



1407 W North Temple, Suite 310
Salt Lake City, Utah 84114

February 3, 2020

VIA ELECTRONIC FILING

Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Gary Widerburg
Commission Administrator

RE: **Docket No. 17-035-61 – In the Matter of the Application of Rocky Mountain Power to Establish Export Credits for Customer Generated Electricity**

Pursuant to the Phase II Scheduling Order and Notice of Public Witness Hearing, and Notice of Hearing issued January 16, 2018 in the above referenced docket, Rocky Mountain Power (the “Company”) hereby submits for filing its direct testimony.

The Company respectfully requests that all formal correspondence and requests for additional information regarding this filing be addressed to the following:

By E-mail (preferred): datarequest@pacificorp.com
utahdockets@pacificorp.com
Jana.saba@pacificorp.com
Yvonne.hogle@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

Informal inquiries may be directed to Jana Saba at (801) 220-2823.

Sincerely,

Joelle Steward
Vice President, Regulation

Rocky Mountain Power
Docket No. 17-035-61
Witness: Joelle R. Steward

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Direct Testimony of Joelle R. Steward

February 2020

1 **Q. Please state your name, business address, and current position with PacifiCorp**
2 **d/b/a Rocky Mountain Power (“Company”).**

3 A. My name is Joelle R. Steward. My business address is 1407 West North Temple, Suite
4 330, Salt Lake City, Utah 84116. My title is Vice President of Regulation for Rocky
5 Mountain Power.

6 **Qualifications**

7 **Q. Please describe your education and professional background.**

8 A. I have a Bachelor of Arts degree in Political Science from the University of Oregon and
9 a Masters of Public Affairs from the Hubert Humphrey Institute of Public Policy at the
10 University of Minnesota. Between 1999 and March 2007, I was employed as a
11 Regulatory Analyst with the Washington Utilities and Transportation Commission.
12 I joined the Company in March 2007 as the Regulatory Manager responsible for all
13 regulatory filings and proceedings in Oregon. From February 2012 through May 2016,
14 I was a Director in charge of the work for the cost of service, pricing, and regulatory
15 operations groups for the Company. In 2016, I became the Director of Rates and
16 Regulatory Affairs and added the regulatory affairs for Rocky Mountain Power to my
17 responsibilities. In November 2017, I assumed my current position as Vice President
18 of Regulation for Rocky Mountain Power.

19 **Q. Have you testified in previous regulatory proceedings?**

20 A. Yes. I have filed testimony in proceedings before the public utility commissions in
21 Idaho, Oregon, Utah, Washington, and Wyoming.

22 **Purpose and Summary of Testimony**

23 **Q. What is the purpose of your testimony?**

24 A. The purpose of my testimony is to:

- 25 • introduce and support the Company’s proposed net billing program
26 (“Net Billing Program”) which includes an export credit rate that will
27 be paid to customer generators for excess electricity (“Export Credit
28 Rate”), consistent with the Settlement Stipulation in Docket No. 14-
29 035-114 (“NEM Stipulation”);
- 30 • provide a brief history on how net metering in Utah has evolved into the
31 Company’s proposed Net Billing Program;
- 32 • give a status update on the current cumulative nameplate capacity of the
33 installations on Electric Service Schedule No. 136 – Transition Program
34 for Customer Generators (“Schedule 136”);
- 35 • provide an overview of the Company’s proposed new tariff, Electric
36 Service Schedule No. 137 (“Schedule 137”) and an explanation of how
37 it meets the parties’ commitments in the NEM Stipulation; and
- 38 • introduce the witnesses who support the details of the Company’s
39 proposal.

40 **Q. Please provide a summary of the Company’s proposal in this proceeding.**

41 A. The Company proposes a new Net Billing Program to provide credits to customer
42 generators for all energy exported to the grid from their generation systems.
43 Compensation to customers for exported energy will vary based on when the energy is
44 exported, with different prices for summer, winter, on-peak, and off-peak times. Under

45 the Company's proposal, all energy provided by the Company will be at customers'
46 applicable electric service schedule rate. Energy generated and consumed on-site by
47 customers will offset kilowatt-hours that would otherwise be provided by the Company.
48 To implement this new program, the Company proposes Schedule 137, a successor
49 program to Schedule 136. The Company also proposes other tariff changes to Schedule
50 136, to transition to Schedule 137, as well as an application fee.

51 **Q. What does the Company want to accomplish with its proposal?**

52 A. The Company's main objective is to implement a sustainable program structure for
53 customer generators that fairly balances the interests of customer generators and other
54 non-participating customers. The Company's proposal will better provide customers
55 more accurate price signals to inform a decision on whether to invest in private
56 generation facilities. The Company's proposal also minimizes impacts to other
57 customers by not paying customer generators for exported energy in excess of its value.
58 The Company's Net Billing Program offers a fair and balanced approach to support
59 energy choices.

60 **Q. Does the Company support renewable resources, including providing renewable**
61 **resource service options to customers?**

62 A. Yes. The Company supports the deployment of cost-effective renewable resources. This
63 is demonstrated by the Company's own resource mix. From 2018 to 2020, the
64 Company's Energy Vision 2020, which includes repowering existing wind resources
65 and adding 1,150 megawatts ("MW") of new wind, will dramatically increase the
66 percentage of zero-carbon energy resources in its portfolio by 70 percent. The
67 Company's 2019 Integrated Resource Plan sets forth a plan to further expand its

68 resource portfolio with approximately 6,000 MW of new low-cost wind generation,
69 solar generation and storage through 2023¹. In addition, the Company continues to meet
70 its customers' growing preference for renewable resources through voluntary programs
71 such as Blue Sky, Subscriber Solar, Electric Service Schedule 34 – Renewable Energy
72 Purchases for Qualified Customers, and support for the new Community Renewable
73 Program enacted by House Bill 411 in the 2019 legislative session. The Company is
74 committed to meeting its customers' renewable needs while finding innovative ways to
75 mitigate negative impacts to other customers.

76 **Background**

77 **Q. How has net metering in Utah evolved?**

78 A. The net metering program in Utah originated from an order issued by the Public Service
79 Commission of Utah ("Commission") in Docket No. 97-035-01, which established a
80 task force to analyze energy efficiency and renewable resources, including net
81 metering.² The Energy Efficiency and Renewable Task Force recommended that a new
82 metering program be established.³ Pursuant to legislation, the net metering program
83 began in 2002.⁴ From its inception in 2002 until 2013, the net metering program
84 experienced various changes to implement legislative amendments and a number of
85 other program modifications.⁵ During this timeframe, the price of solar panels rapidly
86 decreased and government subsidies were implemented, resulting in rapid growth of

¹ PacifiCorp's 2019 Integrated Resource Plan, Chapter 1 – Executive Summary.

² See *In the Matter of the Investigation Into the Reasonableness of Rates and Charges of PacifiCorp, dba Utah Power & Light Company*, Report and Order (March 4, 1999), 1999 WL 35637961, at *68 (Utah P.S.C. March 4, 1999).

³ Docket No. 97-2035-01, Report of the Energy Efficiency and Renewable Task Force, at 36 (Utah P.S.C. December 23, 1999).

⁴ L. Utah 2002, Ch. 6.; See also Docket No. 02-035-T05, Tariff Approval Letter (Utah P.S.C. June 24, 2002).

⁵ See Docket Nos. 08-035-78, 08-035-T04, 09-035-T03, 10-035-T04, 10-035-T12, 11-035-T05, 12-035-T09, 13-035-T09, 13-035-T10, and 14-035-T06.

87 net metering adoption. To address concerns of cost shifting due to an unsustainable
88 ratemaking structure, the Company filed a general rate case in Docket No. 13-035-184
89 that included a proposal to implement a monthly facilities charge for residential
90 customers on Electric Service Schedule No. 135 – Net Metering Service (“Schedule
91 135”) to recover the fixed distribution and retail costs associated with serving net
92 metering customers. In that proceeding, the Commission examined the issue and
93 concluded that a separate docket was necessary to examine the costs and benefits of the
94 Company’s net metering program. The separate docket established by the Commission
95 was Docket No. 14-035-114 (“NEM Docket”).

96 **Q. Please provide an overview of the NEM Docket.**

97 A. On August 29, 2014, the Commission initiated the NEM Docket to evaluate the
98 Company’s net metering program in accordance with Utah Code Ann. § 54-15-105.1.
99 This statutory provision requires the Commission to: (1) determine, after appropriate
100 notice and opportunity for public comment, whether costs that the Company or other
101 customers will incur from a net metering program will exceed the benefits of the net
102 metering program, or whether the benefits of the net metering program will exceed the
103 costs; and (2) determine a just and reasonable charge, credit, or ratemaking structure,
104 including new or existing tariffs, in light of the costs and benefits. The NEM Docket
105 was bifurcated to focus on each of these questions separately. Ultimately, on August
106 27, 2017, the majority of the parties⁶ in the case agreed to the NEM Stipulation, which

⁶ The following parties are signatories to the NEM Stipulation: PacifiCorp, Office of Consumer Services, Division of Public Utilities, Vivint Solar, Inc., Auric Solar, LLC, HEAL Utah, Intermountain Wind and Solar, LLC, Legend Ventures, LLC dba Legend Solar, LLC, Utah Solar Energy Association,, Salt Lake City Corporation, Utah Clean Energy, Summit County, Utah Citizens Advocating Renewable Energy, and Park City Municipal Corporation.

