

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of Rocky Mountain Power's
2015 Smart Grid Monitoring Report

DOCKET NO. 15-035-63

AND

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

ORDER DISCONTINUING
REQUIREMENT TO FILE AN
ANNUAL SMART GRID REPORT

ISSUED: February 24, 2016

PROCEDURAL HISTORY

On July 1, 2015, PacifiCorp, doing business as Rocky Mountain Power (“PacifiCorp”), filed its 2015 Smart Grid Monitoring Report (“Report”) to comply with a reporting requirement the Commission established in 2009 (“2009 Order”).¹ The Division of Public Utilities (“Division”) and the Office of Consumer Services (“Office”) filed comments on the Report on July 29 and July 31, 2015, respectively, both noting deficiencies in the Report and also questioning whether the Report continued to provide value commensurate with the resources required to prepare and evaluate it. In response to these comments, PacifiCorp filed a revised Report (“Revised Report”) and then filed supplemental material to the Revised Report on October 1, 2015. On October 6, 2015, the Division filed comments recommending the Commission acknowledge the Revised Report, as supplemented, and restated its position that the Commission should reconsider the need for, and usefulness of, requiring PacifiCorp to file the annual Report.

¹ See *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; Report and Order issued December 17, 2009.

On October 19, 2015, the Commission acknowledged the Revised Report (as supplemented) as being in compliance with the Commission's reporting requirements. On October 19, 2015, the Commission issued a Notice of Comment Period, allowing parties the opportunity to comment on the Division's and the Office's request the Commission reevaluate the reporting requirement. On November 23, 2015, PacifiCorp, the Office, and Utah Clean Energy ("UCE") filed comments. On December 14, 2015, PacifiCorp, the Division and Western Resource Advocates ("WRA") filed reply comments ("WRA Reply Comments").

SUMMARY OF COMMENTS

A. UCE

UCE recommends the Commission not discontinue the Report. UCE acknowledges the Division's and the Office's concerns regarding the usefulness of the Report as currently presented. However, UCE believes tracking smart grid developments is a step toward a more proactive grid modernization process.

UCE recommends the Commission modify PacifiCorp's current obligations and initiate a process that shifts the smart grid discussion to grid modernization. UCE recommends the components for this discussion should include: 1) Commission-hosted grid modernization workshops coupled with a shorter annual smart grid report, featuring specific smart grid activities the Company is engaged in, along with a discussion of noteworthy technology; 2) PacifiCorp engagement in more transparent distribution system planning, including a report on this planning process every two to three years; and 3) a formal public review of the Commission's Interconnection Rules.

B. Division

The Division recommends the Commission reconsider the need for and usefulness of the smart grid report going forward and prefers the Report be discontinued. The Division asserts UCE provides no specific evidence for the expansion in regulatory activities it proposes but refers vaguely to “rapid changes” in technology and public policy. The Division offers that if UCE believes specific cost-effective technologies exist that are not being adequately considered in PacifiCorp’s demand side management (“DSM”) process, Integrated Resource Planning (“IRP”) process, or other forums, the Division will facilitate UCE’s efforts to present these technologies to regulators, PacifiCorp, and other interested parties.

C. Office

The Office agrees the Report, in its current format, has limited usefulness. The Office recommends the Commission require PacifiCorp file the Report every two to three years identifying and discussing smart grid projects, including costs and options, and any new developments in smart grid technology being implemented or considered in each of PacifiCorp’s jurisdictions.

D. PacifiCorp

PacifiCorp concurs with the Division’s recommendation to discontinue the annual Report and suggests, as circumstances change, any party may petition the Commission to reestablish the reporting requirement.

PacifiCorp notes UCE’s recommendation for Commission-hosted grid modernization workshops is unclear as to its purpose and would extend the reporting requirements the

Commission established in the 2009 Order. PacifiCorp asserts UCE presents no specific recommendations for modifications to the existing reporting requirements.

PacifiCorp also argues UCE does not provide specific recommendations to support its proposal for reporting on distribution system planning and does not offer any specific rationale to support its proposed interconnection rulemaking. PacifiCorp states that its technical rules for interconnecting distributed resources are informed and guided by national standards such as the Institute of Electrical and Electronics Engineers 1547 *Standard for Interconnecting Distributed Resources with Electric Power Systems* (IEEE-1547). As these standards are updated, PacifiCorp represents that it reviews and updates internal rules and policies to align with industry standards.

