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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: Utah Public Service Commission

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

Date: September 4, 2015

Re: In the Matter of Rocky Mountain Power's Customer Owned Generation and Net Metering Report and Attachment A for the Period April 1, 2014 through March 31, 2015. Docket No. 15-035-64

Background

On July 1, 2015 Rocky Mountain Power (Company) filed its Customer Owned Generation and Net Metering Report (Report) and Attachment A for the period April 1, 2014, through March 31, 2015. The Company states the Report is submitted in compliance with Docket 08-035-T04 and R746-312-16. On July 2, 2015 the Public Service Commission (Commission) issued an action request to the Division of Public Utilities (Division) requesting that the Division provide analysis, evaluation results, and the basis for conclusions and recommendations by July 31, 2015. On July 23, 2015 the Division requested that the Commission extend the due date of the Division's response to August 21, 2015. The extension was granted on July 23, 2015. On August 6, 2015 the Commission issued a notice of filing and comment period wherein the deadline for the Division and other interested parties to submit comments was extended to September 8, 2015 followed by reply comments on or before September 23, 2015. The Office of Consumer Services (Office) submits the following comments in response to the Commission's action request with the extended response deadline.

Discussion

Reporting Requirements

The provisions of R746-312-16 require that by July 1 of each year, the public utility will submit to the Commission a report related to the previous calendar years' net metering

activities (annual report). The annual report is to include the following summary information:

- 1) the total number of generating facilities approved and their associated attributes including resource type, generating capacity, and zip code of generating facility location;
- 2) the total rated generating capacity of generating facilities by resource type;
- 3) for net metering interconnections, the total net excess generation kilowatt-hours received from interconnection customers by month; and
- 4) for net metering interconnections, the total amount of excess generation credits in kilowatt hours, and their associated dollar value, which have expired at the end of each annualized billing period.

In addition to the items included in R746-312-16, the Commission's November 30, 2010 Order in Docket 10-035-58¹ requires that:

- 1) all net metering interconnections must be noted in the annual report;
- 2) the information required by R746-312-16(2)(a) is the same cumulative information as provided in Attachment A of the Company's 2010 Report with the addition of the zip code, year of installation, and notation if the interconnection is a net metered resource;
- 3) the Company's annual report filed pursuant to the Rule should provide all of the data required by the Rule through the end of the annualized billing period of the year the report is being submitted unless otherwise approved; and
- 4) the Company is required to report information on the amount of net metering installed capacity relative to its net metering cap and any unforeseen problems or barriers in the tariff in its annual report filed pursuant to the Rule.

General Comments

As was the case with last year's annual report, this Report does not provide any summary or explanatory comments. Rather, the Company relies on various tables, graphs and spreadsheets to provide the information required by Rule and Commission order. The accompanying cover letter indicates that the Report is submitted in compliance with Docket Nos. 08-035-T04 and 08-035-78 and R746-312-16. A review of the documents identified by the Company and the layout of the Report make it fairly easy to navigate and compare the included information against the reporting requirements.

Completeness of Report

The Office was able to locate information provided in the Report for each of the requirements specified above and concludes that the Report meets the requirements of the Rule and Commission order.

Report Clarifications

¹ The November 30, 2010 Order was captioned as Docket 10-035-58, Docket No. 08-035-T04 and Docket No. 08-035-78.

Attachment A to the Report includes information related to each net metering customer. Customers are not identified by name but by a customer number. The customer number does not remain with a specific customer through the life of the account. In the Company's preparation of the annual report active accounts are sorted and ordered by their interconnection date and assigned a number for that year which may be different than the prior years' number.

In our review of last year's annual report the Office discovered an inconsistency on Attachment A. Customer number 1791 had an interconnection date of July 2, 2013 however expiring kWh credits were listed for 2011 and 2012 as well as 2013. The Office requested that the Company clarify the discrepancy in the dates. Following is the Office's data request and the Company's response from last year.

OCS Data Request 1.4

Customer number 1791 has an interconnection date of July 2, 2013 however kWh credits are shown for 2011 and 2012 as well as 2013. Please explain how credits were achieved prior to the interconnection date.

Response to OCS Data Request 1.4

After further review, we have determined that Customer 1791 had a smaller system located at the site that was installed October 2010. In July of 2013 they did a large expansion of this generation facility and did significant additional work on the electric facilities at the location. During that process there (sic) account was modified and this modification caused the field where the interconnection date is stored to be updated to the date at that point. So the excess generation for 2011 and 2012 was from the original facility at that site. The 2013 excess generation is from the expanded facility.

In this year's Report Attachment A lists customer 1796 with the identical information as customer 1791 in the prior report, with the exception of one additional year of data. The Office asked the Company if customer 1791 and customer 1796 is the same customer. The Company confirmed that the same customer has been identified by each number on different Annual Reports.

The Office suggests that in the future the Company either include a brief explanation of these types of inconsistencies or provide a footnote in Attachment A where the data appears. Both the Division and the Office submitted data requests regarding customer 1796 showing excess credits in years prior to the interconnection date. Having the information provided in the report will save parties from asking for the information and requiring the Company to respond.