107 was approved by the Commission on September 29, 2017.

108 **Q. What are the major aspects of the NEM Stipulation?**

109 A. In summary, the NEM Stipulation:

- 110 1. Capped participation in the Schedule 135 net metering program at the
111 cumulative generating capacity of all customer generating systems that
112 submitted interconnection applications as of November 15, 2017 (“NEM Cap
113 Date”)⁷;
- 114 2. Grandfathered Schedule 135 net metering customers in the net metering
115 program through December 31, 2035 (“Grandfathering Period”);
- 116 3. Established the transition program (“Transition Program”) for customers who
117 submitted an interconnection application after the NEM Cap Date but before a
118 specified cap is met (“Transition Customers”). The cumulative interconnected
119 nameplate capacity of all Transition Customers was capped at 170 MW for
120 residential and small non-residential customers and 70 MW for large non-
121 residential customers (“Transition Cap”);
- 122 4. Fixed the compensation paid to Transition Customers on Schedule 136 for
123 energy exported to the grid (“Export Credits”) through December 31, 2032
124 (“Transition Period”), measuring and netting Transition Customers’ usage and
125 Export Credits using 15-minute intervals;
- 126 5. Provided the Company the ability to recover the energy payments it makes to
127 the Transition Program customers through the Energy Balancing Account
128 (“EBA”);

⁷ The NEM Stipulation set the NEM Cap Date to be the earlier of: (a) 60 days after the Commission issued an order approving the NEM Stipulation; or (b) November 15, 2017.

- 129 6. Set new customer generation interconnection fees and charges beginning on the
130 NEM Cap Date;
- 131 7. Established a new proceeding to determine the compensation for exported
132 power from customer generation systems (“Export Credit Proceeding”),
133 including Transition Customers after expiration of the Transition Period and
134 Schedule 135 Customers after expiration of the Grandfathering Period; and
- 135 8. Determined that customers who submit an interconnection application after the
136 date the Transition Cap is reached but before a final order is issued in the Export
137 Credit Proceeding will receive the Export Credit applicable to Transition
138 Customers until the Commission issues a final order in the Export Credit
139 Proceeding and a new tariff is implemented, after which such customers will be
140 subject to the terms of the new tariff.

141 **Q. Please elaborate about the purpose of the Export Credit Proceeding**

142 A. The NEM Stipulation required an Export Credit Proceeding to determine the
143 compensation rate for exported power from customer generation systems. In
144 accordance with the NEM Stipulation, parties must take no longer than three years to
145 complete the Export Credit Proceeding. Therefore, since the docket started on
146 December 1, 2017, it must be resolved by the end of 2020. This docket was bifurcated
147 into two phases: Phase one was adjudicated during 2018 to determine the load research
148 study plan, which was implemented in 2019. Phase two begins with this filing and will
149 determine the Export Credit Rate that will be paid to new customer generators after the
150 Transition Program ends. In addition, the interconnection fees and charges identified in
151 paragraph 17 of the NEM Stipulation are subject to reevaluation in this proceeding.

152 **Q. When will the Export Credit Rate that is determined in this proceeding apply to**
153 **customers on the Company’s existing customer generation programs?**

154 A. Per the terms of the NEM Stipulation, the Export Credit Rate established in this docket
155 will apply to Schedule 135 customers on January 1, 2036 and to Schedule 136
156 customers on January 1, 2033.

157 **Q. How will new customer generators be affected by this proceeding?**

158 A. The NEM Stipulation states that customers who submit a complete interconnection
159 application after the applicable Transition Cap is met, but before the Commission issues
160 a final order in this proceeding, will receive the Transition Export Credit or the
161 Modified Transition Export Credit (as applicable) until the Commission issues an order
162 in the Export Credit Proceeding and a new tariff is implemented, at which time such
163 customers will be subject to the terms of the new tariff, as determined by the
164 Commission.⁸

165 **Q. Please provide the current status of the Schedule 136 cumulative interconnections**
166 **to date, compared to the Transition Cap.**

167 A. The Transition Cap for residential and small non-residential customers is 170 MW. As
168 of December 31, 2019, residential and small non-residential, defined by the NEM
169 Stipulation to include rate schedules 1, 2, 3, 15, and 23, is currently at a cumulative
170 interconnected nameplate capacity of 52.4 MW with approximately 36 MW pending.
171 The Transition Cap for large non-residential customers is 70 MW. Currently, large non-
172 residential rate schedules 6, 6A, 6B, 8 and 10 are at a cumulative interconnected
173 nameplate capacity of 4 MW with approximately 11.8 MW pending.

⁸ Transition Export Credit and Modified Transition Export Credit are described in paragraphs 19-21 of the NEM Stipulation.

174 **Rocky Mountain Power Proposal**

175 **Q. Please summarize the Company's proposal.**

176 A. The Company's proposal is a cost-based, reasonable approach that is consistent with
177 the NEM Stipulation. In summary, the Company's proposal:

- 178 1) Recommends a net billing tariff for new customer generators. The net billing
179 tariff will provide export credits to customer generators for all energy exported
180 to the grid from their generation system. Customer energy use that is provided
181 by the Company would be billed under the standard applicable tariff. Energy
182 generated and consumed on-site by customers will serve to offset kilowatt-
183 hours that would otherwise have been imported from the Company to the
184 customer;
- 185 2) Presents a new schedule, Electric Service Schedule No. 137 – Net Billing
186 Service, for new customer generators effective January 1, 2021;
- 187 3) Proposes an average Export Credit Rate of 1.526 cents per kilowatt-hour. The
188 Export Credit will be applied differentially, based on the time of day and season
189 when the energy is exported. Under the Company's proposal, the prices would
190 be updated annually;
- 191 4) Implements a one-time, non-refundable application fee of \$150 for
192 interconnection applications under Schedule 137;
- 193 5) Implements a one-time, customer generation meter fee of \$160 for
194 interconnection applications under Schedule 137;

195 6) Closes Schedule 136 to new applications received after December 31, 2020.
196 Customers who submit a complete interconnection application prior to
197 December 31, 2020 will have a 12 month period to interconnect.

198 **Q. How does Schedule 137 achieve a fair and balanced outcome for all customers?**

199 A. A customer with on-site generation should be paid for any exported energy at a rate that
200 is competitive with what customers pay for other energy with similar characteristics,
201 rather than at the full retail rate. The Company does not propose paying customers less
202 than market value for their exported energy. At the same time, the Company does not
203 believe that non-participating customers should subsidize customers with on-site
204 generation. A fair and balanced solution is achievable while maintaining Utah's energy
205 rates, which are among the lowest in the nation. The Company's request presents a
206 simple, fair, and balanced solution: (1) customers should pay the cost for the energy
207 they use; and (2) customers with on-site generation should receive fair value for energy
208 they export that is comparable to what could be procured from alternative sources of
209 energy.

210 **Q. What is the proposed structure for the new Net Billing Program?**

211 A. The Company proposes to implement a Net Billing Program that would provide credits
212 to customer generators for all energy exported to the grid from their generation systems.
213 The compensation for exported energy will vary based on the time at which the energy
214 is exported, with different prices for summer, winter, on-peak, and off-peak times. All
215 energy usage provided by the Company will be at customers' applicable electric service
216 schedule rate, which is applicable to all similarly situated customers. Energy generated

217 and consumed on-site by customers will offset kilowatt-hours that would otherwise
218 have been provided by the Company.

219 **Q. Did the NEM Stipulation address recovery of the Export Credits for Schedule**
220 **136?**

221 A. Yes. Paragraph 32 of the NEM Stipulation states:

222 The difference between: a) export credits to Transition Customers
223 throughout the Transition Period and export credits to Post-Transition
224 Customers until the tariff is implemented after the Export Credit
225 Proceeding and b) the market value of these exports adjusted for line
226 losses will be recovered 100 percent through the Energy Balancing
227 Account or another pass-through mechanism as determined by the
228 Commission on a Utah-situs basis. In the Export Credit Proceeding,
229 or appropriate subsequent proceeding, the Parties may address the
230 methodology for calculating the amount for recovery of the export
231 credits to be run through the Energy Balancing Account or other pass-
232 through mechanism, and the treatment of export credit recovery,
233 including situs assignment, to be implemented after the Export Credit
234 Proceeding for Post-Transition Customers and customers
235 interconnecting after the Export Credit Proceeding, provided,
236 however, that the recovery of the Commission-approved amount
237 remains 100 percent.

