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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 Utah Clean Energy Exhibit 3.0
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SURREBUTTAL TESTIMONY OF SARAH WRIGHT
ON BEHALF OF
UTAH CLEAN ENERGY

December 2, 2014

RESPECTFULLY SUBMITTED,
Utah Clean Energy

Sophie Hayes
Counsel for Utah Clean Energy

1 **INTRODUCTION**

2 **Q: Please state your name and business address.**

3 A: My name is Sarah Wright. My business address is 1014 2nd Ave, Salt Lake
4 City, Utah 84103.

5 **Q: Are you the same Sarah Wright who filed direct and rebuttal testimony on**
6 **behalf of Utah Clean Energy in this matter on September 9 and October 9,**
7 **2014, respectively?**

8 A: Yes.

9

10 **UCE'S SURREBUTTAL POSITION & RECOMMENDATIONS**

11 **Q: Please summarize Utah Clean Energy's position at the time of surrebuttal**
12 **testimony.**

13 A: Utah Clean Energy generally supports the concepts proposed for Schedule
14 32 laid out in the Direct Testimony (and Table 1) of Kevin Higgins for UAE, as
15 well as some resulting proposed tariff adjustments made by Rocky Mountain
16 Power in rebuttal testimony.

17 Specifically, Utah Clean Energy recommends the following:

- 18
- 19 • *Customer charges:* as proposed in the Rebuttal Testimony of
 - 20 David Taylor for Rocky Mountain Power;
 - 21 • *Administrative fee:* as proposed in the Rebuttal Testimony of
 - 22 David Taylor for Rocky Mountain Power, with one proposed
 - 23 adjustment for customers who aggregate multiple meters (*see*
 - 24 *below*);
 - 25 • *Delivery facilities charges:* as proposed in the Direct Testimony of
 - 26 Kevin Higgins for UAE;
 - 27 • *Hourly power charges:* as proposed in the direct testimony of
 - Kevin Higgins for UAE.

- 28 • *Backup energy charges:* as proposed in the Rebuttal Testimony of
29 David Taylor for Rocky Mountain Power;
30 • *Supplementary power and energy charges:* as proposed in the
31 Rebuttal Testimony of David Taylor for Rocky Mountain Power.
32

33 I will address specific components of Utah Clean Energy’s surrebuttal
34 recommendations in further detail below.

35 **Q: How did you come to these recommendations?**

36 A: Utah Clean Energy reviewed all the testimony in this docket, met with
37 other intervening parties to discuss options and attempted to calculate alternative
38 billing mechanisms. In the end, it is our position that UAE’s proposal presents a
39 reasonable and reasonably clear mechanism, complies with the SB 12 statute and
40 also reasonably satisfies the objective of preventing ratepayer subsidies, both to
41 and from Schedule 32 customers.

42 Utah Clean Energy still supports alternative options for implementing SB
43 12, such as those outlined by Utah Clean Energy and other parties in this docket.
44 At this point, I am persuaded that UAE’s proposal balances the Company’s
45 proposed Schedule 32 structure with a fair mechanism for crediting customers
46 with capacity value associated with their renewable energy contracts. Utah Clean
47 Energy supports UAE’s proposal in the interest of establishing Schedule 32 and
48 getting it up and running. I remain curious to see how and whether Schedule 32
49 will work for customers hoping to utilize SB 12, and Utah Clean Energy will
50 continue to monitor and advocate for improvements.

51 *Customer charges and administrative fees*

52 **Q: What is Utah Clean Energy's recommendation regarding the Schedule 32**
53 **customer charges and administrative fee?**

54 A: In rebuttal testimony, the Company revised its proposals for Schedule 32
55 customer charges and administrative fee. Mr. Taylor recommended that Schedule
56 32 incorporate the same customer charges for potential Schedule 32 customers as
57 applicable under their general service rate schedules (Schedule 6, 8 or 9), and
58 reduced the administrative fee proposal to \$260 per customer agreement. Utah
59 Clean Energy believes that with spreadsheets and algorithms, Schedule 32 billing
60 time could be further reduced going forward; however, at this time I recommend
61 the Commission approve the Company's revised proposal for customer charges
62 and administrative fee with one adjustment for customers aggregating meters.

63 **Q: What adjustment do you propose?**

64 A: Some very large customers, such as municipal governments, will need to
65 aggregate multiple meters in order to participate in Schedule 32. The
66 administrative cost per meter will be prohibitively expensive and will likely
67 prevent them from being able to participate in Schedule 32. I recommend that
68 customers with aggregated meters have their additional administrative fees
69 reduced to \$150 dollars per agreement after the initial \$260 administrative fee.
70 This fee provides for two hours of billing time each month at the company's rate
71 of \$75/hour, in addition to whatever time is included in the general service
72 customer charge already allocated to billing activities. I acknowledge that there is
73 potential that these customers may not pay the exact cost for their billing services;

74 however, given the overall 300 MW program cap and likely limited uptake in
75 tariff participation, the potential rate impact on non-participating customers is
76 very low. Thus, in my opinion, the public interest will be maintained.

