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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 Act	Docket No. 16-035-36
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COMMENTS OF THE UTAH ASSOCIATION OF ENERGY USERS

Pursuant to the Commission’s Request for Comments issued May 6, 2020, the Utah Association of Energy Users (“UAE”) files the following comments regarding the pilot program for the Sustainable Transportation and Energy Plan Act (“STEP”).

BACKGROUND

The Utah Legislature enacted STEP in March of 2016. Among other things, STEP mandated implementation of a five-year pilot program allowing PacifiCorp dba Rocky Mountain Power (“RMP” or the “Company”) to include a line-item surcharge on customer bills to collect a total of \$50 million to establish funding for conservation, efficiency, or new technology programs that are determined to be cost-effective and in the public interest, in addition to specific programs described in STEP.

RMP began implementing the surcharge and STEP pilot programs in phases beginning in 2017. Five phases have been implemented since the inception of the initiatives. On May 6, 2020, the Commission issued a Request for Comments citing Utah Code Ann. § 54-20-106, which defines the pilot program period for the STEP Act initiatives as a period of five years.

Utah Code § 54-20-106 states as follows:

Before the first day of the legislative session in the final year of the pilot program period, the commission shall submit a report and recommendation to the Legislature regarding whether, in the discretion of the commission, the Legislature should, for the sustainable transportation and energy plan:

- (1) extend the plan or a portion of the plan as a ratepayer funded program;
- (2) implement the plan or a portion of the plan as a state funded program; or
- (3) discontinue the plan or a portion of the plan.

Noting that the STEP pilot program expires on December 31, 2021, the Commission requested comments on the recommendations that it should submit to the Utah Legislature consistent with the statute. UAE offers the following comments:

UAE COMMENTS

Pursuant to its enabling legislation, STEP will expire on its own after December 31, 2021. UAE is unaware of any stakeholder that seeks to have STEP—as it is currently constructed—continue beyond that date. To UAE’s knowledge, the Company has not identified any programs that it seeks to fund through an extension of STEP funding. As such, UAE recommends that the portion of STEP authorizing RMP to impose a line-item surcharge to collect funds for STEP programs, as set forth in Utah Code § 54-7-12.8(3)(b), be discontinued when the pilot program concludes after December 31, 2021.

This leaves the question of how the Commission and the Company should manage the programs created as part of the STEP pilot program. In recommending that the Commission

discontinue the line-item surcharge for STEP programs after 2021, UAE does *not* intend to recommend that the STEP programs created during the pilot program and previously funded by STEP funds should also be discontinued. On the contrary, UAE does not object to the Company continuing to operate those programs beyond 2021 so long as the programs are cost-effective going forward and are in the public interest.

UAE understands that certain projects initiated under the STEP umbrella, such as the Electric Vehicle (“EV”) infrastructure project, have been the subject of other legislation that will provide funding outside of the STEP pilot program. *See* Utah Code § 54-4-41 (2020). UAE assumes that this legislation and the project(s) subject to it will be the subject of further regulatory process in a separate docket. Such projects no longer require funding through STEP after 2021.

UAE understands that certain other projects initiated under the STEP umbrella (but for which there is no additional legislation to provide separate funding) are designed to operate into the future beyond 2021. For example, UAE understands that RMP intends to continue to operate each of the Power Balance and Demand Response to Optimize Charting at Intermodal Hub Project (“Intermodal Hub Project”), the Solar and Storage Technology Project, the Battery Demand Response Project developed as part of the Soleil multi-family development in Herriman, and the Advanced Resiliency Management System project (“ARMS”) after the STEP pilot program concludes on December 31, 2021. The ongoing costs to administer these projects is currently unknown. Those costs may ultimately be such that each project can be shifted away from the STEP umbrella and into general projects whose funding is subject to Commission review to determine their cost-effectiveness and the public interest.

UAE recommends that the Commission set up a process for interested parties to meet and discuss the future of the STEP projects at a future point once O&M or other costs beyond 2021 can be effectively forecast. Cost recovery for these or any other STEP-related projects that the Company intends to operate beyond the expiration of the STEP pilot program should be granted only after a determination that the projects are cost effective and in the public interest.

UAE Recommendations

UAE recommends that the Commission, in its report to the Utah Legislature, recommend that the line-item surcharge to fund STEP programs be discontinued when the pilot program terminates after December 31, 2021. UAE further recommends that RMP recover costs for ongoing operation of any STEP-related project that continues beyond 2021 only after a Commission determination that the project is cost effective in the public interest.

DATED this 15th day of July, 2020.

JAMES DODGE RUSSELL & STEPHENS P.C.



/s/

Phillip J. Russell
Counsel for UAE

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by email this 15th day of July, 2020 on the following:

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