238 Per the NEM Stipulation, the Company has been recovering the export
239 credits paid to Schedule 136 customers through the EBA.

240 **Q. Does the Company propose to continue this treatment?**

241 A. Yes. The Company also proposes to recover the Export Credits paid to
242 Schedule 137 customers through the EBA in the same manner.

243 **Q. Please identify the other witnesses supporting the Company's filing and the**
244 **subject of their testimony.**

245 A. Mr. Robert M. Meredith, will present the Company's proposed Schedule 137, Net
246 Billing Program, and tariff changes to Schedule 136 that will effectuate an orderly

247 transition to the new program. Mr. Daniel J. MacNeil will describe the valuation of
248 excess exported customer generation.

249 **Conclusion**

250 **Q. What is your recommendation for the Commission?**

251 A. The Company requests that the Commission approve the proposals set forth in this
252 application. The Company's proposals would implement a new Net Billing Program
253 that allows customers to choose to invest in onsite customer generation systems while
254 protecting customers who do not invest in these systems from the cost-shifting impacts
255 of those choices.

256 **Q. Does this conclude your direct testimony?**

257 A. Yes.

Rocky Mountain Power
Docket No. 17-035-61
Witness: Robert M. Meredith

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Direct Testimony of Robert M. Meredith

February 2020

1 **Q. Please state your name, business address, and present position with PacifiCorp**
2 **d/b/a Rocky Mountain Power (“the Company”).**

3 A. My name is Robert M. Meredith. My business address is 825 N.E. Multnomah St, Suite
4 2000, Portland, Oregon 97232. My present position is Director, Pricing and Cost of
5 Service.

6 **Qualifications**

7 **Q. Briefly describe your educational and professional background.**

8 A. I have a Bachelor of Science degree in Business Administration and a minor in
9 Economics from Oregon State University. In addition to my formal education, I have
10 attended various industry-related seminars. I have worked for the Company for 15 years
11 in various roles of increasing responsibility in the Customer Service, Regulation, and
12 Integrated Resource Planning departments. I have over nine years of experience
13 preparing cost of service and pricing related analyses for all of the six states that
14 PacifiCorp serves. In March 2016, I became Manager, Pricing and Cost of Service. In
15 June 2019, I was promoted to my current position.

16 **Q. Have you testified in previous regulatory proceedings?**

17 A. Yes. I have previously filed testimony on behalf of the company in regulatory
18 proceedings in Utah, Wyoming, Idaho, Oregon, Washington, and California.

19 **Q. What is the purpose of your testimony in this proceeding?**

20 A. My testimony presents the Company’s proposed Schedule 137, Net Billing Service, a
21 successor program to Schedule 136, Transition Program for Customer Generators, for
22 customer generators along with tariff changes to Schedule 136 which would effectuate
23 an orderly transition to the new program. My testimony includes a description of the

24 proposed export credit rates, a discussion of how the proposed Net Billing program
25 would work, and a presentation of an analysis that supports the Company's proposed
26 application fee.

27 **Proposed Net Billing Tariff**

28 **Q. Please present the Company's proposed Net Billing tariff.**

29 A. The Company's proposed Net Billing program is set forth in the proposed tariff
30 Schedule 137, Net Billing Service which is provided in Exhibit RMP ___ (RMM-1). The
31 program will provide export credits to customer generators for all energy exported to
32 the grid from their generation system. At the same time, all energy usage provided by
33 the Company to the customer would be billed under the standard applicable tariff.
34 Energy generated and consumed on-site will serve to offset kilowatt-hours that would
35 otherwise have been imported from the Company to the customer. The price provided
36 for export credits will be updated annually on July 1.

37 **Q. How is the Company's proposed Net Billing program different than Schedule 136**
38 **– Transition Program for Customer Generators, the customer generation**
39 **program currently available?**

40 A. There are several key differences that the Company proposes for the Net Billing
41 program. Instead of receiving a fixed locked-in price for export credits that is based
42 upon 90 percent of average energy charges, the export credit price for the Net Billing
43 program would be based upon the actual value for exported energy as it varies across
44 seasons (summer and winter) and time of use periods (on- and off-peak). Export credit
45 prices under the Net Billing program would be updated annually to reflect the most up-
46 to-date information. This will ensure that costs are not shifted onto other customers and

47 the prices paid for exported energy evolve with their value over time. The Company
48 also proposes that there be no interval netting of exported and delivered energy in the
49 Net Billing program. Export credits would be provided to customer generators for all
50 energy exported to the grid and standard retail tariff charges would apply to all energy
51 delivered to the customer. This is different from Schedule 136, where exported and
52 delivered energy are netted on a 15 minute interval basis. Finally, the Company
53 proposes a flat non-refundable \$150 application fee for customers seeking to participate
54 in the Net Billing program along with a \$160 customer generation metering fee.

55 **Q. What is the proposed export credit rate for exported energy?**

56 A. The overall proposed export credit rate is 1.5261 cents per kilowatt-hour. The basis for
57 this rate is described in the testimony of Company witness Mr. Daniel J. MacNeil. The
58 Company proposes that this export credit rate be applied to energy based upon the time
59 at which it is exported. During the summer months of June through September, energy
60 exported during the on-peak hours of 4pm to 8pm, Monday through Friday excluding
61 holidays would receive a 2.6293 cents per kilowatt-hour credit. During all other hours,
62 which would be considered off-peak, energy exported would receive a 1.7080 cents per
63 kilowatt-hour credit. During the winter months of October through May, a 2.2409 cents
64 per kilowatt-hour credit would apply to on-peak exported energy between 7am to 9am
65 and 6pm to 8pm, Monday through Friday excluding holidays. A 1.3247 cents per
66 kilowatt-hour credit would apply to off-peak exported energy during all other hours.

67 **Q. Will the Company credit or charge customers for kilowatt-hours that are**
68 **generated by the customer and consumed on-site?**

69 A. No. Kilowatt-hours generated and consumed on-site will lower the customer

70 generator's imported energy needs from the Company, thereby lowering their electric
71 bill from the standard tariff. There will be no other charge or credit for these kilowatt-
72 hours under the proposed Net Billing program.

73 **Q. Why does the Company propose that exported energy credit prices be**
74 **differentiated by season and time of export?**

75 A. Differentiating the price of exported energy better reflects the costs and benefits of
76 distributed energy resources and encourages customers to build and operate their
77 systems in ways that are the most beneficial to the power grid. For example, customer
78 generation is most valuable to the power grid in the early evening period in the summer.
79 Differentiated pricing encourages customers to shift their export of energy from the
80 low usage, middle of the day, to the higher value, early evening period. This shift
81 encourages energy production during costly periods when the demand for energy
82 increases rapidly from diminishing solar production and increasing net residential
83 usage. The higher compensation for exported energy during the on-peak periods will
84 encourage customers to find innovative solutions to their energy needs such as building
85 west facing systems which generate more energy later in the day. Along with building
86 generation systems that produce more during on-peak periods, customer generators can
87 achieve more value from their system by shifting consumption to use more of their
88 energy production during high output off-peak periods. For example, customer
89 generators could set a timer for their dishwasher to run or their electric vehicle to charge
90 during sunny, middle of the day off-peak times. Innovations, along with conscious
91 energy choices in the home, will contribute to a more efficient power grid and lower
92 net power costs for all customers. By offering a higher credit price during the on-peak

93 period, the Company is fairly compensating the customers that export energy during
94 periods when energy is more valuable and encouraging customers to invest in
95 innovation.

96 **Q. How often would export credit prices be updated on proposed Schedule 137?**

97 A. The Company proposes to update export credit rates annually. By April 30 each year,
98 the Company would make a filing with updated prices to be effective July 1.

99 **Q. Under what interval will energy exported to the grid and energy delivered from
100 the Company be netted against each other?**

101 A. The energy exported to the grid and energy delivered from the Company would not be
102 netted against each other over an interval period. Customers' billings would be based
103 upon total energy exported and total energy delivered for each monthly billing cycle.
104 These energy measurements would be computed in real time and would not rely upon
105 a specific interval period such as a 15 minute or hourly interval.

106 **Q. Why is the Company proposing no netting of energy for this program like
107 Schedule 136 where exported and delivered energy are netted on a 15 minute
108 interval basis?**

109 A. There are three reasons why the Company is proposing no interval netting for the
110 proposed program. First, using an interval over which exports and imports are netted
111 masks the intertemporal reality of the service that the Company provides. One benefit
112 of the Company's proposed Net Billing program is that it sends a price signal for
113 customer generators to align their usage with their generation output. This can benefit
114 the Company and other non-participating customers by accurately accounting for the
115 load that the customers with generation draw from the system. Netting over an interval

116 period, such as 15 minutes or an hour, sends a weaker price signal for customer
117 generators to match usage with generation. With the scale of customer generation that
118 has been adopted in the Company' service territory¹, encouraging alignment of loads
119 with intermittent generation has never been more important. When a cloud rolls by an
120 area where extensive customer generation is present, the energy on the system will
121 suddenly drop and the Company must provide the power demanded. Indeed, every
122 fraction of a second the Company must serve the load requirements of its customers as
123 they fluctuate in real time. Sending a robust price signal to match customer generation
124 with load as the Company has proposed in its Net Billing program provides a greater
125 opportunity for customer generators to benefit the system.