77 ***Delivery facilities charges***

78 **Q: What is Utah Clean Energy’s recommendation regarding the Schedule 32**
79 **delivery facilities charges?**

80 A: Utah Clean Energy recommends the Commission approve the delivery
81 facilities charge calculation proposed by Mr. Higgins for UAE. In his direct
82 testimony, Mr. Higgins pointed out a mismatch between the Company’s cost of
83 service study and the rates in the Company’s proposed Schedule 32 tariff,
84 resulting in Schedule 32 customers paying different rates for delivery services
85 than their counterparts taking fully bundled service under Schedules 8 or 9.¹ Mr.
86 Higgins used the Company’s cost of service study to derive more representative
87 delivery facilities charges for Schedule 32 customers.

88 In rebuttal testimony, Mr. Taylor acknowledged that either approach for
89 calculating delivery facilities charges was reasonable and that “if current rates
90 were exactly equal to cost of service, both in total and by component, [Mr.
91 Higgins’] method and my method would produce the same delivery charge.”²

92 Because, as both Mr. Taylor and Mr. Higgins point out, current rates are
93 not exactly consistent with cost of service, Mr. Higgins’ approach more
94 accurately calculates the delivery costs actually embedded in general service

¹ Direct Testimony of Kevin C. Higgins (UAE), lines 279-286.

² Rebuttal Testimony of David L. Taylor (RMP), lines 133-137.

95 rates. Therefore, Utah Clean Energy supports Mr. Higgins’ method for calculating
96 the delivery facilities charges for Schedule 32 customers as a means of treating
97 customers equitably.

98 ***Power charges, demand measurement and capacity value***

99 **Q: What is Utah Clean Energy’s recommendation regarding the Schedule 32**
100 **power charge?**

101 A: Utah Clean Energy supports the hourly demand charge concept outlined in
102 the direct testimony of Kevin Higgins for UAE. I support the concept of an hourly
103 power charge, as opposed to a “shaping charge” as proposed by Mr. Higgins.
104 This, however, is a semantic distinction, as I describe below.

105 Mr. Higgins explained his hourly power charge proposal in his direct
106 testimony:

107 [T]he statute requires that any kilowatts of electricity delivered from the
108 renewable energy facility that coincide with the contract customer’s
109 monthly metered kilowatt demand measurement must be excluded from
110 the customer’s utility bill. While RMP’s approach may technically comply
111 with this requirement (because of the definition of billing demand), as a
112 practical matter, under RMP’s proposal, many Schedule 32 customers will
113 receive very little credit against their bills for the capacity they are
114 importing... This problem can be remedied by making the daily demand
115 charge more granular, i.e., by converting it into an hourly demand charge
116 (which I call the “hourly on-peak shaping charge.”) By doing so, the
117 Schedule 32 customer would receive a pro rata credit for the renewable
118 energy capacity the customer imports during the on-peak period.³

119
120 Utah Clean Energy supports the concept of an hourly power charge as a
121 way to charge a customer for demand and fairly credit a Schedule 32 customer for
122 capacity imported by their renewable energy contract.

³ Direct Testimony of Kevin C. Higgins (UAE), lines 349-62.

123 **Q: Mr. Higgins referred to his hourly power charge proposal as a shaping**
124 **charge. Why do you refer to it as a power charge?**

125 A: Mr. Higgins' method captures and charges a customer for their demand in
126 each peak hour after accounting for the renewable energy facility's production. I
127 support this concept. As a renewable energy advocate, however, I would like to
128 clarify that renewables do not need to be shaped to meet load; rather, they are
129 integrated into an entire system of variable load and supply. Semantics aside, I
130 support UAE's proposed method for accounting for customer demand as a
131 reasonable method.

132 **Q: The Office, Division and RMP have expressed concern that the SB 12 statute**
133 **may not offer the flexibility necessary to allow Schedule 32 customers to**
134 **receive credit for capacity value that does not coincide with the monthly**
135 **metered kilowatt demand measurement defined under current tariffs. What**
136 **is your response?**

137 In existing general service tariffs, such as 6, 8 and 9, only one 15-minute
138 interval factors into the monthly metered kW demand measurement. However,
139 because Schedule 32 does not exist yet, its monthly metered kilowatt demand
140 measurement has not yet been defined. The Company has proposed a daily
141 demand accounting mechanism for measuring monthly billing demand. UAE has
142 proposed an hourly demand accounting mechanism for measuring monthly billing
143 demand.

144 The hourly demand calculation as proposed by Mr. Higgins is a tool for
145 more fairly calculating the monthly billing for Schedule 32 customers. That is, it

146 allows Schedule 32 customers to receive some credit for the capacity contribution
147 associated with their renewable energy contracts in direct proportion to the
148 availability of the renewable energy facility during the Company's on-peak hours.
149 Because this hourly accounting mechanism more fully captures the capacity
150 contribution of renewable energy contract customers, I support the hourly on-peak
151 power charge proposal of UAE.

152

153 **CONCLUSION**

154 **Q: Please review Utah Clean Energy's surrebuttal position and**
155 **recommendations.**

156 A: Implementing SB 12 should satisfy growing customer interest in meeting
157 more electricity requirements with renewable energy. Schedule 32 should enable
158 and facilitate development of and contracts with renewable energy facilities while
159 ensuring that contract customers pay no more or less than the reasonably
160 identifiable costs the utility incurs to serve them. In my opinion, based on the
161 testimony in this docket and my own analysis, the proposal by UAE, as discussed
162 herein, comes the closest to achieving these objectives. Utah Clean Energy
163 recommends the Commission approve a Schedule 32 tariff consistent with the
164 foregoing.

165 **Q: Does that conclude your testimony?**

166 A: Yes.