

Ann Ober
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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 Number: 16-035-T09

**Park City Municipal's Petition to
Intervene**

DIRECT TESTIMONY OF ANN OBER

ON BEHALF OF

PARK CITY MUNICIPAL

July 28, 2016

1 **INTRODUCTION**

2 **Q: Please state your name and business address.**

3 A: My name is Ann Ober. My business address is 445 Marsac Ave, Park City, Utah
4 84060.

5 **Q: By whom are you employed and in what capacity?**

6 A: I am the Regional Policy and Energy Director for Park City Municipal. Park City,
7 Utah, is located in the Wasatch Mountains Range 35 miles east of Salt Lake City, Utah.
8 Founded as a silver mining town in 1884, it is not home to two world-class ski resorts and
9 was the alpine venue for the 2002 Salt Lake City Winter Olympics. We are a large
10 customer of Rocky Mountain Power and have recently made a commitment to reduce our
11 carbon footprint as a government and a community.

12 **Q: On whose behalf are you testifying?**

13 A: I am testifying on behalf of Park City Municipal.

14 **Q: Please review your professional experience and qualifications.**

15 A: I have been working with Park City for the past three years, moving the City
16 toward being less carbon dependent. This work has included the installation of net
17 metered solar panels and current negotiations with Rocky Mountain Power for the
18 achievement of the City's Net Zero Goals. Those goals are ambitious yet attainable: Park
19 City government operations will achieve net-zero carbon emissions by 2022, and the Park
20 City Community will be net-zero by 2032.

21 Prior to my service at Park City Municipal, I worked with Salt Lake County
22 moving the County towards the same goals. While at Salt Lake County, I led the team
23 for installing 1.3 MW of solar on the roof of the Salt Palace Convention Center. I was

24 also intimately involved in the Net Metering amendments in 2008, both through the
25 legislative process and the work with the Public Service Commission.

26 Beyond my traditional career, I serve as the Board Chair for Utah Clean Energy
27 and have taught energy and environmental policy courses at both the University of Utah
28 (Undergraduate and Graduate programs) and Salt Lake Community College.

29 **OVERVIEW AND CONCLUSIONS**

30 **Q: What is Park City Municipal's interest in this docket?**

31 A: Park City has had a goal for moving renewable energy forward in the state of
32 Utah since 2008. More recently, Park City has tied itself to these energy sources by
33 making a commitment for achieving a net zero energy program by 2022 for the
34 municipality and 2032 for the broader community. This docket may be used at a future
35 date for achieving our goals. Assuring that the program meets the City's needs is key to
36 us succeeding.

37 **Q: What is the purpose of your testimony?**

38 A: Park City is writing in support of Schedule 34. However, we have a few areas of
39 concern in the tariff as drafted and are making recommendations that we believe will
40 improve the proposal and enable Park City's eventual use of the tariff. We also believe
41 these recommendations are in support of the goal being put forward by Rocky Mountain
42 Power and will be of benefit to all customers. As currently proposed, Schedule 34 will
43 likely not work for most customers who are interested in utilizing it, which has the effect
44 of undermining the legislation enacted earlier this year to enable it.

45 **Q: Please provide a brief outline of your testimony.**

46 A: I address the following issues in order: 1) The proposed administrative fees are
47 excessive and not justified. Allowing for this level of fee will greatly discourage
48 customers, such as Park City, that have more than one meter; and 2) the tariff language
49 regarding who may use a “different methodology” is overly prescriptive and does not
50 allow for existing customers to find alternative paths that achieve their goals.

51 **Q: Please summarize your conclusions and recommendations.**

52 A: Park City Municipal writes in support of the following:

- 53 • Rocky Mountain Power must justify the billing rate currently proposed.
54 This rate was used in cases where an hour by hour balancing was required.
55 Schedule 34 should, because its structure is so simple, require much less
56 oversight by the billing department than Schedule 32.
- 57 • Park City believes all customers, not just new customers or customers with
58 new load, should have the opportunity to utilize a different methodology
59 than the one outlined in the proposed tariff, if the methodology is
60 approved by the Commission.

61

62 **SCHEDULE 34 PROPOSAL**

63 *Introduction*

64 **Q: Please explain your general perspective on Schedule 34.**

65 A: Park City has been looking for opportunities to create a new net zero program
66 through our Rocky Mountain Power provider. We believe that to achieve this goal we
67 will need a program that allows us to work with off-site renewable energy development.
68 In general, we believe that this mechanism could be a way to reach out municipal goal or,
69 at minimum, that this program will set precedent that later impacts Park City’s objectives.

