



State of Utah
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Division of Public Utilities

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COMMENTS

To: Public Service Commission of Utah

From: Division of Public Utilities
Chris Parker, Director
Energy Section
Artie Powell, Manager
Bob Davis, Utility Analyst

Date: November 8, 2017

Re: Docket No. 14-035-114 – Investigation of the Costs and Benefits of PacifiCorp’s Net Metering Program. **Compliance Filing.**

RECOMMENDATION (APPROVAL)

The Division of Public Utilities (Division) has reviewed PacifiCorp’s dba Rocky Mountain Power (Company) Compliance Filing (Filing) for the Net Metering Program, and finds that it complies with the Public Service Commission’s (Commission), September 29, 2017, order (Order) approving the settlement stipulation in this docket. The Division finds no outstanding issues, other than those reported below, and recommends that the Commission approve the Company’s Filing.

ISSUE

On October 24, 2017, the Company filed its compliance tariff sheets for the Net Metering Program with the Commission. On October 27, 2017, the Commission issued a Notice of Filing and Comment Period whereby any interested party may submit comments on or before November 8, 2017. The Division respectfully submits the following comments in support of its recommendation.

BACKGROUND

On September 29, 2017, the Commission issued its Order approving the Settlement Stipulation in Docket No. 14-035-114.¹ The record for this matter is lengthy and, for brevity, will not be repeated here in its entirety.²

On August 10, 2017, several of the Parties filed an unopposed joint motion requesting the Commission to continue the hearing on the merits, representing that a negotiated resolution appeared achievable and imminent. The Commission granted the motion and rescheduled the hearing on the merits for September 18 through September 22, 2017.³

On August 28, 2017, the Company filed the Parties' Settlement and recommended that the Commission cancel the hearing on the merits and, instead, notice a hearing for the Commission to consider approval of the Settlement. The Commission granted the request and conducted a hearing to hear testimony in support of the Settlement on September 18, 2017.⁴

DISCUSSION

On October 24, 2017, the Company filed its compliance tariff sheets pursuant to the Commission's Order Approving Settlement Stipulation.⁵ The Filing consists of Sheet No. B.1, Tariff Index, Schedule No. 135, Net Metering Service "Closed to Applications for New Service as of November 15, 2017", and Original Schedule No. 136, Transition Program for Customer Generators. The Company requests an effective date of November 15, 2017. At the time of the filing, the Company was working with interested settlement parties to propose language that provides for aggregation of meters in the new transition program, which was not addressed during settlement discussions. The Company anticipates making a subsequent tariff filing to reflect the meter aggregation changes to Schedule No. 136, and request an effective date of December 1, 2017.⁶ The Division is participating in those discussions.

The Commission's Order sets the NEM Cap Date at 12 a.m., on November 15, 2017, effectively ending the Net Metering Program under Net Metering Service Schedule No. 135.⁷ On the same date Schedule No. 135 is closed to new applications, Schedule No. 136 will become effective.

¹ Order Approving Settlement Stipulation, Docket No. 14-035-114, September 29, 2017.
<https://psc.utah.gov/2016/06/20/docket-no-14-035-114-2/>.

² See Public Service Commission of Utah, Docket No. 14-035-114. <https://psc.utah.gov/2016/06/20/docket-no-14-035-114-2/>.

³ Order Approving Settlement Stipulation, Docket No. 14-035-114, September 29, 2017, at page 3.

⁴ Id., at page 3.

⁵ Id., at page 21, ¶ 3.

⁶ Company's, Compliance Filing Cover Letter, October 24, 2017, at page 1.

⁷ See Rocky Mountain Power's Settlement Stipulation, August 28, 2017, at page 3, ¶ 11.
<https://psc.utah.gov/2016/06/20/docket-no-14-035-114-2/>.

All new distributed generator applications will be considered under Schedule No. 136. Since the Company's filing of its tariff sheets, there have been discussions among the parties concerning the precise time of the NEM Cap Date. The Division concludes that the Stipulation and Commission's Order sets the NEM Cap Date at 12 a.m., on November 15, 2017.⁸

The settlement parties have raised concerns over the 15-minute interval meter costs.⁹ The actual costs of the interval meter were not specifically addressed though parties agreed to use the actual cost. The Division concludes that the Company has provided the parties with a reasonable explanation of the \$200 cost associated with the 15-minute interval meter versus the currently used standard bi-directional meter. The Division does not consider the \$200 meter flat-fee as unreasonable. The interval meters were important settlement terms. More importantly, as the Export Credit Proceeding¹⁰ gets underway, the first step will be the design of a robust study to determine distributed generation customer behavior and effective design of export rates. The interval meters are an important component to the success of the future distributed generation program. The cost of the 15-minute interval meter is minimal relative to the cost of the average distributed generation system.

Certain provisions in the stipulation require the parties, other than the Division and Office of Consumer Services, to work with legislative leaders to extend the tax credits for years 2019 and 2020 at the 2018 level. Should that effort not be fruitful, the Company will file a new Schedule No. 136 to be compliant pursuant to the settlement.¹¹

CONCLUSION

The Division notes that the Company makes an affirmative statement in its cover letter that "the proposed tariff sheets do not constitute a violation of state law or Commission rule" per R746-405-2(D). In addition to requiring an explicit affirmation, the rule states that, "The filing of proposed tariff sheets shall of itself constitute the representation of the filing utility that it, in good faith, believes the proposed sheets or revised sheets to be consistent with applicable statutes, rules and orders."

The Division has reviewed the Company's Net Metering Program Compliance filing and concludes that the Filing complies with the Commission's Order Approving the Settlement Stipulation issued in this docket September 29, 2017. Therefore, the Division recommends that

⁸ Order Approving Settlement Stipulation, Docket No. 14-035-114, September 29, 2017, at page 21, ¶ 2.

⁹ Schedule No. 136, Transition Program for Customer Generators, Special Conditions, at page 136.3, ¶ 1(b).

¹⁰ Order Approving Settlement Stipulation, Docket No. 14-035-114, September 29, 2017, at page 20. The Division anticipates that the Company will file an application to initiate the Export Credit Proceeding with the Commission at the conclusion and approval of this compliance filing.

¹¹ See Rocky Mountain Power's Settlement Stipulation, August 28, 2017, at page 12, ¶ 35. Current legislation drops the tax credit from \$2,000 to \$1,600 in 2018, and \$400 every year thereafter, until the tax credit expires at the end of 2021.

the Commission approve the Company's Net Metering Compliance filing, Sheet No. B.1, Tariff Index, tariff Schedule No. 135, Net Metering Service, and Schedule No. 136, Transition Program for Customer Generators.

CC Jeffrey K. Larsen, RMP
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