



September 29, 2017

VIA ELECTRONIC FILING

Public Service Commission of Utah Heber M. Wells Building, 4<sup>th</sup> Floor 160 East 300 South Salt Lake City, UT 84111

Attention:	Gary Widerburg
	Commission Secretary

Re: In the Matter of the Application of Rocky Mountain Power to Implement Programs Authorized by the Sustainable Transportation and Energy Docket No 16-035-36

Pursuant to the Notice of Filing and Comment Period in the above referenced matter dated August 18, 2017, PacifiCorp (dba Rocky Mountain Power) submits for electronic filing its reply comments on the September 15, 2017 comments of the Division of Public Utilities ("Division"), Utah Clean Energy ("UCE") and Western Resource Advocates ("WRA"). The Company appreciates the engagement by the intervenors and their support for the approval of the proposed innovative utility programs; the Smart Inverter Program, and the Microgrid Program. The Company's response to specific comments and suggestions from the intervenors are provided below.

## **Reply to Division**

In its response, the Division states "The Division recommends the Commission direct the Company to consider how cybersecurity threats might compromise Company and third-party owned microgrids rendering the overall grid vulnerable." PacifiCorp recognizes the importance of cybersecurity pertinent to microgrids. However, at the early research stages, understanding the technical challenges pertinent to electrical interconnection, integration, control, and operation of variable energy resources in the Company's service territory is more critical and of a higher priority. The Company does and will continue to monitor research initiatives on this subject that are being pursued by the US Department of Energy and other research institutions including national laboratories but, does not support researching cybersecurity threats as part of this project. Duplicating the efforts of others would not provide any additional benefits to the Company and its customers at this time.

## **Reply to UCE**

In reply to the suggestion from UCE, the Company agrees to hold quarterly conference calls with interested stakeholders to provide regular program updates on key milestones and share preliminary findings for specific research areas.

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## **Reply to WRA**

In its response, WRA recommends approval of both proposed programs, with several proposed additions. First, WRA recommends "*the Company should add the study of hybrid smart inverters to the Smart Inverter Program.*" As part of the microgrid and smart inverter projects, PacifiCorp plans to test the interaction of both solar and energy storage devices with smart inverters and further investigate its impact on the grid. The Company does not support investigation of a specific type of inverter such as a "hybrid" inverter as part of the project at this time, due to the additional costs an expanded study would require.

WRA also recommends "the Company should contemplate a customer-sited field trial of smart inverters as a second phase to the Smart Inverter Program." PacifiCorp does not support this recommendation due to the costs, complexity and challenges of operating smart inverters deployed at customer locations. There is little evidence that a customer-sited field trial would provide any additional benefit to the research work. However as part of this project, the Company supports reviewing any available information on other projects that involve field trial of smart inverters and include lessons learned in the final project report.

Third, WRA recommends "the Company should consider testing a production-scale microgrid project as a second phase to the Microgrid Program." The Company does not support this recommendation since testing of a production-scale microgrid is premature for this project as well as being extremely expensive while providing only marginal additional benefits, if any, to the Company and its customers.

Finally, WRA recommends "[t]he Commission consider opening a new docket in the first quarter of 2019 to amend interconnection rules and policies to take best advantage of smart inverters and microgrids". PacifiCorp does not support this request considering national standards on smart inverters and microgrids have yet to be published. When future standards are published, the Company believes the interconnection rules and policies will likely have to be amended, but it is too early to determine if a new docket needs to be opened in first quarter of 2019.

It is respectfully requested that all formal correspondence and Staff requests regarding this filing be addressed to:

By e-mail (preferred):	datarequest@pacificorp.com bob.lively@pacificorp.com
By regular mail:	Data Request Response Center PacifiCorp 825 NE Multnomah, Suite 2000 Portland, Oregon 97232

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Informal questions should be directed to Bob Lively at (801) 220-4052.

Sincerely,

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Jeffrey K. Larsen Vice President, Regulation

Enclosures

cc: Division of Public Utilities Western Resource Advocates Utah Clean Energy

## **CERTIFICATE OF SERVICE**

I hereby certify that on September 29, 2017, a true and correct copy of the foregoing was served by electronic mail on the following:

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