E. WRA

WRA recommends the Commission decline to discontinue the Report. WRA also supports UCE's recommendations related to grid modernization workshops and transparent distribution system planning. WRA asserts that requiring PacifiCorp to file an annual report "makes ultimate sense in this environment of changing technology, changing customer needs and changing economics." (WRA Reply Comments at 2.)

DISCUSSION, FINDINGS AND CONCLUSIONS

In our 2009 Order, we declined to adopt PURPA's Smart Grid Investment Standard and stated our reasons for doing so. In that docket, the Division opposed the Commission's adoption of PURPA's Smart Grid Investment Standard but recommended PacifiCorp file an annual report "summarizing its work of monitoring ... projects and actions taken by [PacifiCorp] to evaluate or implement smart grid technology." (2009 Order at 6.) PacifiCorp generally concurred with the

Division and requested the Commission direct it and other interested parties to meet and collaboratively determine the content of the report. (*Id.* at 7.) The Commission accommodated the Division and PacifiCorp's request and directed the parties to meet in a technical conference and collaboratively determine the contents of the Report. Significantly, the Commission did not adopt the Report in lieu of the Smart Grid Investment Standard, which the Commission declined to adopt for reasons enumerated in the 2009 Order. Rather, the Commission simply found "merit in the Division and the Company's recommendation regarding monitoring the development of smart grid technologies" (*Id.* at 14.)

Now, six years later, the Division and PacifiCorp prefer the Report be discontinued, and the Office concurs the Report is of "limited usefulness." We agree and grant the request to discontinue the Report. As compared to the time when the Commission implemented the reporting requirement, smart grid related activities and grid modernization are now discussed in numerous forums. We note the following examples: PacifiCorp provided an update on its smart grid activities during the September 25, 2014 public meeting associated with the 2015 Integrated Resource Plan; PacifiCorp's 2015 IRP Volume 2, Appendix E presents information on smart grid related activities; the 2014 Smart Grid report was discussed during the November 6, 2014 DSM advisory group meeting; and distribution-related technology issues are discussed during periodic Service Quality Review group technical conferences and meetings.

For purposes of regulatory efficiency we find that rather than filing a largely redundant annual Report, the topic of smart grid should continue to be addressed within the context of PacifiCorp's IRP public meetings, the DSM advisory group, and upon request during the Service

Quality Review group. Parties will, of course, have an opportunity to comment on the sufficiency of the IRP-related smart grid content during the IRP comment period.

We appreciate the Division's offer to facilitate UCE-coordinated presentations on specific cost-effective technologies that UCE, or any other party, believes are not being adequately considered in the DSM process or in PacifiCorp's IRP. To the extent UCE has such concerns, it would be appropriate for UCE to avail itself of the Division's offer.

With respect to PacifiCorp's interconnection policies and procedures, we note that PacifiCorp's interconnection forms and agreements were approved in our April 21, 2011 Report and Order in Docket Nos. 10-035-44² and 10-035-45.³ We remind PacifiCorp that changes to the approved documents necessitated by changes to PacifiCorp's internal policies must be approved by the Commission. With respect to a formal review of R746-312, Electrical Interconnection ("Electrical Interconnection Rule"), we note several changes have occurred since the Electrical Interconnection Rule was initially published in 2010. For example, the definition of "inverter" in Utah Code Annotated 54-15-102 (9) was revised in 2014, IEEE 1547-2003 underwent a minor amendment in 2014, and IEEE 1547-2003 is undergoing an extensive review by an IEEE committee. Accordingly, any party who believes the Electrical Interconnection Rule requires modification may file an appropriate request, including a redlined version of the Electrical Interconnection Rule identifying the proposed changes, within 60 days of the date of this order.

²See *In the Matter of the Rocky Mountain Power Proposed Standardized Interconnection and Net Metering Service Agreements and Net Metering Facilities*, Docket No. 10-035-44; Report and Order issued April 21, 2011.

³ See *In the Matter of the Rocky Mountain Power Proposed Standardized Non-Net Metering Agreements*, Docket No. 10-035-45; Report and Order issued April 21, 2011.

Absent any proposals, we will consider initiating a process to address the revisions and amendments mentioned above as they apply to the Electrical Interconnection Rule.

ORDER

The requirement for PacifiCorp to file the annual smart grid monitoring report is discontinued, effective the date of this Order.

DATED at Salt Lake City, Utah, February 24, 2016.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#272025

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the Commission within 30 days after the issuance of this written order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on February 24, 2016, a true and correct copy of the foregoing was served upon the following as indicated below:

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