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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: Public Service Commission

From: Office of Consumer Services
Michele Beck, Director
Cheryl Murray, Utility Analyst

Date: November 23, 2015

Subject: In the Matter of Rocky Mountain Power's 2015 Smart Grid Monitoring Report, Docket No. 15-035-63.
In the Matter of the Consideration of the Amendment of Title 16 U.S.C. 2621(d) and the Addition of Title 42 U.S.C. 6344 by the U.S. Energy Independence and Security Act of 2007, Docket No. 08-999-05.

Background

On July 1, 2015, Rocky Mountain Power (Company) filed its 2015 Annual Smart Grid Monitoring Report (2015 Report), appendices and confidential Attachment A with the Utah Public Service Commission (Commission). The 2015 Report was filed in compliance with the Commission's November 30, 2011 Order in Docket No. 08-999-05.

On July 6, 2015, the Commission issued a notice of filing and comment period allowing interested parties to submit comments on the Company's 2015 Report on or before Friday, July 31, 2015, and reply comments on or before Friday, August 14, 2015.

Parties' Comments and Recommendations on the 2015 Report

On July 29, 2015, the Division of Public Utilities (Division) filed comments recommending that the Commission not acknowledge the Company's 2015 Report due to a number of deficiencies that relate to the Commission's November 30, 2011 Order in Docket No. 08-999-05.¹

¹ Subsequently the Company submitted two supplemental filings with additional information and the Division provided comments on both filings, ultimately recommending acknowledgement of the 2015 Report. On October 19, 2015 the Commission acknowledged the 2015 Report, with the additional information, as complying with Commission reporting requirements.

In addition the Division questions the “usefulness of continuing to have an annual report that says about the same thing each year”. The Division offers the following options for the Commission’s consideration:

- 1) Discontinue requiring the Company file a report until such time as there are clear indications that the smart grid landscape has changed in a significant way.
- 2) Have the Company report every two or three years, instead of every year.
- 3) Have the Company report annually on the specific activities it is engaged in with respect to smart grid and then include an in-depth discussion on technology that is on the horizon that the Company is particularly interest in.
- 4) Continue as we are.²

On July 31, 2015, the Office of Consumer Services (Office) filed comments noting that it had identified many of the same deficiencies and agreeing with the Division’s assessment that the 2015 Report should not be acknowledged. The Office further concurred with the Division’s recommendation that the Commission “reconsider the need and usefulness of the Smart Grid report going forward”.

On October 19, 2015, the Utah Public Service Commission (Commission) issued a Notice of Comment Period (Notice) providing interested parties an opportunity to submit comments and reply comments on November 23 and December 14, 2015, respectively regarding the possible discontinuation or modification of the Smart Grid Monitoring Report.

Pursuant to the Notice the Office offers the following comments and recommendations.

Office’ Assessment of the Requirement for an Annual Smart Grid Monitoring Report

In the 2015 Report the Company states “A business case analysis was performed to examine the quantifiable costs and benefits of a comprehensive smart grid system, as well as each individual component. The net present value of implementing a comprehensive smart grid system throughout PacifiCorp is negative at this time.” The Company concludes, “Presently the economics to implement a comprehensive smart grid system throughout PacifiCorp are cost prohibitive. The business case indicates that an overarching smart grid vision will not benefit our customers.”

There has been little if any significant change in the Company’s assessment of Smart Grid for several years. However, the Company does incorporate some smart-grid like technologies in isolated instances where they may prove useful on a state-by-state or location basis.

² Division of Public Utilities’ Action Request Response July 29, 2015.

It is the Office's view that the annual report in its current format has limited usefulness. However, similar to the Division's third option the Office suggests that requiring the Company to provide a report every two to three years with a focus on smart grid projects and/or related activities that are either implemented or being considered in its jurisdictions could provide value. The Office further suggests that the Company continue to monitor and evaluate advances related to smart grid and include in the report a discussion of any new developments in smart grid technology, costs or options.³

In the alternative the Office views any of the Division's first three options as an improvement over continuing the annual report with the current requirements. If the Commission desires to continue the annual reporting requirement the Office asserts that the content of the report should be re-evaluated. For example in comments filed September 16, 2015 the Division states its belief that "including extensive DSM-related discussions in this report are redundant to what the DSM groups are doing and should be eliminated". The Office concurs with this assessment and suggests that each of the requirements should be reviewed for relevance and usefulness. In addition the format of the report should be evaluated to determine the best way to present required information.

Recommendation

The Office recommends that the Commission require the Company to file a Smart Grid Monitoring Report every two to three years containing the following:

- 1) Identification and discussion of smart grid projects and related activities that are implemented or being considered in each of its jurisdictions.
- 2) Discussion of any new developments in smart grid technology, costs or options.

In the alternative, if the Commission prefers to continue with an annual report the Office recommends that the content requirements be re-evaluated.

CC: Chris Parker, Division of Public Utilities
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³ The requirement to report every two to three years would not prevent the Company from bringing forward new information related to any significant break-through in smart grid technology or projects that have been implemented in other jurisdictions that could provide benefits to Utah customers.