cost of service studies and proposed a new rate structure for net metered customers ("Compliance Filing"). Several parties moved to dismiss or for summary judgment on December 20, 2016. The Commission denied those motions on February 23, 2017.

6. The Commission then received additional public comments, allowed additional intervenors, and received direct, rebuttal, and sur-rebuttal testimony. A hearing was scheduled to begin on August 14, 2017, to evaluate the reasonableness of the Company's Compliance Filing.

7. The Parties engaged in lengthy settlement discussions throughout the pendency of the Compliance Filing. On August 10, 2017, certain parties filed a motion asking for the hearing to be postponed in light of the status of these settlement discussions. On August 11, 2017, the remaining parties that had filed testimony in this phase of the docket joined the motion. Therefore, the Commission suspended the hearing and scheduled a new hearing to begin September 18, 2017.

8. As a result of the settlement discussions, certain Parties to this docket have reached an agreement on terms of a proposed settlement and submit this Stipulation to the Commission and hereby seek approval.

9. The parties joining this Stipulation are as follows: Rocky Mountain Power, a division of PacifiCorp, an Oregon corporation (the "Company"), Division of Public Utilities ("DPU"), Office of Consumer Services ("OCS"), Vivint Solar, Inc., a Delaware corporation, Auric Solar, LLC, HEAL Utah, Intermountain Wind and Solar, LLC, Legend Ventures, LLC (d/b/a) Legend Solar, LLC, Utah Solar Energy Association, Salt Lake City Corporation, Summit County, Utah Clean Energy, and Utah Citizens Advocating Renewable Energy ("UCARE").

10. Park City Municipal Corporation has agreed to the terms of this Stipulation, conditioned upon final approval by its council, which may follow the filing of this Stipulation.

#### SETTLEMENT TERMS

For purposes of this Stipulation, the Parties agree to and recommend the Commission approve the following:

#### Net Metering Program

11. The Commission will establish a new cap for the current net metering program (the "Net Metering Program"). For purposes of this Stipulation, the term Net Metering Program is defined as set forth in Utah Code Ann. § 54-15-102(12), as applied to the Company, in effect as of the Effective Date, and as further described in Schedule 135, Net Metering Service. The Commission will cap the Net Metering Program at the cumulative generating capacity of all customer generation systems for which complete interconnection applications have been submitted to the Company by 12:00 a.m. on the earlier of: (a) 60 days after the Commission issues an order approving this Stipulation, or (b) November 15, 2017 (the "NEM Cap Date").

12. Current net metering customers and customers who submit a complete interconnection application to the Company on or before the NEM Cap Date and are interconnected within twelve months from the date the interconnection application is approved for interconnection (the "NEM Customers") will remain on the current Net Metering Program through December 31, 2035 (the "Grandfathering Period"). Customers taking service under Schedules 6, 6A, 6B, 8, or 10 will be allowed a six-month extension of the twelve month interconnection deadline upon request. A NEM Customer who submits a complete interconnection application as a Level 2 interconnection before the NEM Cap Date will not be disqualified as a NEM Customer if the Company during its review of the application determines that the interconnection should be a Level 3 interconnection. NEM Customers include subsequent customers served at the point of delivery approved for interconnection under the Net Metering Program, provided, however, that a customer will cease to be a NEM Customer if: (a) the equipment approved for interconnection is affirmatively removed from service for any reason other than on a short-term basis for replacement of equipment, or repair of the equipment or underlying structure, (b) the NEM Customer makes a material modification to increase the size of the customer's generation system after interconnection, or (c) the NEM Customer chooses to voluntarily change to another available customer generation program. If a NEM Customer transfers ownership of the applicable property, the transferee will be a NEM Customer throughout the Grandfathering Period.

13. Throughout the Grandfathering Period, NEM Customers will remain in their otherwise applicable rate class (i.e., electric service schedule for base retail rates) and the Parties will not advocate to the Commission for any rates, charges, or fees applying to NEM Customers that do not apply to the entire class.

14. After the Grandfathering Period expires, NEM Customers will become subject to the applicable rate class and any rate and rate structure then in effect that would otherwise apply to those customers.

