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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

<p>In the Matter of Rocky Mountain Power's Proposed Tariff Revisions to Electric Service Schedule No. 37, Avoided Cost Purchases from Qualifying Facilities</p>	<p>DOCKET NO. 17-035-T07</p>
<p>In the Matter of Rocky Mountain Power's 2017 Avoided Cost Input Changes Quarterly Compliance Filing</p>	<p>DOCKET NO. 17-035-37</p>

REBUTTAL TESTIMONY OF KATE BOWMAN

ON BEHALF OF

UTAH CLEAN ENERGY

DATED this 31st day of October, 2017

____s/Sophie Hayes_____

Sophie Hayes
Attorney for Utah Clean Energy

1 **INTRODUCTION**

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

3 A. My name is Kate Bowman. My business address is 1014 2nd Ave, Salt Lake City, Utah
4 84103.

5 **Q. Are you the same Kate Bowman that provided direct testimony in this docket?**

6 A. Yes

7 **Q. On whose behalf are you testifying?**

8 A. I am testifying on behalf of Utah Clean Energy.

9 **Q. What is the purpose of your rebuttal testimony?**

10 A. I will respond to the direct testimonies of other intervenors in this docket, specifically the
11 Office of Consumer Services (the Office), the Division of Public Utilities (Division), and
12 the Renewable Energy Coalition (REC).

13 **Q. Please summarize your conclusions and recommendations.**

14 A. There is no evidence that changes to the methodology used to calculate avoided cost
15 pricing for Schedule 37 projects are warranted or that there are problems with the current
16 methodology. The Division, the Office, and REC agree that placing Schedule 37 projects
17 at the end of the queue will not result in reasonable avoided cost pricing. Utah Clean
18 Energy recommends that no changes be made to Schedule 37 at this time, except for the
19 adjustment to Schedule 37 rates to account for avoided line losses I proposed in direct
20 testimony.

21 **Q. What have other parties said in response to RMP's proposal to place small QFs at**
22 **the end of the queue?**

23 A. The Division, the Office, and REC all agree that placing small QFs at the end of the
24 queue will not result in reasonable avoided cost pricing. The Division has proposed
25 placing small QFs in the midpoint of the queue. REC has proposed that small QFs be
26 placed at a point in the queue that is determined either based on the percentage of QF
27 projects that have been completed historically, or based on a key milestone in project
28 development.

29 **Q. Do you agree with these proposals?**

30 A. Subjecting small QFs to the queue will not result in fair avoided cost pricing. The
31 purpose of Schedule 37, as I understand it, is to provide a simplified process for small
32 QFs that is balanced with reasonable protections for ratepayers. There is no indication
33 that the current Schedule 37 methodology is failing to meet that objective, and 25 MW
34 annual cap on small QF protects ratepayers from potential adverse impacts. The entire
35 amount of permitted annual capacity for all Schedule 37 projects is 25 MW. This
36 represents less than a third of the capacity added under a single typical large QF project
37 (80 MW). In reality, only 18 small QF projects have ever been completed in Utah (with a
38 total combined capacity of 47.7 MW), and only five Schedule 37 projects were
39 completed in 2016 (with a total capacity of 12.2 MW.)¹ The magnitude of potential risk
40 to ratepayers is very small, but the risk that small QFs will receive avoided cost pricing
41 that is artificially low as a result of their inclusion in the queue is significant. Therefore if

¹ These totals are calculated based on Rocky Mountain Power response to UCE data request 2.1, Docket No. 17-035-16, attached as UCE Exhibit KB-1, and the 2017 IRP - Table 5.7 Non-Owned Solar Resources. The three Quichapa Solar projects are included in both the Data Request response and the 2017 IRP, the two wind projects reported in the Data Request response (Tooele Army Depot Wind 1 & 2) are not included in the 2017 IRP.

42 changes are made that would subject Schedule 37 QFs to the queue, then these small
43 projects should come in at the beginning of the queue.

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

45 A: Yes.