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- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of Rocky Mountain Power's)
Proposed Electric Service Schedule No. 32,)
Service from Renewable Energy Facilities) DOCKET NO. 14-035-T02
) RESPONSE TO
) REQUEST FOR COMMENTS ON NEED
) FOR SECOND TECHNICAL
) CONFERENCE
)

ISSUED: July 31, 2014

On May 14, 2014, the Commission held a scheduling conference in this docket and thereafter issued a scheduling order and notices of technical conference and hearing on May 16, 2014 (“Scheduling Order”). The Scheduling Order provides for two technical conferences. The first technical conference was held on Tuesday, June 10, 2014, and a second technical conference is scheduled for Tuesday, August 12, 2014, beginning at 9:00 a.m. (MDT).

The Commission invited interested parties to submit comments on before **Tuesday, August 5, 2014**, on whether the second technical conference continues to be necessary.

Summary of issues:

It is essential that any application of Schedule 32 charges be consistent with the offset or avoided charges a customer will realize from contracting for renewable energy. In order for a potential customer of renewable energy to be able to evaluate a proposal for renewable energy, he/she must know the savings. That said, any customer receiving renewable power will require the same

facility and demand/power charges whether the power is being supplied by RMP or renewable generator albeit the renewable generator should get credit for any capacity attributes contributed to the RMP electrical system. Also, due to the criteria that a customer cannot receive more renewable energy in any hour than consumed, energy supplied by renewable sources will in almost all cases be only supplemental to that supplied by RMP. Since it is illogical to give credit for facility and power charges on bundled rates and then charge on unbundled rates for the same services, it is far more logical to charge for all facility and power charges on the bundled rates and then give credits calculated on the proposed Schedule 32 rates when power provided by the renewable generator. This also precludes on a theoretical basis for the customer ever being charged more in rates for facility and power charges than he would if he received all his power from renewable sources. Otherwise, the tariff rates need to be unbundled for SB 12 application on an hourly basis. In addition as referenced below, calculations based on the theoretical basis of receiving all its energy from renewable sources shows significant overcharging on the unbundled rates proposed in Schedule 32 as compared to total charges on bundled rates for the combined facility and power charges. PacifiCorp stated in the June workshop that any customer could just default and pay the total charges in his tariff.

Problem with that is that he will receive no credit for offset of any power charges for renewable generator capacity contribution to the grid. As example, other proceedings derived from Docket 12-035-100 have determined specific capacity credits for wind and solar generators. These credits should be applied against the normal tariff and the Schedule 32 rates would be unnecessary altogether for these renewable sources.

In our view, Customer shall pay normal bundled rate charges in his applicable tariff and then receive credit for energy charges and fixed percentage of the power charges for the capacity of renewables purchased. Then customer pays an administration charge and that is all that is allowed under SB 12 to our understanding and to simplify this complex Schedule 32 proposal.

Specific issue topics:

Fixed capacity contribution

Other proceedings derived from Docket 12-035-100 identified “fixed” capacity contribution to PacifiCorp system. Schedule 32 shall also receive this benefit as energy supplied under Schedule 32 contributes to PacifiCorp system and therefore reduces its “Generation Reserve Margin”. RMP argues for generation back up charges but giving no credit for provided energy from renewable resource. In addition, RMP indicates that only renewable generators that meet Transmission Interconnection criteria under NR- Network Resource are eligible for Schedule 32. This again indicates contribution into “Network” and not ER- Energy Resource “that serves point-to-point or “wheel through” interconnection.

Bundling meters

Ability to bundle meters for same customer past meeting their critical mass of 2 MW is essential and should be discuss further. RMP is arguing for “meter un-bundling “past reaching the 2 MW thresholds. Some customers may have distribution substation located on their premises and all power drawn from this central point to its usage. This meter “un-bundling” will result in elevated and un-necessary monthly administrative charges and additional contractual burden. Each meter is not a renewable energy customer.

Excessive charges

Proposed customer charges are excessive and should not be greater than currently set by normal tariff plus the administrative fee. As proposed, there are double charges invoiced.

Transmission losses

Transmission losses being paid under normal tariff schedules (6, 8, and 9) under facility and power charges need to be identified and credited against proposed transmission loss factors for renewable generation. RMP shall identify these as “unbundled costs”

Schedule 6 concern

The rates proposed will not work for schedules that do not have separate Facility and Power charges per kW. An example is Schedule 6 series which has either a facility charge or a power charge, but not both. Perhaps new tariff proposed addresses this issue if adopted.

Backup power charges

Schedule 32's backup power charges are proposed to be charged on a kW per day rate and to accurately match the Schedule 6, 8 & 9 charges; these charges likewise need to be charged on a kW per day rate.

kW capacity appropriation

Schedule 32 needs to account for customers who sign up for renewable power only during certain hours of the day and days of the week, with the renewable power being sold to a different customers during the remaining time. This will not burden the utility so long as it is recognized that there can be “multiple customers” for the same kW of capacity and generation at different times and days. This does not allow for the same kW being sold twice or into a “energy pool” but it rather closely aligns with RMP's HLH and LLH differentiation of costs in addition to seasonal profiles and customer's needs.

Facility and Power charges

Schedule 32 charges cannot exceed what would have been charged under the applicable tariff if all power was delivered by the renewable generator. A calculation performed comparing the proposed Schedule 32 rate for “combined facility and power charges” against what would have been charged under the existing tariff indicated that on an annual average basis, Schedule 6 customers with secondary voltage would be overcharged 18.5%, Schedule 8 with primary voltage at 5.5% and Schedule 9 with transmission voltage at 10.2%.

This argues for utility only recovering what is currently being charged in rates for facility and power charges plus an administrative charge combined with a system capacity credit based on the renewable contribution to the electrical system of the renewable generator.

DATED this 5th day of August, 2014.

Energy of Utah LLC

Ros Vrba MBA
President

CERTIFICATE OF SERVICE

I CERTIFY that on the 5th day of August, 2014, a true and correct copy of the foregoing was delivered upon the following as indicated below:

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