#### **Transition Program**

15. The Commission will establish a transition program ("Transition Program") for customer generation systems as specified in Utah Code Ann. § 54-15-102(3), who submit an interconnection application after the NEM Cap Date until the earlier of: (a) the date on which the Transition Cap is reached, as provided in Paragraph 22 below, or (b) the date the Commission issues a final order in the Export Credit Proceeding, as provided below ("Transition Customers"). For purposes of this Paragraph 15, "the date the Commission issues a final order in the Export Credit Proceeding, without respect to time periods for requesting reconsideration or for appeals. This date is used solely to establish the conclusion of the period allowing entry into the Transition Program, and will be unaffected by any action subsequent to the Commission's order.

16. Transition Customers include subsequent customers served at the point of delivery approved for interconnection under the Transition Program. The Transition Program will begin on the NEM Cap Date and end on December 31, 2032 (the "Transition Period"). A customer will cease to be a Transition Customer if: (a) the equipment approved for interconnection is affirmatively removed from service for any reason other than on a short-term basis for replacement of equipment, or for repair of the equipment or underlying structure, (b) the Transition Customer makes a material modification to increase the size of the customer's system after interconnection, or (c) the Transition Customer chooses to voluntarily change to another available customer

generation program. In the event a Transition Customer transfers ownership of the applicable property, the transferee will be a Transition Customer throughout the Transition Period.

17. The Parties agree that good cause exists to waive Utah Administrative Rule 746-312-13, as applied to the Company, regarding customer generation interconnection fees and charges and that the following interconnection fees should be charged for customer generation system interconnections beginning on the NEM Cap Date. Transition Customers and Post-Transition Customers will pay a metering fee equal to the incremental cost of the bi-directional meter (fully refundable if not installed) as determined by the Commission, and:

(a) Level 1 - \$60 application fee,

(b) Level 2 - \$75 application fee plus \$1.50 per kilowatt of the generating facility's capacity, and

(c) Level 3 - \$150 application fee plus \$3.00 per kilowatt of the generating facility's capacity.

The foregoing fees are subject to change by the Commission and will be reevaluated in conjunction with the Export Credit Proceeding.

18. The Parties also agree that good cause exists to waive the time periods provided in Utah Administrative Rules 746-312-8(2) and 746-312-10(2) regarding the interconnection process deadlines for applications received beginning on the NEM Cap Date for a period of up to 15 days thereafter in order to give the Company time to modify its applications, billing, and interconnection processes.

19. During the Transition Period, Transition Customers will receive an export credit rate (the "Transition Export Credit")<sup>1</sup> as follows:

<sup>&</sup>lt;sup>1</sup> The Transition Export Credit rate for residential schedules 1, 2, and 3 was determined by calculating 90% of the current average energy rate as of the Effective Date and 92.5% for all other schedules.

	Transition Export
Schedule	Credit Rate (¢/kWh)
Res 1,2,3	9.2
6	3.4
6A	6.6
6B	3.4
15.1 (Outdoor Lighting)	4.9
15.2 (Traffic Signals)	7.8
8	3.5
10	5.6
23	8.2

20. If the Utah Renewable Energy Systems maximum tax credit defined in Utah Code Ann. §59-10-1014(4)(b)(ii)(B) (the "Tax Credit"), is an amount less than \$1,600 for years 2019 and 2020, the Transition Export Credit will increase to 9.4 cents/kWh<sup>2</sup> for all residential Transition Customers (schedules 1, 2, and 3) who submit a complete interconnection application in years 2019 and 2020 (the "Modified Transition Export Credit") and the Company will make a compliance filing with the Commission to modify the applicable tariffs to increase the Export Credit effective January 1, 2019, as provided in Paragraph 35. The Modified Transition Export Credit shall apply to such customers throughout the Transition Period upon approval of the modified tariffs by the Commission.

21. The Transition Export Credit and the Modified Transition Export Credit will apply against the power and energy charges only, and will not apply against monthly customer charges or minimum bills. Excess export credit values will carry over and apply against power and energy charges in subsequent monthly bills. At the end of a customer's applicable annualized billing period, the value of remaining unused credits shall be granted: (a) to the Company's low-income

<sup>&</sup>lt;sup>2</sup> The Modified Transition Export Credit rate for residential schedules 1, 2, and 3 was determined by calculating 92.5% of the current average energy rate as of the Effective Date.

assistance programs as determined by the Commission, or (b) for another use as determined by the Commission.