126 Second, using total exported energy and total delivered energy in the billing
127 calculation is a simpler concept to explain to customers than netting over each
128 15 minute interval. It is much easier for someone to understand that all energy sent to
129 the grid will get a certain export price and all energy delivered to the customer will be
130 billed at standard tariff rates than to describe how energy is netted in every 15 minute
131 period.

132 Finally, using the registers for exported and delivered energy instead of relying
133 upon profile data to bill customers is less administratively burdensome for the
134 Company. Without netting, the Company's meters will simply record energy delivered
135 and energy exported in the on- and off-peak time periods and send those registers to
136 the Company's billing system to calculate a bill for the customer. While the Company

¹ As of the end of December 2019, 38,546 customers has interconnected about 309 megawatts of customer generation in the Company's Utah service territory.

137 has automated much of the process for billing Schedule 136 customers based upon 15
138 minute intervals, there still is some backend manual work that is required to accurately
139 bill customers. Fifteen minute interval netting requires profile data for each meter
140 which on average includes 2,920² reads for each monthly billing period. Most of the
141 time, there are no issues with this data, but when there are, Company employees must
142 resolve them. The Company's proposed program which has no interval netting would
143 avoid this added workload.

144 **Q. What difference can 15 minute interval netting make to the volume of exported**
145 **energy?**

146 A. Examining the metering data from Schedule 136 from the 12 month period ending
147 December 31, 2019 shows that netting energy on a 15 minute interval basis makes very
148 little difference in the total volume of exported energy to be used for billing.
149 Exhibit RMP___(RMM-2) shows the results of this comparison. With 15 minute
150 interval netting, the Company estimates that exported energy was about 50.5 percent
151 of overall customer generation. Without netting, the Company estimates that exported
152 energy would be 52.3 percent of overall customer generation.

153 **Q. Under the Company's proposed Net Billing program, will export credits ever**
154 **expire?**

155 A. Yes. The Company's proposed Net Billing program is for customers to offset some or
156 all of their energy bill with onsite generation, not for a customer to become a power
157 producer. To encourage customers to appropriately size their generation systems to
158 match actual usage at the site of the system, the Company proposes that export credits

² (365 days in a year * 24 hours in a day * 4 intervals in an hour) / 12 monthly billing periods in a year.

159 may be rolled over until March of each year for most customers and until October for
160 irrigation customers. This proposal allows customers a reasonable opportunity to
161 accumulate and use credits to offset actual energy use at the location of the distributed
162 energy system.

163 **Q. Will export credits be able to offset a customer's entire monthly bill?**

164 A. No. The Company proposes that export credits be able to offset all charges on the
165 customer generator's monthly bills except for customer service charges. All customers,
166 including those with onsite generation, should be responsible for paying customer
167 service charges which are designed to reflect some of the fixed aspects of service like
168 having a meter and getting a bill that are not avoided regardless of how much a
169 customer generates.

170 **Q. Please describe how the proposed Schedule 137 Net Billing program tariff is
171 similar to the Schedule 136 Transition program tariff.**

172 A. Schedule 137 contains the same provisions related to safely interconnecting to
173 customers' systems. It also grants the Company the ability to install production meters
174 for research purposes and provides participants the opportunity to aggregate meters
175 under the same provisions in Schedule 136.

176 **Proposed Schedule 136 Tariff Changes**

177 **Q. What changes does the Company propose for existing Schedule 136?**

178 A. To comply with the terms of the Settlement Agreement filed on August 28, 2017 in
179 Docket No. 14-035-114 ("NEM Settlement") and to efficiently transition to the new
180 Net Billing successor program, the Company proposes to revise Schedule 136 to close
181 it to new applications for service and to provide customers with a 12 month period to

182 interconnect with a 6 month extension available upon request for Large Non-
183 Residential Customers. Exhibit RMP ___(RMM-1) shows proposed tariff revisions for
184 Schedule 136 with the added heading of “Closed to Applications for New Service as of
185 January 1, 2021”. Paragraph 15 of the NEM Settlement specifies that the applications
186 may be submitted for the transition program for customer generators up to the earlier
187 of the date the transition cap is reached or the date the Commission issues a final order
188 in the Export Credit Proceeding. Proposed tariff sheets for Schedule 136 list January 1,
189 2021 as an illustrative placeholder date for the date when the program would be closed
190 to new applications. After either the cap is reached or the Commission issues its final
191 order, the Company would make a compliance filing reflecting the actual date that
192 either of these events occurred.

193 The Company also proposes to add a Special Condition to clarify that “A
194 Customer submitting an application for service under this Schedule has 12 months from
195 the Customer’s receipt of confirmation that the interconnection request is approved to
196 interconnect. Large Non-Residential Customers will be allowed a six-month extension
197 of the 12-month interconnection deadline upon request.” This provision which is
198 identical to what is in the Net Metering tariff (Schedule 135) will give customers a
199 reasonable amount of time to interconnect their customer generation system after they
200 submit their application and still qualify for Schedule 136.

201 **Proposed Application Fee**

202 **Q. Please explain the Company’s proposed application fee for customers seeking**
203 **service on Schedule 137.**

204 A. The Company proposes a onetime non-refundable \$150 application fee which reflects

205 the administrative cost associated with processing and approving applications for
206 interconnection.

207 **Q. How was this application fee calculated?**

208 A. Exhibit RMP___(RMM-3) shows the calculation. The Company reviewed actual costs
209 incurred to process applications for customer generation interconnections in the twelve
210 month period ending June 30, 2019. These costs include administrative review and
211 processing, engineering reviews, and customer service expense. The Company's
212 overall cost to process Schedule 136 customer generator applications in the state of
213 Utah was \$732,893. Dividing this overall cost by 4,727 applications for Schedule 136
214 that were received in Utah yields a cost of roughly \$155 per application. The Company
215 proposes rounding this amount down to \$150.

216 **Q. Why is an application fee the appropriate mechanism for recovering these costs?**

217 A. The cost of processing customer generator interconnection applications is driven by the
218 volume of those applications; thus, it is appropriate and sensible for these costs to be
219 recovered from the customers on whose behalf the costs were incurred. A further
220 benefit is that an application fee can limit the number of unnecessary applications,
221 thereby lowering the costs associated with their processing and approval. For example,
222 without a charge, a customer or installer may submit an application even if the customer
223 is not very serious about installing a customer generation system, because he or she
224 faces no cost to apply. The Company would still incur costs related to that application
225 even if no customer generation system is ever installed. Charging a small application
226 fee may prevent some of the customers who are not serious about installing a new
227 customer generation system, from applying.

228 **Q. Why is the Company not proposing separate application fees for Levels 1, 2, and**
229 **3 like it does in Schedule 136?**

230 A. The Company is only proposing a single fee of \$150 for each Schedule 137 application
231 to simplify its application process and make the cost of interconnecting more
232 transparent for customers.

233 **Q. Does the Company also propose a fee for the added cost of a new meter like the**
234 **Schedule 136 meter fee?**

235 A. Yes. The Company proposes a \$160 customer generation metering fee for new
236 Schedule 137 participants. After a customer interconnects customer generation, the
237 Company must measure the quantities of energy that are both delivered to the customer
238 and exported by the customer to the grid in order to bill the customer. The Company is
239 planning a partial deployment of advanced metering infrastructure (“AMI”) in Utah in
240 2020 and 2021. For customers who have an AMI meter installed, the cost to re-program
241 the customer’s meter to begin recording delivered and exported energy will be
242 substantially less than it was in the past. The Company estimates that it will expend
243 about \$20 to re-program the meter for a new customer-generator with AMI. New
244 customer generators who do not have AMI will be equipped with an AMI meter that
245 will be programmed to measure delivered and exported energy, which the Company
246 estimates will cost \$193.26 to install. Exhibit RMP___(RMM-4) shows that taking a
247 weighted average of the \$20 cost for customers with AMI and the \$193.26 cost for
248 customers without AMI by the anticipated customer counts with and without AMI after
249 deployment at the end of 2021 yields an estimated metering cost of \$160.34. The
250 Company rounded this value down to \$160 for its proposed fee.

251 **Q. Please summarize your testimony.**

252 A. The Company's proposed Net Billing program will provide customers with an
253 opportunity to interconnect renewable energy systems to the Company's system and be
254 fairly compensated for the energy they provide to the grid while holding other
255 customers harmless. The Net Billing program is fair, just, in the public interest, and
256 provides reasonable, cost-based compensation to customer generators for their output.