70 *Administrative Fees*

71 **Q: What is your primary concern with Schedule 34 as currently proposed?**

72 As Park City has been looking at a solution to meet our net zero goals, we have looked
73 for solutions that allow us to install both on and off site installations to meet our goal.
74 Not only does Park City operate our traditional City services like streets maintenance and
75 planning, we also have our own Public Utility and Transit Department. This has led the
76 City to having over 120 meters. For Park City, the proposed monthly administrative fees
77 will automatically add more than \$18,000 per month before a single electron is moved
78 onto the grid.

79 This would be acceptable to the City if we felt that it would cost Rocky Mountain
80 Power \$18,000 per month to bill the City for our costs. However, this seems excessive.
81 We believe that Rocky Mountain power in their testimony for Schedule 34 has not
82 successfully explained why so much human power would be required every month for
83 the program.

84 In their testimony, Rocky Mountain Power stated that the fee was developed:

85 To ensure that the customer's monthly bill is accurate and incorporates all
86 of the billing-related conditions from the contract, monthly bills must be
87 manually generated and reviewed. The administrative fee will be applied
88 for each generation facility and point of delivery (i.e., metering point)
89 from and for which renewable energy is being procured, so that the total
90 monthly amount of the fee will be proportional to the bill's complexity.¹

91 Park City believes that additional detail needs to be provided for this tariff if such a

92 significant fee is assessed. Today, we do not believe it is justified, especially when

93 looking at past tariffs that are far more complex and require the same administrative fee

94 (Schedule 32).

95 **Q: What do you propose in its place?**

¹ Direct Testimony of Joelle R. Steward for Rocky Mountain Power, pages 5-6.

96 A: Park City supports a fee that scales down with an increased number of meters.
97 Though I appreciate the company's perspective on the difficulties associated with their
98 current billing system, I also believe that creating another program that is cost-prohibitive
99 even before the power increment is considered is a waste of time.

100 ***“Different Methodology” Language***

101 **Q: In addition to the avoided cost-based pricing method outlined in the statute, the**
102 **statute also allows the incremental charge in renewable energy tariffs to be based on**
103 **a “different methodology.” How is this treated in Schedule 34?**

104 A: The Company's proposed Schedule 34 contains Conditions of Service, No. 1.c.ii.,
105 which states, “For a new Customer or for new load from expansion of an existing
106 Customer facility, the Renewable Energy Rate may be based on a different methodology
107 which must be set forth in the contract.”² In her Direct Testimony, Ms. Steward
108 explained that “There may be circumstances where the details surrounding a specific
109 applicant and/or specific renewable resource may warrant additional consideration than
110 simply billing the applicant at the tariff rate and charging for the difference between the
111 cost [of] the renewable resource and the Company's avoided cost.”³

112 **Q: What is your response?**

113 A: Park City agrees that there may be a reason for leaving flexibility in the design of
114 the program utilizing this tariff. For example, the City has been working with Rocky

² Proposed Schedule 34, Conditions of Service, No. 1.c.ii.

³ Direct Testimony of Joelle Steward for RMP, page 7.

115 Mountain Power for the past six months to find new and different ways to create a usable
116 program.

117 Our request is that this provision be allowed for existing load and customers. The
118 legislation left this as a viable option and we would like to see the opportunity remain for
119 those of us on the front edge of this movement. Park City and Rocky Mountain Power
120 have yet to find a program that meets the needs of Park City to move to renewable
121 energy. It should be noted that the Subscriber Solar program has moved us a great deal
122 closer and our partnership over the past year has been a positive experience. However,
123 we don't have all the answers today. We hope to get to these answers in the coming
124 couple of years. In order to achieve those goals, we need some flexibility in this docket
125 to allow us to try things that may not have been considered to date.

126 **Q: What is your recommendation with regard to this provision of the proposed tariff?**

127 A: I recommend that existing customers be allowed to utilize this provision, as
128 appears to be consistent with the tariff's enabling legislation, which does not limit a
129 different methodology to new customers or new load.

130 **CONCLUSION**

131 **Q: Please summarize your conclusions and recommendations.**

132 A: Park City Municipal believes that Schedule 34 moves the state forward in the
133 right direction for customer choice. We would like to see a few amendments made to
134 assure that the program is usable for communities like Park City. We believe that the
135 changes we recommend in this testimony gets us much closer to a program that could
136 work for us in particular.

137 **Q: Does that conclude your testimony?**

138 A: Yes.