22. The cumulative interconnected nameplate capacity of all Transition Customers who take service under: (a) residential Schedules 1, 2, or 3 and small non-residential Schedules 15 and 23 will be limited to 170 MW direct current ("DC"), and (b) large non-residential rate Schedules 6, 6A, 6B, 8, and 10 will be limited to 70 MW in cumulative interconnected nameplate capacity DC (collectively, the "Transition Cap"). The Company agrees to post updates on its website, no less frequently than monthly, listing the cumulative amount of MW DC applied for and interconnected under each cap. More frequent updates will be posted as the amount of MW DC applied for and interconnected capacity increases and is within 25 percent of the applicable Transition Cap in an effort to provide adequate notice. All customers who submit a complete application to interconnect on the same day a Transition Cap is reached, under this Paragraph 22, will be considered to be within the Transition Cap, provided that the system to be interconnected would have otherwise been within the cap.

23. Customers who submit a complete interconnection application after the applicable Transition Cap, as provided in Paragraph 22, is met but before the Commission has issued a final order in the Export Credit Proceeding ("Post-Transition Customers") will receive the Transition Export Credit or the Modified Transition Export Credit (as applicable) until the Commission issues an order in the Export Credit Proceeding and a new tariff is implemented, at which time such customers will be subject to the terms of the new tariff, as determined by the Commission.

24. A Transition Customer's usage, the Transition Export Credit, and the Modified Transition Export Credit will be measured and netted in 15-minute intervals. The Parties acknowledge and agree that the 15-minute netting interval applies only to Transition Customers

during the Transition Period, and to Post-Transition Customers until a new tariff is implemented following the Export Credit Proceeding. The 15-minute netting interval shall have no precedential effect in the Export Credit Proceeding.

25. Throughout the Transition Period, Transition Customers will remain in their otherwise applicable rate class, and the Parties will not advocate to the Commission for any rates, charges, or fees applying to Transition Customers that do not apply to the entire class.

26. At the end of the Transition Period, Transition Customers will become subject to the applicable rate class and any rate or rate structure then in effect that would otherwise apply to them.

27. The Commission may approve a new base retail rate in future general rate cases and the Parties may propose new rates for energy use by customer generation customers, which will apply to: (a) NEM Customers after the Grandfathering Period, (b) Transition Customers after the Transition Period, and (c) customers who submit applications for an interconnection to a customer generation system after the applicable cap, as provided in Paragraph 22, has been reached or a final order is issued by the Commission in the Export Credit Proceeding, including Post Transition Customers.

#### Export Credit Proceeding

28. After the Commission issues a final Order approving this Stipulation, the Company will promptly file an application to initiate the Export Credit Proceeding to determine the compensation rate for exported power from customer generation systems, including all customers after the expiration of the Grandfathering Period and Transition Period, as applicable. The Parties agree to support a procedural schedule that will allow the Commission to conclude the Export Credit Proceeding no later than three (3) years after the Export Credit Proceeding is initiated.

29. The Company will facilitate a workshop with the Parties and other stakeholders soon after the Export Credit Proceeding is initiated to discuss the type and scope of data expected to be considered in determining the appropriate export rate. In order to accommodate data collection, the Parties propose revisions to Schedule 135 that will require that all NEM Customers randomly selected must participate in any load research study. Additionally, the new tariff schedule for the Transition Program will require all randomly selected Transition Customers to participate in any load research study, as provided in proposed Schedule 136. Participation in a load research study may include installation of meters at the point of delivery and on the customer generation system. No costs will be assessed to the customers included in a load research study.

30. In the Export Credit Proceeding, the Commission will determine a just and reasonable rate for export credits for customer generated electricity. Parties may present evidence addressing reasonably quantifiable costs or benefits or other considerations they deem relevant, but the Party asserting any position will bear the burden of proving its assertions (for example, parties may present evidence addressing the following costs or benefits: energy value, appropriate measurement intervals, generation capacity, line losses, transmission and distribution capacity and investments, integration and administrative costs, grid and ancillary services, fuel hedging, environmental compliance, and other considerations). The Commission will also determine the appropriate study period over which to quantify and model export credit components. In addition, the Parties agree that nothing from the November 2015 Order or other aspects of this Docket No. 14-035-114 will: (a) limit or preclude a Party from presenting evidence in the Export Credit Proceeding identified in this Paragraph 30, or (b) be precedential in the Export Credit Proceeding or any future case.