Also, the first table on page 1 of the Report identifies one resource as “other”. Attachment A also lists the resource attached to customer number 2445 as other. In response to OCS data request 1.4 the Company identified this “other” resource as a micro turbine burning waste gas.

The Office suggests that the actual type of resource should be identified in future reports. If the term “other” continues to be used a footnote should be included with more specific information

Finally, the first table on page 1 of the Report also identifies the number of non-net metering facilities by resource type. The table indicates there are 21 total non-net metering hydro facilities. Attachment A lists 20 such facilities. In response to OCS data request 1.3, the Company provided a corrected version of Appendix A, which includes an additional hydro facility that was inadvertently omitted from the original filing.

Missing Data

Rule 746-312-16 requires that the Company provide zip codes of the net metered facilities. The Office notes that there are several instances where zip codes are not included for customers listed on Attachment A. Following is the Office’s data request OCS 1.2 regarding missing zip codes and the Company’s response.

OCS Data Request 1.2

The public utility annual report on net metering required by r746-312-16 is to include zip codes for generating facilities. Attachment A is missing a few zip codes. Please provide the missing zip codes or explain why they cannot be provided.

Response to OCS Data Request 1.2

In each case the customers do not receive mail at the location, nor does the United States Postal Service recognize the site address. For this data request the company entered the address into Google Maps which provided the following Zip Codes. These cannot be verified for accuracy.

[This response was followed by a list of the aforementioned zip codes.]

Because inclusion of zip codes is required by rule the Office suggests that the Company should include a brief explanation, such as that provided in the response to OCS data request 1.2, in future reports regarding any omitted zip codes.

Excess Generation

Once again, the Office expresses its concern with the growing, number of net metering customers with excess generation. The Office is particularly concerned that a small number of customers² are actually generating a significant level of excess generation as illustrated in the following:

For the Period April 1, 2014 to March 31, 2015

Number of NEM Facilities	4051
Number of Customers with Expired Credits	991
Expired NEM Credits (kWh)	1,010,210 ³

For the Period April 1, 2013 to March 31, 2014

Number of NEM Facilities	2412
Number of Customers with Expired Credits	367
Expired NEM Credits (kWh)	264,176 ⁴

Note: There were slight reporting date differences in the reporting periods. For the report ending March 31, 2015 facilities numbers were compiled on June 8, 2015 and expired credits were reported on June 2, 2015. For the report ending March 31, 2014, facilities numbers were compiled on June 6, 2014 and expired credits reported on June 12, 2014.

In our comments regarding last years' annual report the Office expressed concern that customers be given accurate information related to the appropriate production size of solar panels to be installed based on the size of their residence and usage pattern. The Office acknowledges that customers likely receive the majority of their sizing information from solar installers or solar sales representatives. Nonetheless, the Office encourages the Company to explore ways to increase customer education on this issue.

Calculation of Value of Expired Credits

In a supplemental response to OCS data request 1.6 the Company provided the following explanation of the calculation of the energy value shown on Attachment A (value of excess generation column).

“The energy value shown in Attachment A is based on the approved Schedule 37 rates. The value is a weighted average of the Volumetric Winter and Summer Non-Levelized Price. The weighted average also takes

² In Data Request DPU 2.2 the Division identified twelve customers that account for over 40% of the expired credits. Of the twelve customers identified eleven are commercial customers and one is a residential customer.

³ Section 5 Customer Generation Report for the period April 1, 2014 to March 31, 2015.

⁴ Section 5 Customer Generation Report for the period April 1, 2013 to March 31, 2014.

into consideration the fact that Schedule 37 was modified twice during the annual period for which the energy value is derived.

Attachment OCS 1.6-1 1st Supplemental shows the prices in effect for each month during the year; this includes whether it is the summer or winter rate and shows the iteration of Schedule 37 in effect by referencing the docket or Advice No. where the rate was approved. The Spreadsheet includes referenced rates and all formulas for how the weighted average was determined. Also attached are the applicable Tariff Sheets are provided as Attachment OCS 1.6-2 1st Supplemental.”

After reviewing the Company’s response the Office understands that the calculation of the value of expired credits is more complicated, although not difficult to follow, than simply using the avoided cost. The Office recommends that the Company include a similar explanation of its determination of the value of expired credits at the end of the annualized period in future reports.

Recommended Additional Information for Future Reports

As noted above the Office recommends that in future reports the Company include notations, explanations, narrative or footnotes to explain any inconsistencies, discrepancies or incomplete information, such as: a customer with excess generation prior to the facility installation date; missing zip codes; use of “other” as a resource type; and other similar issues that may arise in the future. The Office asserts that including brief narratives will assist the reader and will be especially helpful to anyone unfamiliar with the reports.

The Office additionally recommends that in future reports the Company include an explanation of its calculation of the value of expired credits.

Recommendations

The Office recommends that the Commission acknowledge Rocky Mountain Power’s Customer Owned Generation and Net Metering Report and Attachment A for the Period April 1, 2014 through March 31, 2015.

The Office further recommends that in future annual reports the Commission require that the Company provide explanations for discrepancies or incomplete information, etc. and a description of how the value of expired credits is calculated.

Copies to:

Rocky Mountain Power
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Chris Parker, Director