



We Partner to Build the New Clean Energy Economy

UTAH PUBLIC SERVICE COMMISSION
Heber M. Wells Building
160 East 300 South, 4th Floor
Salt Lake City, Utah 84111

To: Utah Public Service Commission

From: Utah Clean Energy
Kate Bowman, Renewable Energy Program Manager

Date: May 31, 2019

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

Dear Public Service Commission,

The purpose of Utah Clean Energy’s reply comments is to respond to recommendations and statements in the reply comments of the Division of Public Utilities (the “Division”), the Office of Consumer Services (the “Office”), and Western Resource Advocates (“WRA”).

The Division, the Office, and WRA each recommend approval of all three STEP projects proposed by Rocky Mountain Power (the “Company.”) Each party’s support for the proposed STEP projects is conditioned on specific reporting requirements for the proposed projects and the STEP program more generally. Utah Clean Energy finds the recommendations and reporting requirements suggested by other parties to be generally reasonable, and provides the following reply comments in response to specific recommendations provided by DPU and WRA.

In summary, Utah Clean Energy:

- Supports the Division’s recommendation that the Commission direct the Company to provide quarterly updates on these three projects.
- Supports WRA’s recommendation that the Commission initiate an investigation into a transparent distribution planning process to support the integration of these and other STEP projects and inform grid modernization efforts.

General Recommendations

The Division recommends approval of all three STEP projects conditioned on the Company’s agreement to “meet with interested parties quarterly throughout the remainder of the STEP program to update those interested on the progress of the Projects.”¹ In our initial comments, Utah Clean Energy recommended additional reporting specifically for the Intermodal Hub Project following the completion of project milestones identified by the Company in its application. The intent of our recommendation could also be satisfied by quarterly stakeholder meetings to provide updates on all ongoing STEP projects, as recommended by the Division. WRA recommends consideration of a more comprehensive distribution planning process to support the integration of these and other STEP projects. Specifically, WRA recommends that the Utah Public Services Commission (the “Commission”) initiate an investigation into requiring the Company to pursue a transparent integrated distribution planning process every three years,

¹ Docket No. 16-035-36, DPU Comments, May 14, 2019. Page 10.

with associated performance metrics, in order to ensure that customers receive the maximum benefits associated with distribution system requirements.

As these proposed STEP projects all demonstrate, new and improved technologies are enabling modernization of the grid and improving the flexibility and communications capacity of the distribution system. These improvements can result in cost savings and benefits for customers, but it is challenging to identify the set of grid modernization efforts that will result in the most benefits for customers at the least cost when grid modernization measures are proposed and considered in isolation.

An integrated distribution planning process allows for a comprehensive evaluation of the potential benefits from a variety of new and improved distribution system technologies. In this way, the costs and benefits of grid modernization efforts can be evaluated relative to each other, rather than on a case-by-case basis. An integrated distribution planning process will help to identify strategies to invest in the most important and beneficial upgrades in order to keep long-term grid costs low for customers. UCE supports WRA's recommendation because we believe that a transparent distribution system planning process will help guide grid modernization efforts to ensure that customers are truly benefiting from least-cost, least-risk investments.

Battery Demand Response Project

The Division expresses reservations about the value of the data and information that will be gained through the Battery Demand Response Project (BDRP). The Division also expresses concerns about the validity of the project due to “the efficiencies of solar and the unknown characteristics of the batteries.”² Nonetheless, the Division ultimately recommends approval of

² Docket No. 16-035-36, DPU Comments, May 14, 2019. Page 6.

the project conditioned upon proof of Herriman City's approval for lithium iron phosphate batteries within living areas and assurance from RMP that the Company and ratepayers are protected from legal action in the event the batteries cause problems.

In response, we note that this project is innovative due to its scale and the incorporation of utility control of customer-sited batteries, but not due to the innovative or untested nature of the equipment itself. Although this project is the first of its kind in Utah, other utilities are also demonstrating the value of distributed battery storage and solar when used to reduce peak loads: Green Mountain Power is one of at least eight utilities that provides an incentive for customer-sited battery storage. Green Mountain Power was able to call upon 500 Tesla Powerwall batteries located in the homes of 400 customers during a heat wave in the first week of July 2018. In doing so, the utility estimates they saved \$500,000 during that one week, and anticipates lifetime returns of \$2 - \$3 million.³ Green Mountain Power's project involved distributed batteries that can discharge 7 kW of peak power or 5 kW of continuous power, and is therefore similar in scope and size to the proposed BDRP. Given that the Company will have control over the batteries 100% of the time, rather than just during peak events, it seems likely that the Company should be able to operate the batteries to access additional savings throughout the year.

Advanced Resiliency Management System

The Division expresses some concern about the expense of the proposed upgrades for AMR meters, and "is concerned that monies already spent to deploy AMR meter infrastructure may become stranded costs if replaced by AMI meter technology in the near future." UCE shares this

³ Brooks, David. "Vermont utility says program saved \$500K during heat wave." *Concord Monitor* July 21, 2018. <https://www.concordmonitor.com/green-mountain-power-18869126>

concern: the proposed AMR upgrades are a near-term software solution that will be rendered obsolete when the Company chooses to ultimately replace the AMI meters with newer technology. Given the relatively long life of distribution system infrastructure (20+ years in the case of meters), it is important to avoid installing technology that is quickly outdated. We reiterate that integrated distribution planning will become more important as grid modernization progresses. A coordinated, transparent planning process will help to evaluate the costs and benefits of new technologies relative to other potential upgrades and identify the set of technologies that will be the most cost-effective in the long run.

Summary

Utah Clean Energy appreciates the opportunity provide feedback on the three proposed STEP projects and respond to comments from other parties. We believe the recommendations provided by other parties are generally reasonable. Utah Clean Energy supports the Division's recommendation that the Commission direct the Company to provide quarterly updates on these three projects. We additionally support WRA's recommendation that the Commission initiate an investigation into a transparent distribution planning process to support the integration of these and other STEP projects and inform grid modernization efforts.

With best regards,

/s/ Kate Bowman

Kate Bowman, Solar Project Coordinator
Utah Clean Energy

CERTIFICATE OF SERVICE

I certify that on May 31, 2019, a true and correct copy of the foregoing was served upon the following as indicated below:

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