31. NEM Customers and Transition Customers will be allowed to voluntarily move to the rate program created by the Commission in the Export Credit Proceeding. A customer who voluntarily chooses to move to a different rate program may not return to be a NEM Customer or Transition Customer.

#### Recovery of Export Credits

32. The difference between: a) export credits to Transition Customers throughout the Transition Period and export credits to Post-Transition Customers until the tariff is implemented after the Export Credit Proceeding and b) the market value of these exports adjusted for line losses will be recovered 100 percent through the Energy Balancing Account or another pass-through mechanism as determined by the Commission on a Utah-situs basis. In the Export Credit Proceeding, or appropriate subsequent proceeding, the Parties may address the methodology for calculating the amount for recovery of the export credits to be run through the Energy Balancing Account or other pass-through mechanism, and the treatment of export credit recovery, including situs assignment, to be implemented after the Export Credit Proceeding, provided, however, that the recovery of the Commission-approved amount remains 100 percent. Attached hereto as Exhibit A, and incorporated herein by reference, is an exhibit demonstrating the manner in which the Parties have agreed to calculate the difference in export credits and the market value of these exports adjusted for line losses described in this paragraph during the Transition Period.

#### Legislative and Regulatory Stay-out

33. Except as provided in Paragraph 46, beginning with the Effective Date of this Stipulation and continuing for 30 months following the date of the order establishing the compensation rate in the Export Credit Proceeding, the Parties agree to support the terms of this

Stipulation, not to initiate or support any legislation or ballot measure that materially conflicts with any term of this Stipulation, and to take a position in opposition to any legislation or ballot measure that materially conflicts with any terms of this Stipulation.

34. Except as provided in Paragraph 46, beginning with the Effective Date and continuing for 30 months following the date of the order establishing the compensation rate in the Export Credit Proceeding, the Parties agree not to initiate or support any regulatory action that challenges any term of this Stipulation. Additionally, the Parties agree to take a position in opposition to any action to change base retail rates that do not apply to the entire class, except as authorized in a general rate case. This Paragraph 34 is not intended to prevent Parties from seeking administrative or judicial review of any regulatory decision other than approval and enforcement of this Stipulation and its terms.

35. Except as provided in Paragraph 46, the Parties other than the DPU and OCS will work cooperatively with legislative leaders and the Governor's office to advance and support legislation that extends the Tax Credit for years 2019 and 2020, at the currently effective 2018 level (*i.e.*, \$1,600, with a \$400 annual reduction, reducing to \$1,200 in 2021, \$800 in 2022, \$400 in 2023, and \$0 after 2024). The DPU and OCS will not oppose such efforts. The Parties will take positions of support for legislation intended to terminate, as applied to the Company, the Net Metering Program as enacted in Utah Code Title 54, Chapter 15, Net Metering of Electricity, except as applied to NEM Customers in this Stipulation. Parties will not support terminating the existing net metering program as applied to NEM Customers before the conclusion of the Grandfathering Period.

36. The three (3) immediately preceding paragraphs are not intended to prevent Parties from initiating or supporting legislation, ballot measures, or regulatory proposals for distributed

energy resources tax credits or other programs, provided that such legislation or ballot measures do not conflict with the terms of this Stipulation.

#### Miscellaneous

37. The Parties will work collectively to develop a communication plan to describe the implementation of this Stipulation and its terms, including the NEM Program and Transition Program.

38. The Parties will work collectively to create a *Utah.gov* website to explain current and future treatment of net metering and customer generation. In addition, the Parties will work collaboratively to develop and implement consumer protection regulations through the appropriate state agency or through legislation.

39. Interested parties agree to meet during the second quarter of 2018 to discuss potential options for funding and administering a low-income solar program and whether such a program is in the public interest. The OCS will initiate the meeting.

#### **GENERAL TERMS AND CONDITIONS**

40. All negotiations related to this Stipulation are confidential and no Party shall be bound by any position asserted in negotiations. Except as expressly provided in this Stipulation, neither the execution of this Stipulation nor the order adopting it shall be deemed to constitute an admission or acknowledgment by any Party of the validity or invalidity of any principle or practice of regulatory accounting or ratemaking; nor shall they be construed to constitute the basis of an estoppel or waiver by any Party; nor shall they be introduced or used as evidence for any other purpose in a future proceeding by any Party except in a proceeding to enforce this Stipulation.

