BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF ROCKY MOUNTAIN POWER'S PROPOSED ELECTRIC SERVICE SCHEDULE NO. 34, RENEWABLE ENERGY TARIFF

DOCKET NO. 16-035-T09
Enyo Exhibit 1 - Direct Testimony

DIRECT TESTIMONY OF CHRISTINE MIKELL
FOR ENYO RENEWABLE ENERGY, LLC
Q. Please state your name and business address.

A. My name is Christine Watson Mikell. I am the founder and principal owner of Enyo Renewable Energy. My business address is 9950 Power Plant Lane, Sandy, Utah 84092.

Q. Please describe your background, experience, and education.

A. I have been working in the renewable energy industry since 2001. I started in the Utah Energy Office as an energy engineer and launched Utah's renewable energy program to spur these technologies and drive economic development in rural communities throughout the state. In 2006, I began working at Wasatch Wind, and served as a general wind developer, as Vice President of Development, and ultimately as President of the company. At Wasatch Wind, we developed Utah's first utility-scale wind energy project in 2008, the Spanish Fork Wind Farm. Since then, I have developed two additional wind projects: Latigo in Monticello, Utah, and Pioneer in Glenrock, Wyoming. In 2015, I founded Enyo Renewable Energy, LLC to focus on wind and solar energy development in the Intermountain West. As for my education, I earned a Bachelor of Engineering from Vanderbilt University and a Masters of Business Administration from the University of Utah.

Q. On whose behalf are you testifying in this proceeding?

A. I am testifying on behalf of Enyo Renewable Energy, LLC.

Q. Please describe Enyo Renewable Energy.

A. Enyo Renewable Energy is a solar and wind energy development company organized to develop utility-scale solar and wind projects principally in Utah, Wyoming, and Colorado. Enyo is very familiar with the Utah energy landscape.
Q. What is Enyo Renewable Energy’s interest in this proceeding?
A. As a renewable energy developer, Enyo supports the establishment of Schedule 34. Enyo is interested in ensuring that Schedule 34 enables customers who want to buy renewable energy can do so easily with no unnecessary requirements or impediments. In order for Schedule 34 to create economic growth and activity, it must provide mechanisms for developers to obtain financeable contracts in a timely manner for both customers and developers. Although the tariff does not address all of the terms of the contracts Rocky Mountain Power ("RMP") will execute with developers to acquire renewable energy on behalf of its customers, it is essential that the contract term itself and the rates paid under the contract be commercially reasonable to ensure that the policy behind the law creating Schedule 34 be implemented successfully. If not, it will be difficult to develop new renewable energy projects to meet customer demand because the projects will not be able to get financing, which will frustrate the public policy behind Schedule 34.

Q. Does Schedule 34 that RMP filed accomplish these objectives?
A. No, not as RMP filed it. There are drafts of the Schedule circulating among the parties that make improvements, but the parties have not accepted the changes and the drafts are not before the Commission.

Q. Would you summarize the main objections Enyo has to Schedule 34 that RMP filed?
A. Yes. First, although the new law, Utah Code Annotated § 54-17-806, authorizes RMP to charge customers an administrative fee, the $150 per month fee RMP proposes to charge for each delivery point in Schedule 34 could be a significant
impediment to customers contracting to take renewable energy under the Schedule.

Second, Section 1.c.i. in the Conditions of Service of Schedule 34 sets the
Renewable Energy Rate in a renewable energy contract for existing customers at the
difference between the cost RMP incurs in providing the renewable energy and
RMP's avoided costs. Section 1.c.ii. allows RMP to use a different cost method for
new customers and new load from expansion of an existing customer's facility.
Enyo's position is that an alternative method should be allowed for all customers.
This issue is under negotiation among the parties and could be resolved.

Q. Are these your only objections?
A. I would characterize my other issues as concerns that are either not addressed or
directly addressed in the original Schedule 34.

