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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: Utah Public Service Commission

From: Office of Consumer Services
Michele Beck, Director
Cheryl Murray, Utility Analyst

Date: October 30, 2017

Re: In the Matter of Rocky Mountain Power's Customer Owned Generation and Net Metering Report and Attachment A for the Period April 1, 2016 through March 31, 2017. Docket No. 17-035-31.

Background

On May 30, 2017 the Public Service Commission (Commission) granted Rocky Mountain Power's (Company) May 12, 2017 request for a 90-day extension to file its Customer Owned Generation and Net Metering Report (Report) and Attachment A for the period April 1, 2016, through March 31, 2017. The Commission extended the deadline for the Report to September 29, 2017.

On July 3, 2017 the Company filed a partial Customer Owned Generation and Net Metering Report and Attachment A for the period April 1, 2016, through March 31, 2017 noting that the remainder of the required information would be provided by September 29, 2017. The July 3 filing also included Attachment B - Net Metering Excess Energy Valuation. The Company filed the remaining information for the Net Metering Report to Utah on September 29, 2017.

On October 2, 2017 the Commission issued a Notice of Filing and Comment Period establishing Monday, October 30, 2017 and Tuesday, November 14, 2017 as the deadlines for interested parties to submit comments and reply comments, respectively. The Office of Consumer Services (Office) submits the following comments in accordance with the Commission's established schedule.

Discussion

The Commission has stated its view of the importance of the Customer Generation and Net Metering Report¹ and through Commission Rules and Orders has placed certain requirements upon the Company related to the specific information to be provided in its annual Net Metering Reports.

Reporting Requirements

The provisions of R746-312-16 require:

- (1) Each public utility shall maintain current records of interconnection customer generating facilities showing size, location, generator type, and date of interconnection authorization.
- (2) By July 1 of each year, the public utility shall submit to the commission an annual report with the following summary information for the previous calendar year:²
 - (a) the total number of generating facilities approved and their associated attributes including resource type, generating capacity, and zip code of generating facility location;
 - (b) the total rated generating capacity of generating facilities by resource type;
 - (c) for net metering interconnections, the total net excess generation kilowatt-hours received from interconnection customers by month; and
 - (d) for net metering interconnections, the total amount of excess generation credits in kilowatt hours, and their associated dollar value, which have expired at the end of each annualized billing period.

In addition to the items included in R746-312-16, the Commission's November 30, 2010 Order in Docket 10-035-58³ requires that:

- 1) all net metering interconnections must be noted in the annual report;
- 2) the information required by R746-312-16(2)(a) is the same cumulative information as provided in Attachment A of the Company's 2010 Report with the addition of the zip code, year of installation, and notation if the interconnection is a net metered resource;
- 3) the Company's annual report filed pursuant to the Rule should provide all of the data required by the Rule through the end of the annualized billing period of the year the report is being submitted unless otherwise approved; and
- 4) the Company is required to report information on the amount of net metering installed capacity relative to its net metering cap and any unforeseen problems or barriers in the tariff in its annual report filed pursuant to the Rule.

Additional requirements were placed on the Company in Docket No. 15-035-64 wherein the Commission ordered that "future reports shall provide an explanation of the calculation

¹ Docket No. 15-035-64 Commission September 24, 2015 Order at page 4.

² As noted above the Commission, on May 30, 2017, granted the Company an extension to September 29, 2017 to file a complete Report for April 1, 2016 to March 31, 2017.

³ The November 30, 2010 Order was captioned as Docket 10-035-58, Docket No. 08-035-T04 and Docket No. 08-035-78.

of the price attributed to expired net excess generation credits and a column indicating the rate schedule under which each customer is taking service, or alternatively, the revenue class of each customer.”⁴

Completeness of Report

The Office was able to locate the Commission required information in the Report and accompanying Attachments A and B. Attachment B was provided in the July 3, 2017 filing but was not included with the September 29, 2017 filing. The Office notes that neither the July nor the September filing include any mention of Attachment B. Although not cause to determine that the Report is incomplete, the Office asserts that including that single page Attachment B would have provided a complete Report without parties having to refer to an earlier filing date for required information. This is complicated by the fact that there is no reference in the September 29 filing regarding where the information from Attachment B can be obtained; not even a reference to the Commission order which requires that information be provided.

Report Correction

On pages 1, 2 and 3 of the Report the heading reads: “Rocky Mountain Power Docket 08-035-T04 Customer Generation Report For the period **April 1, 2015 to March 31, 2016**”. The time period should be **April 1, 2016 to March 31, 2017** as confirmed by the Company in response to OCS Data Request 1.2 and DPU Data Request 1.2.

Office Recommendations for Future Reports

In Docket 15-035-64 the Commission required the Company to include a column indicating the rate schedule under which each customer is taking service, or alternatively, the revenue class of each customer. The Company does include this information on Attachment A under Customer Rate Schedule. However, it is not presented as parties are used to seeing rate classes or schedules but rather as 08NETMT135, 08NETMT23135, etc. Since there are a limited number of these categories the Office recommends that the Company include a table in future reports that ties the NETMT distinction to the corresponding rate class or schedule. We note that both the Division of Public Utilities and the Office have at various times asked the Company for this information through data requests. While we are now generally familiar with the categories the Office suggests that such a table in the report would be helpful when new categories are added or to persons unfamiliar with these reports.