41. The Parties agree that no part of this Stipulation or the formulae and methodologies used in developing the same or a Commission order approving the same shall in any manner be argued or considered as precedential in any future case except with regard to issues expressly identified and resolved by this Stipulation. This Stipulation does not resolve any issues not specifically identified and settled herein. The Parties are free to take any position concerning such issues.

42. The Parties request that the Commission hold a hearing on this Stipulation. The Parties may make one or more witnesses available to explain and offer further support for this Stipulation. The Parties shall support the Commission's approval of this Stipulation. As applied to government entities, the explanation and support shall be consistent with their statutory authority and responsibility.

43. The Parties agree that if any person challenges the approval of this Stipulation or requests rehearing or reconsideration of any order of the Commission approving this Stipulation, each Party will use reasonable efforts to support the terms and conditions of this Stipulation. As applied to the DPU, OCS, and other state and local government entities, the phrase "reasonable efforts" means that they shall do so in a manner consistent with their statutory authority and responsibility. In the event any person seeks judicial review of a Commission order approving this Stipulation, no Party shall take a position in that judicial review proceeding in opposition to this Stipulation.

44. Except with regard to the obligations of the Parties under the four (4) immediately preceding paragraphs of this Stipulation, this Stipulation shall not be final and binding on the Parties until it has been approved, without material change or condition, by the Commission.

45. This Stipulation is an integrated whole, and any Party may withdraw from it if it is not approved without material change or condition by the Commission or if the Commission's approval is rejected or materially conditioned by a reviewing court. If the Commission rejects any part of this Stipulation or imposes any material change or condition on approval of this Stipulation or if the Commission's approval of this Stipulation is rejected or materially conditioned by a reviewing court, the Parties agree to meet and discuss the applicable Commission or court order within five (5) business days of its issuance and to attempt in good faith to determine if they are willing to modify this Stipulation consistent with the order. No Party shall withdraw from this Stipulation, any Party retains the right to seek additional procedures before the Commission, including presentation of testimony and cross-examination of witnesses, with respect to issues resolved by this Stipulation, and no Party shall be bound or prejudiced by the terms and conditions of this Stipulation.

46. Nothing in this Stipulation affects the DPU's or the OCS' power or authority under their relevant statutes. The Parties agree that Park City Municipal Corporation, Salt Lake City Corporation, and Summit County (collectively the "Local Governmental Entities") are each participating in this Stipulation as an owner of facilities that are or will be affected by the terms of this Stipulation, and agree to its terms to the extent they do not limit the Local Governmental Entities' as a local government, to exercise and discharge all the rights, privileges, powers and authority granted to local government by the constitution and general laws of this state, together with all the implied powers necessary to carry into execution all the powers granted. 47. This Stipulation may be executed by individual parties through two (2) or more separate, conformed copies, the aggregate of which will be considered as an integrated instrument.

DATED this 28<sup>th</sup> day of August, 2017.

[Signature pages to follow]

**ROCKY MOUNTAIN POWER, a division of PACIFICORP, an Oregon Corporation** 

1.A By: ( Vint Its: 0

## **DIVISION OF PUBLIC UTILITIES**

By:		 	
Its:			

## **OFFICE OF CONSUMER SERVICES**

By:

\_\_\_\_\_

Its:

VIVINT SOLAR, INC., a Delaware Corporation

By:

Its:

**ROCKY MOUNTAIN POWER, a division of PACIFICORP, an Oregon Corporation**  No. Pringe

, - 111 La Witchio III 102				
OF PUBI				
CURIS	PARKé	n		
PIRECT	or			
	Curis		CURIS PARKER	CURIS PARKER

By:			
Its:			

VIVINT SOLAR, INC., a Delaware Corporation

By:

Its: \_\_\_\_\_

**ROCKY MOUNTAIN POWER, a division of PACIFICORP, an Oregon Corporation** 

By:

Its: \_\_\_\_\_

## **DIVISION OF PUBLIC UTILITIES**

By:	
Its:	