Q. Do you mean issues you noted before like the term of the renewable contracts
and the rates?
A. Yes, they are real concerns. If the term of a renewable contract is not long enough, a
new project will not get financing. It is not clear what will govern the length of the
contract or if the term will be set contract by contract. If it is done on a contract by
contract basis, it seems like that could be inefficient and unnecessarily time
consuming. In addition, the economics of the renewable energy project must also
work and that is directly related to the amount RMP and the customer will pay for
the renewable energy. Schedule 34 refers to RMP's avoided cost, but the mechanism
for determining avoided cost is not clear in the draft Schedule.

Q. How would you propose to resolve these issues?
A. I would suggest that the Commission consider developing a standard agreement
similar in concept to the one developed in Schedule 4 for pole attachments. This
standard agreement must be financeable under normal terms and conditions
customary in renewable energy project finance. Once RMP and interested parties
establish a standard agreement that is approved by the Commission, parties could
purchase renewable power under the agreement while they negotiate and customize
their contracts based on individual needs. It would not slow down contract
negotiations for any customer ready to purchase renewable energy now or in the
future, but over the long term, a financeable, standard agreement could be
very useful.

Q. Would you elaborate on the objections you itemized starting with the
administrative fee?

A. Yes. An administrative fee could be cost prohibitive and a real impediment for
customers who aggregate multiple metered delivery points to reach a load of 5,000
kW. For example, a customer with 20 delivery points would have to pay a fixed fee
of $3,000 each month before RMP imposes the increased incremental charge for the
difference the company incurs for delivering the renewable energy and its avoided
costs. This needs to be changed. It will deter customers from buying power under
Schedule 34 and diminish new economic development and new load, which will be a
loss for Utah and will frustrate one of the purposes for the Schedule.

Q. Is there any evidence showing that $150 is the actual cost RMP incurs in
providing the service?

A. No, there is nothing in Ms. Joelle Steward's testimony filed with proposed Schedule
34 showing that $150 was set to cover RMP's costs. The Commission should ensure
that the fee is cost based before approving it. It seems logical, however, that a cap on delivery points or some tapering of the fee would still allow RMP to recover its costs for serving the customer. Even with multiple delivery points, it is still just one customer RMP would be serving under the contract.

Q. **What about the different treatment of new customers for determining their Renewable Energy Rate in Section 1.c.ii. of the Conditions of Service?**

A. In Utah Code Annotated § 54-17-806 (2), the legislature allowed RMP to impose three charges on renewable energy customers in this new tariff. The second charge is itemized in Section (2)(b) as follows: "an incremental charge in an amount equal to the difference between the cost to the qualified utility to supply renewable generation to the renewable energy tariff customer and the qualified utility's avoided costs as defined in Subsection 54-2-1(1), or a different methodology recommended by the qualified utility." There is no distinction in the law between new and existing customers. Though it is not clear what cost method RMP might recommend, the Commission should ensure that existing customers have the same opportunity to advocate for an alternative cost method as new customers have. There could be facts and circumstances that justify different cost treatment in each case.

Q. **Please summarize your testimony and recommendations.**

A. First, Enyo Renewable Energy supports the establishment of Schedule 34. Second, Enyo urges the Commission to reduce RMP's administrative fee or reduce its impact to minimize the impediment it will be for customers wanting to purchase renewable energy under Schedule 34. Enyo believes the fee exceeds RMP's costs to serve renewable energy customers and the fee should be cost justified. Third, Enyo
recommends that both new and existing customers be allowed to advocate alternative cost methods to set their Renewable Energy Rates. There is no justification under the law for treating new and existing customers differently.

Fourth, Enyo recommends that the Commission consider establishing a financeable standard agreement that renewable energy developers could use as a starting point for further negotiations with RMP to address concerns like the length of contract term. Once established a standard agreement would hasten and simplify the process.

Q. Does this conclude your direct testimony in this docket?

A. Yes, but I reserve the right to offer additional testimony when new provisions of Schedule 34 are before the Commission.
CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing testimony of Christine Mikell was served by email this 28th day of July 2016 on the following:

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