



State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

THOMAS BRADY
Deputy Director

CHRIS PARKER
Director, Division of Public Utilities

GARY HERBERT
Governor
SPENCER J. COX
Lieutenant Governor

ACTION REQUEST RESPONSE

To: Utah Public Service Commission

From: Utah Division of Public Utilities
Chris Parker, Director
Artie Powell, Energy Section Manager
Bob Davis, Utility Analyst

Date: October 4, 2017

Re: **Docket No. 16-035-36. RMP REPORTING TEMPLATE FOR STEP.** In the Matter of the Application of Rocky Mountain Power to Implement Programs Authorized by the Sustainable Transportation and Energy Plan Act.

RECOMMENDATION (APPROVAL)

The Division of Public Utilities (Division) has reviewed Rocky Mountain Power's (Company) STEP Reporting Template and finds it compliant with the Utah Public Service Commission's (Commission) reporting requirements as ordered in this proceeding.

ISSUE

On September 1, 2017, the Company filed its Reporting Template for STEP with the Commission. On September 6, 2017, the Commission issued an Action Request asking the Division to review the Report Template for compliance and make recommendations by October 6, 2017. This memorandum is the Division's response to that request.

BACKGROUND

In phase one of the Sustainable Transportation and Energy Plan Act (STEP) program, the Company committed to provide annual reports for the STEP programs addressing project costs, and

individual program/project status updates.¹ In addition, the Company committed to file annual status updates on its nitrogen oxide (NO_x) clean coal projects. The Company committed to file its annual STEP Report separate from but concurrent with its Results of Operations report in April of each year. Finally, the Company represents that it will provide a final comprehensive program evaluation report at the conclusion of the pilot period.² The Commission acknowledged the Company's reporting commitments but did not include any reporting requirements in its Phase One Order.³

In Phase Two of the proceeding, the Commission approved the reporting requirements outlined by the Company in Phase One along with suggestions made by the Division and Office of Consumer Services (OCS) in their respective testimony. The Commission's Phase Two Order requires the Company to file a report of the STEP program each year⁴ based on the reporting commitments made by the Company in Phase One of the proceeding. The Phase Two Report and Order also requires the Company to file a reporting plan by September 1, 2017.⁵

At the conclusion of Phase Three of the proceeding, the Commission further ordered the Company to comply with the reporting requirements outlined in the Stipulation, including Exhibit D, EV TOU Pilot Report Requirements, as filed by the Company.⁶ Shortly after the conclusion of Phase Three, the Division, OCS, Utah Clean Energy (UCE), and Western Resource Advocates (WRA) met with the Company to discuss its proposed outline and offer suggestions to the Company.

DISCUSSION

In his rebuttal testimony for Phase One, Mr. McDougal proposed an outline of topics to be addressed in the Company's annual report for approved STEP programs.⁷ The Commission's requirements in its Report and Order for Phase Two are premised on Mr. McDougal's outline and required the Company to develop a reporting plan.

The Commission's Phase One Report and Order dated December 29, 2016, references Mr. McDougal's proposed outline. The Company committed to providing annual reports for the total STEP and individual STEP programs addressing project costs including: annual collection, annual

¹ Commission Order, Phase One Report and Order, December 29, 2016, In the Matter of the Application of Rocky Mountain Power to Implement Programs Authorized by the Sustainable Transportation and Energy Plan Act, page 5.

² Id., page 6.

³ Id., pages 15-16.

⁴ Commission Order, Phase Two Report and Order, May 24, 2017, In the Matter of the Application of Rocky Mountain Power to Implement Programs Authorized by the Sustainable Transportation and Energy Plan Act, page 13, ¶ 3.

⁵ Id., page 13, ¶ 4.

⁶ Commission Order, Phase Three Report and Order, June 28, 2017, In the Matter of the Application of Rocky Mountain Power to Implement Programs Authorized by the Sustainable Transportation and Energy Plan Act, page 12, ¶ 2.

⁷ Company witness Steven R. McDougal, Rebuttal Testimony Phase One, lines 246-304.

spending, committed funds, uncommitted funds, and external OMAG expenses, and individual program/project status updates including: program objectives, accounting issues, milestones, key findings, program benefits, and results/assessment for future applications. In addition, the Company committed to file annual status updates on its nitrogen oxide (NOx) clean coal projects. The Company further committed to filing its annual STEP Report for the preceding year separate from and concurrent with its Results of Operations report in April of each year. The parties concluded that these reporting topics would be acceptable but reserved the right to adjust them if needed as the pilot program progressed. Based on these discussions, the Company created its reporting template around the foregoing topics.

Further discussions between the Company and other parties resulted in the Company committing to reporting each Commission approved STEP program in a white paper format in addition to technical presentations. The Company agreed that white papers along with technical conferences, would keep stakeholders informed on the progress of each approved STEP program. Additionally, these white papers should help the Company draft its final report to the Commission at the end of the pilot.

The Company anticipates that parties will provide comments to the Commission after each annual report making any recommendations they may have regarding the status, operation and reporting of each approved STEP program.⁸ The Division suggests that parties may provide comments to the Commission rather than the seemingly mandatory language the Company proposes.

The STEP program is a complex, multi-million dollar, program, with many parts, lasting five years. The funding structure for the STEP program allows the Company, upon Commission approval, to add research projects over the course of the five-year pilot. There are funding components for the STEP programs included in the Company's Energy Balancing Account (EBA), Operation, Maintenance, Administration and General (OMAG), and Demand Side Management (DSM), accounts, which will need to be monitored by stakeholders as the pilot program progresses. Without periodic reporting, this complexity would make it difficult for stakeholders to account for the funding and gauge the merits of the pilot programs.

CONCLUSION

The Company's proposed template, based on reporting requirements ordered by the Commission and supported by the parties, is intended to inform stakeholders of the STEP program's progress and funding. The Division recommends that parties should be given an opportunity to file

⁸ Company's Letter of Filing, Monitoring, Evaluation, and Reporting Plan for STEP, September 1, 2017, ¶ 3.

comments with the Commission on the program's progress along with any changes needed to the reporting process.

The Company's Reporting Template for STEP is a work in progress and may need to be revised annually to keep stakeholders informed of the STEP program. For the foregoing reasons, the Division finds the Reporting Template for STEP compliant with Commission's Orders and recommends the Commission approve the Company's Reporting Template for STEP filed September 1, 2017.

CC Jeffrey K. Larsen, RMP
Bob Lively, RMP
Michele Beck, OCS