## **OFFICE OF CONSUMER SERVICES**

	Michel Sech
By:	Michele Beck
Its:	Director

## VIVINT SOLAR, INC., a Delaware Corporation

By:

Its: \_\_\_\_\_

ROCKY MOUNTAIN POWER, a division of PACIFICORP, an Oregon Corporation By: Its: **DIVISION OF PUBLIC UTILITIES** By: -----Its: \_\_\_\_\_ **OFFICE OF CONSUMER SERVICES** By: \_\_\_\_\_ Its: VIVINT SOLAR, INC., a Delaware Corporation By: David Bywater Its: Chief Executive Officer

_l	Mio	
By:	Elias Bishop	
Its:	Director of Government Aff	airs & Public Policy
HEAI	L Utah	
By:	·	······
Its:		
INTE	RMOUNTAIN WIND AND SO	LAR, LLC
By:		
Its:		
LEGE LLC	CND VENTURES, LLC dba I	EGEND SOLAR,
By:		

Its: \_\_\_\_\_

By:			
Its:			

**HEAL Utah** 

	Muhr Su
	Michael Shea
By:	
	Senior Policy Associate
Its:	

## INTERMOUNTAIN WIND AND SOLAR, LLC

By: \_\_\_\_\_

Its:

LEGEND VENTURES, LLC dba LEGEND SOLAR, LLC

By:	

Its: \_\_\_\_\_

.

By:		 ••••••••••••••••••••••••••••••••••••••	 <del>.</del>
Its:		 	 ,
HEAL Utah			
By:	·	 	 
Its:		 	 

## INTERMOUNTAIN WIND AND SOLAR, LLC

ł Daug By: Sh iole CEO Its:

LEGEND VENTURES, LLC dba LEGEND SOLAR, LLC

By:	 	 	 

Its:

By:			
ts:			
HEAL Uta	h		
By:			
[ts:			

## INTERMOUNTAIN WIND AND SOLAR, LLC

By:		
Dy.		

Its:
------

LEGEND VENTURES, LLC dba LEGEND SOLAR, LLC

( MSh 7 5. 9. By: Owners Its:

UTAH SOLAR ENERGY ASSOCIATION

By: Ryan Evans

Its:

## SALT LAKE CITY CORPORATION

President

By:

Its:

## UTAH SOLAR ENERGY ASSOCIATION

By: Its:

SALT LAKE CITY CORPORATION Magne Handis By: Megan J. Depanlis Its: Schior City Attorney

## UTAH CLEAN ENERGY

\_\_\_\_\_ Sarah Wright By: Director Executive ------Its:

SUMMIT COUNTY

By: \_\_\_\_\_

Its: \_\_\_\_\_

UTAH CITIZENS ADVOCATING RENEWABLE ENERGY

By:

Its: \_\_\_\_\_

## UTAH SOLAR ENERGY ASSOCIATION

By:		
Its:		
SALT LAKE CITY CORPORATION		
By:		
Its:		
UTAH CLEAN ENERGY		
By:		
Its:		
SUMMIT COUNTY		
By: Thomas C. Fish	r	
By: Thomas C. Fish	ner	

County Manager Its:

## **UTAH CLEAN ENERGY**

ļ

By: 

Its:

## SUMMIT COUNTY

By:

Its:

UTAH CITIZENS ADVOCATING RENEWABLE ENERGY

DAVID BENDETT By: NEMBER

Its:

ţ

# Exhibit A

#### **Exhibit A**

Exhibit A demonstrates the calculation to be used for the recovery mechanism for excess energy generated by customers that interconnect with the grid after the cap on the Net Metering is reached. This example uses the Transition Period export rate for residential customers, \$92/MWh, and a representative value for annual solar exports by these customers of 85,000 MWh to calculate the Total Costs of Exports Included in Purchased Power, displayed on Line 3. Line 2 represents the annual amount of energy exported by these customers, which is defined to be the amount of energy produced in excess of energy consumed behind the meter, as measured and netted every fifteen minutes. The Market Value of Solar Exports (Line 6) is calculated in this example using the annual average market price at Four Corners as the agreed upon market proxy, weighted 85% for high load hours (HLH) and 15% for low load hours (LLH). In actuality, this calculation will be performed monthly using the actual Four Corners HLH and LLH monthly prices and the actual profile of the solar exports. This Market Value of Solar Exports (Line 6) is then augmented with the value of reduced line losses at the agreed upon level of 9% line losses (Line 7). The value listed on Line 9 is added to Line 6, resulting in the Total Solar Export Costs Allocated to All States on Line 10. Finally, the Utah Assigned Solar Export Costs for this example are shown on Line 11 (i.e., Line 3 minus Line 10).