The Office has noted that there are customers who receive kWh credits prior to the interconnection date for that customer, this generally occurs in the first three months after the interconnection date. In this Report there were over 500 such instances. While there are occasions when it is the result of a mistake in the report there is a general explanation as provided by the Company in response to OCS Data Request 2.3 as follows.

⁴ Order in Docket No. 15-035-64, page 5.

OCS Data Request 2.3. Please explain how customers who interconnect in a specified year can have kWh credits from a prior year. Please describe all conditions under which this situation could occur.

Response to OCS Data Request 2.3. For projects that install on the first three months of the year, they may have credits that get captured in the previous year for this reporting, which runs from April to March. The other condition is if the customer requests a rate schedule change. The Company would have a meterman go to the customer’s site and either reprogram the existing meter or replace it with a meter that is already programed for the correct rate schedule. If the meterman reprograms the existing meter, it will have zero impact on interconnect date, if the meterman chooses to install a new meter and replace the existing meter, it would change the rate schedule, thus showing that the customer had credits from a previous year.

The Office recommends that future reports contain this brief explanation of the potential for credits to appear prior to the interconnection date on the report. Parties may still question any outlier but the Office believes that this will give readers a more complete picture of the process without creating additional work for the Company.

Value of Expiring credits

In its evaluation the Office observed a continued trend of increasing total expired credits.

Expired Credits at End of Annualized Periods

As Of	Customers	kWh	Value	Total Value
June 12, 2014	367	264,176	\$0.0402	\$10,619.88
June 2, 2015	991	1,010,210	\$0.0346	\$34,953.27
June 8, 2016	2,377	1,315,199	\$0.0303	\$39,850.53
June 13, 2017	4,553	2,556,277	\$0.0221	\$56,493.72

While we recognize that there has been a substantial increase in the number of net-metered customers we repeat our concern identified in previous report comments about customer system sizing.

The value of expired credits which are transferred to the low-income program represents a small portion of total low-income program benefits. The Office notes that effective May 1, 2017 the low-income surcharge was reduced due to an excess balance of \$1.6M. [Docket No. 17-035-T03, Commission order, March 23, 2017] At the reduced surcharge the Company anticipates a collection level of \$3,065,213. Even at the increased total dollar value of expiring credits and decreased level of the low-income surcharge, the expiring credits would comprise less than two percent of the total.

The Office would also like to note that we have an obligation under the recent net metering stipulation to convene a meeting of interested parties during the second quarter of next year “to discuss potential options for funding and administering a low-income solar program and whether such a program is in the public interest.” (See paragraph 39 of the stipulation in Docket No. 14-135-114.) The Office intends to include a discussion of different potential

uses for the value of expired net metering credits as part of that meeting. Any proposal for a different use would have to be brought to the Commission for approval under the requirements of 54-15-104 (4)(b).

Additional Comments

The Commission has previously indicated recognition of the importance of this report and that it is the sole source of detailed information on customer-owned generation regularly filed with the Commission.

The Office appreciates the Company's efforts in compiling the required information and recognizes that due to the amount and level of information provided significant effort on the part of the Company is required. The Office continues to find the report to be a source of useful information regarding net metering on the Company's system.

Although not required by the Stipulation in Docket No. 14-035-114, the Office asserts that modifications to the net metering report as it currently exists will be necessary. As of November 15, 2017 a new category of customers on Schedule 136, Transition Customers, will be added.⁵ While there are differences from Schedule 135 Net Metered Customers, as interconnected customers there will be similar issues, such as caps on the amounts that can be generated and exported energy credits. reporting and tracking traditional Net Metered Customers as well as Transition Customers will be necessary for a more complete picture and the Customer Owned Generation and Net Metering Report will need to be modified to account for these different groups. The Office suggests that the Company meet with interested parties early in 2018 to discuss necessary changes to the Company's July 1, 2018 report.

Recommendations

The Office recommends that the Commission acknowledge the Company's Customer Owned Generation and Net Metering Report and Attachment A for the Period April 1, 2016 through March 31, 2017 as meeting Commission requirements for this Report.

The Office further recommends that the Commission order that the Company include the following in future reports:

- 1) a table indicating which customer classes (or Schedules) are represented by the "Customer Rate Schedule" codes on Attachment A.
- 2) an explanation as to why, as a general matter, some customers may have a kWh credit in a year prior to the customer's interconnection date.
- 3) a statement that the required net metering excess energy valuation is found on Attachment B or elsewhere if the Company changes the reporting configuration.

⁵ Order Approving Settlement Stipulation, September 29, 2017, Docket No. 14-035-114.

Finally, the Office recommends that the Commission order the Company to work with other parties in appropriately expanding this report to include the forthcoming new category of Transition Customers.

Copies to:

Rocky Mountain Power

Jeffery K. Larsen, Vice President, Regulation

Division of Public Utilities

Chris Parker, Director