

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

<p>IN THE MATTER OF ROCKY MOUNTAIN POWER'S PROPOSED ELECTRIC SERVICE SCHEDULE NO. 34, RENEWABLE ENERGY TARIFF</p>	<p>DOCKET NO. 16-035-T09 Enyo Exhibit 1 - Direct Testimony</p>
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DIRECT TESTIMONY OF CHRISTINE MIKELL

FOR ENYO RENEWABLE ENERGY, LLC

1 **Q. Please state your name and business address.**

2 A. My name is Christine Watson Mikell. I am the founder and principal owner of Enyo
3 Renewable Energy. My business address is 9950 Power Plant Lane, Sandy, Utah
4 84092.

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

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

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

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

20 **Q. Please describe Enyo Renewable Energy.**

21 A. Enyo Renewable Energy is a solar and wind energy development company
22 organized to develop utility-scale solar and wind projects principally in Utah,
23 Wyoming, and Colorado. Enyo is very familiar with the Utah energy landscape.

24 **Q. What is Enyo Renewable Energy's interest in this proceeding?**

25 A. As a renewable energy developer, Enyo supports the establishment of Schedule 34.
26 Enyo is interested in ensuring that Schedule 34 enables customers who want to buy
27 renewable energy can do so easily with no unnecessary requirements or
28 impediments. In order for Schedule 34 to create economic growth and activity, it
29 must provide mechanisms for developers to obtain financeable contracts in a timely
30 manner for both customers and developers. Although the tariff does not address all
31 of the terms of the contracts Rocky Mountain Power ("RMP") will execute with
32 developers to acquire renewable energy on behalf of its customers, it is essential that
33 the contract term itself and the rates paid under the contract be commercially
34 reasonable to ensure that the policy behind the law creating Schedule 34 be
35 implemented successfully. If not, it will be difficult to develop new renewable
36 energy projects to meet customer demand because the projects will not be able to get
37 financing, which will frustrate the public policy behind Schedule 34.

38 **Q. Does Schedule 34 that RMP filed accomplish these objectives?**

39 A. No, not as RMP filed it. There are drafts of the Schedule circulating among the
40 parties that make improvements, but the parties have not accepted the changes and
41 the drafts are not before the Commission.

42 **Q. Would you summarize the main objections Enyo has to Schedule 34 that RMP**
43 **filed?**

44 A. Yes. First, although the new law, Utah Code Annotated § 54-17-806, authorizes
45 RMP to charge customers an administrative fee, the \$150 per month fee RMP
46 proposes to charge for each delivery point in Schedule 34 could be a significant

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

55 **Q. Are these your only objections?**

56 A. I would characterize my other issues as concerns that are either not addressed or
57 directly addressed in the original Schedule 34.

58 **Q. Do you mean issues you noted before like the term of the renewable contracts
59 and the rates?**

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

68 **Q. How would you propose to resolve these issues?**

69 A. I would suggest that the Commission consider developing a standard agreement

70 similar in concept to the one developed in Schedule 4 for pole attachments. This
71 standard agreement must be financeable under normal terms and conditions
72 customary in renewable energy project finance. Once RMP and interested parties
73 establish a standard agreement that is approved by the Commission, parties could
74 purchase renewable power under the agreement while they negotiate and customize
75 their contracts based on individual needs. It would not slow down contract
76 negotiations for any customer ready to purchase renewable energy now or in the
77 future, but over the long term, a financeable, standard agreement could be
78 very useful.

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

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

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

91 A. No, there is nothing in Ms. Joelle Steward's testimony filed with proposed Schedule
92 34 showing that \$150 was set to cover RMP's costs. The Commission should ensure

93 that the fee is cost based before approving it. It seems logical, however, that a cap
94 on delivery points or some tapering of the fee would still allow RMP to recover its
95 costs for serving the customer. Even with multiple delivery points, it is still just one
96 customer RMP would be serving under the contract.

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

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

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

111 A. First, Enyo Renewable Energy supports the establishment of Schedule 34. Second,
112 Enyo urges the Commission to reduce RMP's administrative fee or reduce its impact
113 to minimize the impediment it will be for customers wanting to purchase renewable
114 energy under Schedule 34. Enyo believes the fee exceeds RMP's costs to serve
115 renewable energy customers and the fee should be cost justified. Third, Enyo

116 recommends that both new and existing customers be allowed to advocate
117 alternative cost methods to set their Renewable Energy Rates. There is no
118 justification under the law for treating new and existing customers differently.
119 Fourth, Enyo recommends that the Commission consider establishing a financeable
120 standard agreement that renewable energy developers could use as a starting point
121 for further negotiations with RMP to address concerns like the length of contract
122 term. Once established a standard agreement would hasten and simplify the process.

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

124 A. Yes, but I reserve the right to offer additional testimony when new provisions of
125 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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