#### Solar Export Treatment in EBA

Line No.				
1	Export Rate per MWh		\$92.00	
2	Solar Exports (MWh)		85,000	
3	Total Costs of Exports Included in Purchased Power	\$	7,820,000	Line 1 x Line 2
Solar Exp	ort Credit Allocated to All States			
4	Solar Exports (MWh)		85,000	Line 2
5	Average Four Corners Market Price (\$/MWh)	\$	28.06	Note 1
6	Market Value of Solar Exports	\$	2,384,968	Line 4 x Line 5
7	Avoided Line Loss Percentage		9%	
7 8	Avoided Line Loss Percentage Avoided Line Loss Value (\$/MWh)	\$		Line 7 x Line 5
		\$ \$	2.53	
8	Avoided Line Loss Value (\$/MWh)	\$ \$ \$	2.53 214,647	Line 7 x Line 5
8 9 10	Avoided Line Loss Value (\$/MWh) Total Avoided Line Losses	Ŷ	2.53 214,647	Line 7 x Line 5 Line 4 x Line 8
8 9 10	Avoided Line Loss Value (\$/MWh) Total Avoided Line Losses Total Solar Export Costs Allocated to All States	Ŷ	2.53 214,647 2,599,615	Line 7 x Line 5 Line 4 x Line 8

#### **CERTIFICATE OF SERVICE**

I hereby certify that on August 28, 2017, a true and correct copy of the foregoing document was served by email on the following Parties in Docket No. 14-035-114:

#### **Division of Public Utilities**

Chris Parker - <u>ChrisParker@utah.gov</u> William Powell - <u>wpowell@utah.gov</u> Erika Tedder - <u>etedder@utah.gov</u>

#### **Utah Office of Consumer Services**

Michele Beck - <u>mbeck@utah.gov</u> Cheryl Murray - <u>cmurray@utah.gov</u> Bela Vastag - <u>bvastag@utah.gov</u>

## **Assistant Utah Attorney General**

Patricia Schmid - <u>pschmid@ag.utah.gov</u> Justin Jetter - <u>jjetter@ag.utah.gov</u> Rex Olsen - <u>rolsen@ag.utah.gov</u> Steven Snarr - <u>stevensnarr@ag.utah.gov</u>

#### **Summit County**

David L. Thomas - dthomas@summitcounty.org

#### Western Resource Advocates

Jennifer Gardner - jennifer.gardner@westernresources.org Nancy Kelly - <u>nkelly@westernresources.org</u> Penny Anderson - <u>penny.anderson@westernresources.org</u>

#### **Energy Freedom Coalition of America**

Bruce M. Plenk - <u>solarlawyeraz@gmail.com</u> Thadeus B. Culley - <u>tculley@kfwlaw.com</u> James M. Van Nostrand - <u>jvannostrand@kfwlaw.com</u>

HEAL Utah Michael Shea - <u>michael@healutah.org</u>

Auric Solar, LLC Elias Bishop - <u>Elias.bishop@auricsolar.com</u>

#### Salt Lake County

Donald H. Hansen - <u>dhansen@slco.org</u> Jennifer Bailey - <u>jenbailey@slco.org</u>

#### Sunrun, Inc.

Bruce M. Plenk - <u>solarlawyeraz@gmail.com</u> Thadeus B. Culley - <u>tculley@kfwlaw.com</u> James M. Van Nostrand - <u>jvannostrand@kfwlaw.com</u>

#### **Park City Municipal Corporation**

Luke Cartin - <u>Luke.Cartin@parkcity.org</u> Thomas A. Daley - <u>tdaley@parkcity.org</u>