257 **Q. What is your recommendation for the Commission?**

258 A. The Company recommends that the Commission approve its proposed tariff Schedule
259 137, Net Billing Service.

260 **Q. Does this conclude your direct testimony?**

261 A. Yes.

Rocky Mountain Power
Exhibit RMP__ (RMM-1)
Docket No. 17-035-61
Witness: Robert M. Meredith

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Exhibit Accompanying Direct Testimony of Robert M. Meredith
Proposed Tariffs

February 2020

P.S.C.U. No. 50

First Revision of Sheet No. 136.1
Canceling Original Sheet No. 136.1

ROCKY MOUNTAIN POWER

ELECTRIC SERVICE SCHEDULE NO. 136

STATE OF UTAH

Transition Program for Customer Generators
Closed to Applications for New Service as of January 1, 2021

AVAILABILITY: At any point on the Company's interconnected system.

APPLICATION: On a first-come, first-served basis to a customer that owns or leases a customer-operated renewable generating facility or, an eligible customer that purchases electricity from an independent energy producer operating a renewable generating facility, with a capacity of not more than twenty-five (25) kilowatts for a residential facility or two (2) megawatts for a non-residential facility that is located on, or adjacent to, the customers' premises, is interconnected and operates in parallel with the Company's existing distribution facilities, is intended primarily to offset part or all of the customer's own electrical requirements, is controlled by an inverter capable of enabling safe and efficient synchronous coupling with Rocky Mountain Power's electrical system, and has executed an Interconnection Agreement for Transition Program Service with the Company. This Schedule shall be available up to a cumulative cap of 170 megawatts (direct current) of Installed Capacity for residential and small non-residential customers, and up to a cumulative cap of 70 megawatts (direct current) of Installed Capacity for large non-residential customers. This Schedule is offered in compliance with the Commission order dated September 29, 2017 in Docket No. 14-035-114.

TERM: Service under this Schedule will terminate on December 31, 2032.

DEFINITIONS:

An Inverter means a device that converts direct current power into alternating current power that is compatible with power generated by the Company.

Annualized Billing Period for all customers except Customers taking service under Electric Service Schedule 10 means the period commencing after the regularly scheduled meter reading for the month of March or in the case of new Schedule 136 service customers, the date that the customer first takes service on Schedule 136 and ending on the regularly scheduled meter reading for the month of March. The Annualized Billing Period for Schedule 10 Customers shall commence after the regularly scheduled meter reading for the month of October, or for new Schedule 10 Customers beginning service on Schedule 136, the date that the customer first takes service on Schedule 136 and

(continued)

Issued by authority of Report and Order of the Public Service Commission of Utah in Docket No. ~~14-035-114~~17-035-61

FILED: ~~October 24, 2017~~February 3, 2020 **EFFECTIVE:** ~~November 15, 2017~~January 1, 2021



P.S.C.U. No. 50
136.1

First Revision of Sheet No. 136.1
Canceling Original Sheet No.

ending on the regularly scheduled meter reading for the month of October.

(continued)

Issued by authority of Report and Order of the Public Service Commission of Utah in Docket No. ~~14-035-~~
~~H4~~17-035-61

FILED: ~~October 24, 2017~~February 3, 2020 **EFFECTIVE:** ~~November 15, 2017~~January 1, 2021

P.S.C.U. No. 50

First Second Revision of Sheet No. 136.6
Canceling ~~Original First Revision of~~ Sheet No. 136.6

ELECTRIC SERVICE SCHEDULE NO. 136 – Continued

17. A Customer submitting an application for service under this Schedule has 12 months from the Customer's receipt of confirmation that the interconnection request is approved to interconnect. Large Non-Residential Customers will be allowed a six-month extension of the 12-month interconnection deadline upon request.

~~17.~~18. Upon the customer-generator's request and within thirty (30) days' notice to the Company, the Company shall aggregate for billing purposes the meter to which the net metering facility is physically attached ("designated meter") with one or more meters ("additional meter") if the following conditions are met:

- (a) the additional meter is located on or adjacent to premises of the customer-generator;
- (b) the additional meter is used to measure only electricity used for the customer-generator's requirements;
- (c) the designated meter and additional meter are subject to the same rate schedule; and
- (d) the designated meter and the additional meter are served by the same primary feeder.

At the time of notice to the Company, the customer-generator must identify the designated meter at which Exported Customer-Generator Energy will be measured and netted, and the specific aggregated meters and a rank order for the aggregated meters to which the computed export credit is to be applied. The Customer may change the designated meter and ranking once in a 12-month period. If a change in the designated meter requires installation of a new meter capable of measuring 15-minute intervals, a new meter fee may apply. Aggregation services for billing purposes will be subject to the following fees:

- (e) two to five aggregated meters - \$2.00 per meter per month
- (f) six or more aggregated meters - \$25.00 per month flat fee

ELECTRIC SERVICE REGULATIONS: Service under this Schedule will be in accordance with the terms of the Electric Service Agreement between the Customer and the Company. The Electric Service Regulations of the Company on file with and approved by the Public Service Commission of the State of Utah, including future applicable amendments, will be considered as forming a part of and incorporated in said Agreement.

Issued by authority of Report and Order of the Public Service Commission of Utah in Docket No. ~~14-035-~~
~~14~~17-035-61

FILED: ~~December 14, 2017~~February 3, 2020

EFFECTIVE: January ~~16, 2018~~1, 2021

P.S.C.U. No. 50

**First Revision of Sheet No. 136.1
Canceling Original Sheet No. 136.1**

ROCKY MOUNTAIN POWER

ELECTRIC SERVICE SCHEDULE NO. 136

STATE OF UTAH

**Transition Program for Customer Generators
Closed to Applications for New Service as of January 1, 2021**

AVAILABILITY: At any point on the Company's interconnected system.

APPLICATION: On a first-come, first-served basis to a customer that owns or leases a customer-operated renewable generating facility or, an eligible customer that purchases electricity from an independent energy producer operating a renewable generating facility, with a capacity of not more than twenty-five (25) kilowatts for a residential facility or two (2) megawatts for a non-residential facility that is located on, or adjacent to, the customers' premises, is interconnected and operates in parallel with the Company's existing distribution facilities, is intended primarily to offset part or all of the customer's own electrical requirements, is controlled by an inverter capable of enabling safe and efficient synchronous coupling with Rocky Mountain Power's electrical system, and has executed an Interconnection Agreement for Transition Program Service with the Company. This Schedule shall be available up to a cumulative cap of 170 megawatts (direct current) of Installed Capacity for residential and small non-residential customers, and up to a cumulative cap of 70 megawatts (direct current) of Installed Capacity for large non-residential customers. This Schedule is offered in compliance with the Commission order dated September 29, 2017 in Docket No. 14-035-114.

TERM: Service under this Schedule will terminate on December 31, 2032.

DEFINITIONS:

An Inverter means a device that converts direct current power into alternating current power that is compatible with power generated by the Company.

Annualized Billing Period for all customers except Customers taking service under Electric Service Schedule 10 means the period commencing after the regularly scheduled meter reading for the month of March or in the case of new Schedule 136 service customers, the date that the customer first takes service on Schedule 136 and ending on the regularly scheduled meter reading for the month of March. The Annualized Billing Period for Schedule 10 Customers shall commence after the regularly scheduled meter reading for the month of October, or for new Schedule 10 Customers beginning service on Schedule 136, the date that the customer first takes service on Schedule 136 and ending on the regularly scheduled meter reading for the month of October.

(continued)

Issued by authority of Report and Order of the Public Service Commission of Utah in Docket No. 17-035-61

FILED: February 3, 2020

EFFECTIVE: January 1, 2021

ELECTRIC SERVICE SCHEDULE NO. 136 – Continued

17. A Customer submitting an application for service under this Schedule has 12 months from the Customer's receipt of confirmation that the interconnection request is approved to interconnect. Large Non-Residential Customers will be allowed a six-month extension of the 12-month interconnection deadline upon request.
18. Upon the customer-generator's request and within thirty (30) days' notice to the Company, the Company shall aggregate for billing purposes the meter to which the net metering facility is physically attached ("designated meter") with one or more meters ("additional meter") if the following conditions are met:
- (a) the additional meter is located on or adjacent to premises of the customer-generator;
 - (b) the additional meter is used to measure only electricity used for the customer-generator's requirements;
 - (c) the designated meter and additional meter are subject to the same rate schedule; and
 - (d) the designated meter and the additional meter are served by the same primary feeder.

At the time of notice to the Company, the customer-generator must identify the designated meter at which Exported Customer-Generator Energy will be measured and netted, and the specific aggregated meters and a rank order for the aggregated meters to which the computed export credit is to be applied. The Customer may change the designated meter and ranking once in a 12-month period. If a change in the designated meter requires installation of a new meter capable of measuring 15-minute intervals, a new meter fee may apply. Aggregation services for billing purposes will be subject to the following fees:

- (e) two to five aggregated meters - \$2.00 per meter per month
- (f) six or more aggregated meters - \$25.00 per month flat fee

ELECTRIC SERVICE REGULATIONS: Service under this Schedule will be in accordance with the terms of the Electric Service Agreement between the Customer and the Company. The Electric Service Regulations of the Company on file with and approved by the Public Service Commission of the State of Utah, including future applicable amendments, will be considered as forming a part of and incorporated in said Agreement.

ROCKY MOUNTAIN POWER
ELECTRIC SERVICE SCHEDULE NO. 137

STATE OF UTAH

Net Billing Service

AVAILABILITY: At any point on the Company's interconnected system.

APPLICATION: To a customer that owns or leases a customer-operated renewable generating facility or, an eligible customer that purchases electricity from an independent energy producer operating a renewable generating facility, with a capacity of not more than twenty-five (25) kilowatts for a residential facility or two (2) megawatts for a non-residential facility that is located on, or adjacent to, the customers' premises, is interconnected and operates in parallel with the Company's existing distribution facilities, is intended primarily to offset part or all of the customer's own electrical requirements, is controlled by an inverter capable of enabling safe and efficient synchronous coupling with Rocky Mountain Power's electrical system, and has executed an Interconnection Agreement for Transition Program Service with the Company.

DEFINITIONS:

An Inverter means a device that converts direct current power into alternating current power that is compatible with power generated by the Company.

Annualized Billing Period for all customers except Customers taking service under Electric Service Schedule 10 means the period commencing after the regularly scheduled meter reading for the month of March or in the case of new Schedule 137 service customers, the date that the customer first takes service on Schedule 137 and ending on the regularly scheduled meter reading for the month of March. The Annualized Billing Period for Schedule 10 Customers shall commence after the regularly scheduled meter reading for the month of October, or for new Schedule 10 Customers beginning service on Schedule 137, the date that the customer first takes service on Schedule 137 and ending on the regularly scheduled meter reading for the month of October.

(continued)

Issued by authority of Report and Order of the Public Service Commission of Utah in Docket No. 17-035-61

FILED: February 3, 2020

EFFECTIVE: January 1, 2021

ELECTRIC SERVICE SCHEDULE NO. 137 – Continued

DEFINITIONS: (continued)

Installed Capacity is the nameplate capacity measured in watt direct current (DC).

Residential Customer means any customer that receives electric service under Electric Service Schedules 1, 2, 2E or 3.

Non-Residential Customer means any customer that does not receives electric service under Electric Service Schedules 1, 2, 2E or 3.

Renewable Generating Facility means a facility that uses energy derived from one of the following:

- a) solar photovoltaics;
- b) solar thermal energy;
- c) wind energy;
- d) hydrogen;
- e) organic waste;
- f) hydroelectric energy;
- g) waste gas and waste heat capture or recovery;
- h) biomass and biomass byproducts, except for the combustion of wood that has been treated with chemical preservatives such as creosote, pentachlorophenol, chromated copper arsenate, or municipal waste in a solid form;
- i) forest or rangeland woody debris from harvesting or thinning conducted to improve forest or rangeland ecological health and to reduce wildfire risk;
- j) agricultural residues;
- k) dedicated energy crops;
- l) landfill gas or biogas produced from organic matter, wastewater, anaerobic digesters, or municipal solid waste; or
- m) geothermal energy.

Exported Customer-Generated Energy means the amount of customer-generated Energy in excess of the customer's on-site consumption that is exported to the grid.

(continued)

Issued by authority of Report and Order of the Public Service Commission of Utah in Docket No. 17-035-61

FILED: February 3, 2020

EFFECTIVE: January 1, 2021

ELECTRIC SERVICE SCHEDULE NO. 137 – Continued

MONTHLY BILL: Energy charges for electricity consumption shall be computed in accordance with a Customer's applicable standard service tariff. Credits for Exported Customer-Generated Energy, if any, shall be computed at the following rates. Regardless of whether the Customer exports net generation during the month, the Customer shall be billed the minimum monthly amount from the applicable standard service tariff. All other charges shall be calculated in accordance with the Customer's applicable standard service tariff.

Exported Customer-Generated Energy Credit Rates:

Billing Months – June through September inclusive

2.6293¢ per kWh for all On-Peak kWh

1.7080¢ per kWh for all Off-Peak kWh

Billing Months – October through May inclusive

2.2409¢ per kWh for all On-Peak kWh

1.3247¢ per kWh for all Off-Peak kWh

TIME PERIODS:

On-Peak: October through May inclusive
7:00 a.m. to 9:00 a.m. and 6:00 p.m. to 8 p.m., Monday thru Friday, except holidays.
June through September inclusive
4:00 p.m. to 8:00 p.m., Monday thru Friday, except holidays.

Holidays include only New Year's Day, President's Day, Memorial Day, Independence Day, Pioneer Day, Labor Day, Thanksgiving Day, and Christmas Day. When a holiday falls on a Saturday or Sunday, the Friday before the holiday (if the holiday falls on a Saturday) or the Monday following the holiday (if the holiday falls on a Sunday) will be considered a holiday and consequently Off-Peak.

Due to the expansions of Daylight Saving Time (DST) as adopted under Section 110 of the U.S. Energy Policy Act of 2005 the time periods shown above will begin and end one hour later for the period between the second Sunday in March and the first Sunday in April, and for the period between the last Sunday in October and the first Sunday in November.

(continued)

Issued by authority of Report and Order of the Public Service Commission of Utah in Docket No. 17-035-61

FILED: February 3, 2020

EFFECTIVE: January 1, 2021

ELECTRIC SERVICE SCHEDULE NO. 137 – Continued

SPECIAL CONDITIONS:

1. Applications for service under this schedule will be subject to the following fees, in addition to any other applicable charges in Public Service Commission Rule R746-312-13:
 - a) Interconnection review request (non-refundable) - \$150.
 - b) Customer Generation Metering Fee - \$160.
The Customer Generation Metering Fee will be refundable to the Customer if the application process is terminated prior to metering changes.
2. Energy Charges in the applicable standard service tariff shall be computed from the total purchased Energy for the billing period.
3. The credit value in dollars computed for the Exported Customer-Generated Energy will be applied against the Power and Energy Charges on the Customer's monthly bill. Excess credits will carry-over to the next monthly bill during the Annualized Billing Period.
4. All unused credits accumulated by the customer-generator shall expire with the regularly scheduled meter reading at the conclusion of the Annualized Billing Period.
5. The customer-generator shall provide at the customer's expense all equipment necessary to meet applicable local and national standards regarding electrical and fire safety, power quality, and interconnection requirements established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories.
6. For customer-generator generation systems of 10 kilowatts or less that are inverter-based, a disconnect switch is not required. For all other generation systems, the customer-generator must install and maintain a manual disconnect switch that will disconnect the generating facility from the Company's distribution system. The disconnect switch must be a lockable, load-break switch that plainly indicates whether it is in the open or closed position. Except as provided in R746-312-4(2) (a) (ii), the disconnect switch must be readily accessible to the Company at all times and located within ten (10) feet of the Company's meter.
7. The Customer shall be responsible for the design, installation, operation and maintenance of the customer generation system and ensure that the customer generation system is in compliance with applicable codes. The Company shall not be held directly or indirectly liable for permitting or continuing to permit an interconnection of a customer-generation facility, or for an act or omission of a customer-generator in this program for loss, injury, or death to any third party. A Customer participating under this Schedule shall hold harmless and indemnify Rocky Mountain Power for all loss to third parties resulting from the operation of the Customer Generation Facility.

(continued)

Issued by authority of Report and Order of the Public Service Commission of Utah in Docket No. 17-035-61

FILED: February 3, 2020

EFFECTIVE: January 1, 2021

ELECTRIC SERVICE SCHEDULE NO. 137 – Continued

SPECIAL CONDITIONS: (continued)

8. The Company may test and inspect an interconnection at times that the electrical corporation considers necessary to ensure the safety of electrical workers and to preserve the integrity of the electric power grid.
9. Unless otherwise agreed to by a separate contract, the owner of the renewable energy facility retains ownership of the non-energy attributes associated with electricity the facility generates.
10. A Customer participating under this Schedule may be randomly selected for installation of one or more profile meters, which may include a meter to measure production from a customer generation system. If randomly selected, a Customer must allow the Company to install load research meters at a mutually convenient location. Installation of profile meters will not impact customer bills.
11. Service to a Customer under this Schedule may be terminated if: (a) the equipment approved for interconnection is affirmatively removed from service for any reason other than on a short-term basis for replacement of equipment, or repair of equipment or underlying structure, (b) the Customer makes a material modification to increase the size of the customer's generation system after interconnection, or (c) the Customer chooses to voluntarily change to another available customer generation program. If any of these conditions apply, the Customer must submit a new application for interconnection of the customer generation system under the applicable rules and tariff in effect at the time.
12. Upon the customer-generator's request and within thirty (30) days' notice to the Company, the Company shall aggregate for billing purposes the meter to which the net metering facility is physically attached ("designated meter") with one or more meters ("additional meter") if the following conditions are met:
 - (a) the additional meter is located on or adjacent to premises of the customer-generator;
 - (b) the additional meter is used to measure only electricity used for the customer-generator's requirements;
 - (c) the designated meter and additional meter are subject to the same rate schedule; and
 - (d) the designated meter and the additional meter are served by the same primary feeder.

(continued)

Issued by authority of Report and Order of the Public Service Commission of Utah in Docket No. 17-035-61

FILED: February 3, 2020

EFFECTIVE: January 1, 2021

ELECTRIC SERVICE SCHEDULE NO. 137 – Continued

SPECIAL CONDITIONS: (continued)

At the time of notice to the Company, the customer-generator must identify the designated meter at which Exported Customer-Generator Energy will be measured and netted, and the specific aggregated meters and a rank order for the aggregated meters to which the computed export credit is to be applied. The Customer may change the designated meter and ranking once in a 12-month period. If a change in the designated meter requires installation of a new meter capable of measuring 15-minute intervals, a new meter fee may apply. Aggregation services for billing purposes will be subject to the following fees:

- (e) two to five aggregated meters - \$2.00 per meter per month
- (f) six or more aggregated meters - \$25.00 per month flat fee

ELECTRIC SERVICE REGULATIONS: Service under this Schedule will be in accordance with the terms of the Electric Service Agreement between the Customer and the Company. The Electric Service Regulations of the Company on file with and approved by the Public Service Commission of the State of Utah, including future applicable amendments, will be considered as forming a part of and incorporated in said Agreement.

(continued)

Issued by authority of Report and Order of the Public Service Commission of Utah in Docket No. 17-035-61

FILED: February 3, 2020

EFFECTIVE: January 1, 2021

Rocky Mountain Power
Exhibit RMP__ (RMM-2)
Docket No. 17-035-61
Witness: Robert M. Meredith

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Exhibit Accompanying Direct Testimony of Robert M. Meredith
Comparison of Energy for Total Exports and 15 Minute Netted Exports

February 2020

**Rocky Mountain Power
 State of Utah
 Schedule 136
 Comparison of Energy for Total Exports and 15 Minute Netted Exports
 12 Months Ended December 31, 2019**

SCHEDULE	Exported Energy (kWh)		Est. Customer Generation (kWh)	Export % of Cust. Gen.	
	15 Min Netting	Total (No Netting)		15 Min Netting	Total (No Netting)
1-136	24,251,575	25,146,774	46,278,059	52.4%	54.3%
2-136	14,284	15,106	22,760	62.8%	66.4%
3-136	132,674	138,748	281,908	47.1%	49.2%
6-136	380,300	398,315	2,335,279	16.3%	17.1%
6A-136	13,802	15,480	143,844	9.6%	10.8%
8-136	0	0	66,720	0.0%	0.0%
23-136	466,756	475,709	923,341	50.6%	51.5%
TOTAL	25,259,391	26,190,132	50,051,912	50.5%	52.3%

Rocky Mountain Power
Exhibit RMP__ (RMM-3)
Docket No. 17-035-61
Witness: Robert M. Meredith

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Exhibit Accompanying Direct Testimony of Robert M. Meredith

Proposed Customer Generator Application Fee Calculation

February 2020

PACIFICORP
State of Utah
Proposed Customer Generator Application Fee Calculation

	Total Cost for Utah	Customer Generator Applications in Utah	Cost per Application
Administration	\$574,489	4,727	\$122
Engineering Review	\$108,851	4,727	\$23
Customer Service	\$49,553	4,727	\$10
Total	\$732,893	4,727	\$155

Rocky Mountain Power
Exhibit RMP__ (RMM-4)
Docket No. 17-035-61
Witness: Robert M. Meredith

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Exhibit Accompanying Direct Testimony of Robert M. Meredith

Proposed Schedule 137 Customer Generation Meter Fee

February 2020

**Rocky Mountain Power
 State of Utah
 Proposed Schedule 137 Customer Generation Meter Fee**

Line No.				
1	Cost to Replace a Non-AMI Meter	\$95.00		
2	Overhead at 10.8%	\$10.26		
3	Labor to Exchange Meter	<u>\$88.00</u>		
4	Total Cost to Replace a Non-AMI Meter	<u>\$193.26</u>	[1 + 2 + 3]	
5	Labor to Re-Program an AMI Meter	<u>\$20.00</u>		
6	Estimated Utah AMI Meters (End of 2021)	<u>190,000</u>		
7	Estimated Total Utah Meters (End of 2021)	<u>1,000,000</u>		
8	AMI Proportion of Meters (End of 2021)	<u>19%</u>	[6 / 7]	
9	Non-AMI Proportion of Meters (End of 2021)	<u>81%</u>	[(7 - 6) / 7]	
10	Weighted Cost of Metering for New Customer Generators	<u>\$160.34</u>		[4 * 9 + 5 * 8]
11	Proposed Customer Generation Meter Fee	<u>\$160</u>		

Rocky Mountain Power
Docket No. 17-035-61
Witness: Daniel J. MacNeil

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Direct Testimony of Daniel J. MacNeil

February 2020

1 **Q. Please state your name, business address, and present position with PacifiCorp**
2 **d/b/a Rocky Mountain Power (“Rocky Mountain Power” or the “Company”).**

3 A. My name is Daniel J. MacNeil. My business address is 825 NE Multnomah Street,
4 Suite 600, Portland, Oregon 97232. My present position is Resource and Commercial
5 Strategy Adviser.

6 **Qualifications**

7 **Q. Briefly describe your education and professional experience.**

8 A. I received a Master of Arts degree in International Science and Technology Policy from
9 George Washington University and a Bachelor of Science degree in Materials Science
10 and Engineering from Johns Hopkins University. Before joining the Company, I
11 completed internships with the U.S. Department of Energy’s Office of Policy and
12 International Affairs and the World Resources Institute’s Green Power Market
13 Development Group. I have been employed by the Company since 2008, first as a
14 member of the net power costs group, then as manager of that group from June 2015
15 until September 2016. In my current role, I provide analytical expertise on a broad
16 range of topics related to the Company’s resource portfolio and obligations, including
17 oversight of the calculation of avoided cost pricing in the Company’s jurisdictions.

18 **Q. Have you testified in previous regulatory proceedings?**

19 A. Yes. I have provided testimony in California, Idaho, Oregon, Utah, Wyoming, and
20 FERC dockets.

21 **Purpose of Testimony and Recommendation**

22 **Q. What is the purpose of your testimony?**

23 A. My testimony supports the Company’s proposal to create Electric Service Schedule

24 No. 137 – Net Billing Services, (“Schedule 137”), under which customers would be
25 compensated for generation in excess of their own load that is exported to the
26 Company’s system based upon the Company’s avoided cost. I address three primary
27 issues. First, I describe the elements, methodology, and calculation of the export credit
28 value. Second, to better ensure compensation is consistent with exported volumes, I
29 describe on-peak and off-peak time of export definitions that differentiate between
30 periods of higher and lower avoided costs; and finally, I address how the export credit
31 will be updated going forward.

32 **Q. Have you prepared a summary of the proposed export credit values?**

33 A. Yes. A summary of the export credit results is shown in Exhibit RMP____(DJM-1). My
34 calculations support an average annual export credit of \$15.26 per megawatt-hour
35 (“MWh”).

36 **Export Credit Methodology**

37 **Q. What elements are included in the \$15.26/MWh value of the customer generation**
38 **export credit?**

39 A. The export credit includes the following elements related to the impact of exported
40 energy on the Company’s system dispatch:

- 41 • **Avoided Energy Cost:** when customer generation is exported to the grid, the
42 Company can reduce the output of its generation resources or reduce the volume
43 of its market purchases. The resulting reduction in fuel expense and purchased
44 power cost is the avoided energy cost.
- 45 • **Avoided Line Losses:** line losses are the difference between the total
46 generation injected into the grid, and the total metered volume at customer sites.

47 As a result, a kilowatt-hour produced by a generator is not equivalent to a
48 kilowatt-hour delivered to a customer. The Company's avoided energy costs
49 are typically measured based on generation and market purchases at
50 transmission voltages, while the metered volumes for residential generation
51 exports are measured at the secondary voltage level. It is appropriate to adjust
52 exported energy values from customer generation to account for the resulting
53 avoided line losses.

54 • **Integration Cost:** The Company uses flexible resources to accommodate
55 fluctuations in the load and resource balance of its system attributable to load,
56 wind, solar, and other non-variable energy resources that are not under the
57 Company's control. Integration costs represent the cost of holding reserves with
58 flexible resources to reliably maintain the load and resource balance.

59 **Q. How does the Company propose calculating exported energy costs?**

60 A. The Commission has approved the Proxy/Partial Displacement Revenue Requirement
61 Methodology ("PDDRR") for determining avoided costs for standard qualifying
62 facility ("QF") resources up to at least 3 MW in nameplate capacity.¹ Under the
63 PDDRR Methodology, avoided energy costs are calculated using PacifiCorp's
64 Generation and Regulation Initiative Decision Tool ("GRID") while avoided capacity
65 costs are calculated based on deferrable resources in PacifiCorp's most recently filed
66 Integrated Resource Plan ("IRP") preferred portfolio. The proposed export credit
67 program is secondary to a customer's own use so it is considered non-firm and no future

¹ *Rocky Mountain Power's Proposed Tariff Revisions to Electric Service Schedule No. 37, Avoided Cost Purchases from Qualifying Facilities*, Docket No. 17-035-T07 (Jan. 23, 2018).

68 capacity resources would be deferred.

69 **Q. Why is non-firm pricing appropriate?**

70 A. Firm contracts would include credit terms, security deposits, performance guarantees,
71 liquidated damages, default provisions, and termination rights that are not found in the
72 Schedule 137 tariff. Those contractual terms protect the utility and non-participating
73 customers from non-performance and are essential to mitigating the risks associated
74 with long-term contracts. Since customers are under no obligation to deliver any energy
75 and will offset their own load first, non-firm valuations are appropriate. If a customer
76 desires a firm or longer term contractual arrangement for their generation, they have
77 the option of self-certifying as a QF and obtaining a contract under the applicable QF
78 tariff.

79 **Q. Do monthly avoided energy costs reported by the GRID model results provide**
80 **sufficient granularity for determining an export credit?**

81 A. No. To more accurately value export energy, the Company is proposing distinct on-
82 peak and off-peak rates, as discussed later in my testimony. While the GRID model has
83 hourly granularity, the results are confidential and can also reflect changes that span
84 multiple hours.

85 **Q. What hourly price shaping methodology do you propose?**

86 A. To create an hourly shape, the Company proposes using the results of Energy
87 Imbalance Market (“EIM”) operations. Specifically, the Company proposes using 15-
88 minute PacifiCorp east (“PACE”) EIM load aggregation point (“LAP”) prices for the
89 most recent 36 month period, in this instance, the 36 months ending October 2019. The
90 historical data is used to create a market price “scalar” based on the average market

91 prices in a month during a given hour, relative to the average market price in that month
92 during all hours. For instance, if the average market price during hour-ending 10 in
93 May is \$18/MWh, and the average market price during all hours in May is \$20/MWh,
94 then the scalar for hour-ending 10 in May would be 90 percent.² The average of the 24
95 hourly scalars for a given month is always 100 percent.

96 **Q. What are the current inputs to the PDDRR methodology used to determine the**
97 **value of exports?**

98 A. On a quarterly basis, the Company submits an avoided cost inputs compliance filing
99 with details on the current inputs to the PDDRR methodology. The most recent filing
100 occurred on January 10, 2020 in Docket No. 19-035-18.³ At this time, the PDDRR
101 methodology primarily reflects assumptions from PacifiCorp's 2019 IRP. Since the
102 compliance filing, Company's GRID model has been updated to incorporate market
103 prices from the December 31, 2019 Official Forward Price Curve and changes to
104 executed contracts, as one 80 MW solar contract has been executed and four wind and
105 solar contracts totaling 38 MW have been terminated. Consistent with the methodology
106 adopted by the Commission for published QF prices under Schedule 37, the export
107 credit value is calculated without including a queue of potential QF resources that have
108 requested pricing and are negotiating contracts. While the Company identified a non-
109 routine methodology change in its January 10, 2020 compliance filing that has not yet
110 taken effect, the proposed change does not impact the results in the proposed study
111 period of 2021.

² \$18/MWh / \$20/MWh = 90 percent.

³ *Rocky Mountain Power's 2019 Avoided Cost Input Changes Quarterly Compliance Filing*. Docket No. 19-035-18. Available at: <https://psc.utah.gov/2019/04/30/docket-no-19-035-18/>.

112 **Q. What are the specifications of the export credit resource modeled within GRID?**

113 A. The export profile is based on the Company's Load Research Data from the 12 months
114 ending September 2019. The assumed delivery point within the GRID model is split
115 between the three transmission areas which contain Utah load: Clover, Utah North, and
116 Utah South. The split is calculated based on the proportion of weather-normalized
117 actual Utah retail load in these areas in the semi-annual results of operations from the
118 12 months ending June 2019, with more than 90 percent of the total located in Utah
119 North, 8 percent in Utah South, and 1 percent in Clover. The average export profile has
120 a 14 percent capacity factor based on the maximum hourly export of 4.6 kilowatts. To
121 ensure that the results reflect values appropriate to Net Billing program as a whole, and
122 to account for the granularity of the GRID model, which might not register changes
123 measured in kilowatts, the export credit value was calculated based on the export
124 profile average of approximately 9,000 customers, which is approximately 50,000
125 megawatt-hours annually, or under six average megawatts.

126 **Q. What is the proposed exported energy value for customer generators?**

127 A. The GRID model value of the export profile during the proposed rate effective period
128 of 12 months ending December 2021 is \$14.45/ MWh. Values are further distinguished
129 by season and on-peak/off-peak period, as discussed later on in my testimony.

130 **Q. Regarding the proposed rate effective period, will this affect customers' retail
131 rates?**

132 A. No. The Company is not proposing to make any changes to customers' retail rates. The
133 proposed rate effective period that I discuss in my testimony deals only with the
134 Company's proposed export credit rate.

135 **Q. How does the Company propose calculating avoided line losses?**

136 A. The line losses incorporated in the Company's current rates are from its 2009 Analysis
137 of System Losses for Utah. That study identified line losses in Utah specific to the
138 following interconnection levels:

- 139 • Transmission: 4.53 percent
- 140 • Primary: 6.635 percent
- 141 • Secondary: 9.322 percent

142 The Company has used the results from power flow studies to calculate a marginal loss
143 by load level and then fitted it to a 12 month by 24-hour profile for each of the
144 interconnection levels referenced above. The result is an estimate of avoided line losses
145 that can be differentiated by time of day and can be used to determine specific on-peak
146 and off-peak values.

147 **Q. What level of avoided line losses are included in the export credit calculation?**

148 A. The Company expects to apply the export credit to resources interconnected at
149 secondary voltage levels. However, the exported energy must be transferred across the
150 secondary distribution system to other customers. As a result, they will incur some line
151 losses and will not be avoiding the entire line losses associated with serving load on
152 the secondary distribution system. Therefore, the Company proposes crediting exports
153 for only avoiding the next higher level, i.e. primary line losses.

154 **Q. What is the proposed value of avoided line losses?**

155 A. The average value of avoided line losses from the export profile during the rate
156 effective period of 12 months ending December 2021 is \$0.96/MWh. Values are further
157 distinguished by season and on-peak/off-peak period, as discussed later on in my

158 testimony.

159 **Q. What integration cost does the Company propose incorporating in the export**
160 **credit value?**

161 A. The Company anticipates that most of the resources exporting under the proposed
162 program will be solar generators. The Company's 2019 IRP includes a Flexible Reserve
163 Study,⁴ which identifies the amount of flexible capacity required to compensate for
164 variations in load and resources, as well as the cost of holding that capacity available.
165 The 2019 IRP identified a solar integration cost of \$0.15/MWh in 2021 and the
166 Company proposes that this value be included in the export credit calculation.⁵

167 **On-Peak and Off-Peak Definitions**

168 **Q. What is the purpose of distinguishing between on-peak and off-peak hours?**

169 A. The Company's marginal costs vary significantly over the course of the day. In
170 addition, a customer's export output will also vary over the course of the day. If a
171 customer exports more during a part of the day with a relatively high value, it will
172 provide greater benefits than if that customer exports during a part of the day with a
173 relatively low value. Distinguishing periods with different value ensures that exporting
174 customers receive appropriate compensation consistent with the value they provide to
175 the system. This also provides customers with an incentive to adjust their load profiles
176 to make better use of their own generation resources, as their avoided purchases still
177 avoid the full cost-based retail rate.

⁴ 2019 Integrated Resource Plan. Volume II, Appendix F: Flexible Reserve Study, *available at*
https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/energy/integrated-resource-plan/2019_IRP_Volume_II_Appendices_A-L.pdf.

⁵ *Ibid.* Figure F.15.

178 **Q. Are any on-peak and off-peak definitions currently in place that are applicable to**
179 **residential customers?**

180 A. Yes. Schedule 2 includes optional time of day rates for residential service. The
181 definitions in Schedule 2 are as follows:

182 **On-Peak:**

183 - Summer (May-September): 1:00 P.M. to 8:00 P.M., