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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Rocky Mountain Power to Implement Programs Authorized by the Sustainable Transportation and Energy Plan Act

Docket No. 16-035-36

**WESTERN RESOURCE ADVOCATES
COMMENTS AND NOTICE OF
HEARING CONFLICT**

Western Resource Advocates (“WRA”) submits these comments on Rocky Mountain Power’s application to implement programs authorized by the Sustainable Transportation and Energy Plan Act in accordance with the November 28, 2018 Scheduling Order of the Utah Public Service Commission (“Commission”). WRA hereby also provides notice that, for unanticipated medical reasons, WRA’s witness will be unable to attend the hearing scheduled for January 21, 2019. WRA respectfully requests that the Commission accept these comments (and subsequent response comments) as public comments and excuse WRA from the hearing on this matter.

I. INTRODUCTION AND SUMMARY

WRA generally supports innovative pilot programs that test new technology. This includes the programs that Rocky Mountain Power (“RMP”) proposed in 2016 under the Sustainable Transportation and Energy Plan Act (“STEP”). WRA was especially interested in the

Solar and Storage Technology Project (“SSTP”) that RMP proposed, as a good opportunity to investigate, analyze, implement, and evaluate a “non-wires” solution to a grid congestion issue. WRA supported this project during the initial hearing that led to the Commission’s approval of the project. WRA understands that the cost of the project has increased, due to a number of factors. WRA still supports the project and encourages the Commission to approve the increase in funding for the SSTP.

II. DISCUSSION

WRA is a strong supporter of SSTP. We feel that the currently approved solar plus battery storage project is the best solution to the projected transmission congestion and will provide an excellent opportunity for RMP to pilot a large battery and solar installation on their distribution grid. This non-wires solution to the 69 kV “sub-transmission” constraint is an excellent use of new technology. Large battery storage projects are going into service in utilities around the country and RMP should be testing the use of battery storage, especially in a project such as this.

The additional cost of SSTP is understandable. The SSTP is a relatively small project compared to many installations that are going in around the country with much larger battery sizes and much larger solar installations. It is likely that RMP estimated costs based on projections for larger systems and RFP responses came back higher than expected. RMP also identified additional factors that contributed to the increased project costs, including the impact of trade tariffs, increased contractor costs, increased battery costs (due to high demand and limited supply), and higher construction costs.¹ In spite of this, WRA feels that SSTP is still in the interest of Utah customers, and consistent with the objectives of the “Innovative Utility

¹ RMP Application, Appendix C, page 2.

Programs” authorized under STEP (*see* U.C.A. Section 54-20-105), and will provide valuable experience with operating and integrating increasingly important and cost-effective battery storage technologies.

WRA also believes that SSTEP is being economically undervalued in the current cost comparison with a traditional transmission upgrade. The comparison is currently being made on the basis of capital cost and OMAG without consideration of the value of generated energy.² While this evaluation is relevant, SSTEP will also be an active generator of electricity, during periods of peak load, while a traditional transmission upgrade is passive and actually has internal losses. The value of the energy produced by SSTEP could also be counted in the evaluation. While the energy produced by SSTEP was discussed in the initial hearing, and the Commission ruled that energy produced would be credited to customers through the EBA, there was no consideration of the value of that energy in the decision to go forward.³ If the value of produced electricity was also considered in the evaluation of SSTEP, we are confident that the project would show more positive financials.

WRA further supports SSTEP for the operational experience it will give RMP managing a solar array integrated with a large battery. WRA addressed this important benefit in our initial testimony and we would like to reinforce that opinion here. Many utilities are finding that solar plus battery storage is a cost effective alternative to natural gas peakers in supplying energy needed during peak load periods. It is important for RMP to gain experience with battery storage associated with solar (and other renewable resources) so that they can take advantage of this

² See WRA Attachment A (RMP Response to WRA Data Request 4).

³ Docket No. 16-035-36, Phase One Report and Order, Issued December 29, 2016, page 15 (ordering paragraph 5).

technology as it becomes the peak generation option of choice for utilities, such as RMP, particularly in Utah, where the solar resource is good.

III. CONCLUSION AND RECOMMENDATION


WRA supports the increase in budget for SSTP and encourages the Commission to approve the increased budget.

Dated this 3rd day of January 2019.

Respectfully submitted,



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CERTIFICATE OF SERVICE
Docket No. 16-035-36

I hereby certify that a true and correct copy of the foregoing was served by email this 3rd day of January 2019 on the following:

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