Vote Solar

Rick Gilliam - rick@votesolar.org

#### Legend Ventures, LLC (dba Legend Solar, LLC)

Nathan K. Fisher - nathanf@fisherhunterlaw.com

#### Intermountain Wind and Solar, LLC

Brian W. Burnett. Esq. - <u>bburnett@kmclaw.com</u> Dale Crawford - <u>dale@imwindandsolar.com</u> Doug Shipley - <u>doug@imwindandsolar.com</u> Mark Allred - <u>mark@imwindandsolar.com</u> Mark Richards - <u>markrichards@imwindandsolar.com</u> Doug Vause - <u>dougvause@imwindandsolar.com</u>

#### **Vivant Solar**

Stephen F. Mecham - sfmecham@gmail.com

#### **Utah Solar Energy Association**

Elias Bishop - <u>ebishop@utsolar.org</u> Chad Hofheins - <u>chad@synergypowerpv.com</u>

#### Interstate Renewable Energy Council, Inc.

Sara Baldwin Auck - sarab@irecusa.org

#### UCARE

Michael D. Rossetti - <u>mike\_rossetti@ucare.us.org</u> Stanley T. Holmes - <u>stholmes3@xmission.com</u>

#### **Energy Strategies**

Kevin Higgins - <u>khiggins@energystrat.com</u> Neal Townsend - <u>ntownsend@energystrat.com</u>

#### Hatch James & Dodge

Gary A. Dodge - gdodge@hjdlaw.com

#### Salt Lake City Corporation

Tyler Poulson - tyler.poulson@slcgov.com

#### Sierra Club

Casey Roberts - <u>casey.roberts@sierraclub.org</u> Travis Ritchie - <u>travis.ritchie@sierraclub.org</u> Derek Nelson - derek.nelson@sierraclub.org

#### **Utah Clean Energy**

Sophie Hayes - <u>sophie@utahcleanenergy.org</u> Sarah Wright - <u>sarah@utahcleanenergy.org</u> Kate Bowman - <u>kate@utahcleanenergy.org</u>

#### **Ballard Spahr**

William J. Evans - <u>bevans@parsonsbehle.com</u> Vicki M. Baldwin - <u>vbaldwin@parsonsbehle.com</u>

#### Parsons Behle & Latimer

William J. Evans - <u>bevans@parsonsbehle.com</u> Vicki M. Baldwin - <u>vbaldwin@parsonsbehle.com</u>

#### Brickfield, Burchette, Ritts & Stone, P.C.

Peter J. Mattheis - <u>pjm@bbrslaw.com</u> Eric J. Lacey - elacey@bbrslaw.com

#### Boehm, Kurtz & Lowry

Kurt J. Boehm, Esq. - <u>kboehm@BKLlawfirm.com</u> Jody Kyler Cohn, Esq. - <u>Jkylercohn@BKLlawfirm.com</u>

#### **USAF Utility Law Field Support Center**

Capt. Thomas A. Jernigan - <u>Thomas.jernigan@us.af.mil</u> Mrs. Karen White - <u>Karen.white.13@us.af.mil</u>

#### **Interstate Renewable Energy Council, Inc.**

Sara Baldwin Auck - sarab@irecusa.org

#### Parsons Kinghorn Harris, P.C.

Jeremy R. Cook - jrc@pkhlawyers.com

E-Quant Consulting LLC Robert Swenson - Roger.swenson@prodigy.net

Keyes, Fox & Wiedman LLP David Wooley - <u>Dwooley@kfwlaw.com</u>

**IBEW Local 57** Arthur F. Sandack, Esq - asandack@msn.com

**Callister Nebeker & McCullough** Brian W. Burnett, Esq. - <u>brianburnett@cnmlaw.com</u>

J. Kennedy & Associates Stephen J. Baron - <u>Sbaron@jkenn.com</u>

## Greeenberg Traurig

Meshach Y. Rhoades, Esq. - rhoadesm@gtlaw.com

Wal-mart Stores Steve W. Chriss - <u>Stephen.chriss@wal-mart.com</u>

SW Energy Efficiency Project Christine Brinker - <u>cbrinker@swenergy.org</u>

PacifiCorp, dba Rocky Mountain Power

Data Request Response Center - <u>datarequest@pacificorp.com</u> Bob Lively - <u>bob.lively@pacificorp.com</u> Yvonne Hogle - <u>yvonne.hogle@pacificorp.com</u> Daniel Solander - <u>daniel.solander@pacificorp.com</u> D. Matthew Moscon - dmmoscon@stoel.com

atil Savar

Katie Savarin Coordinator, Regulatory Operations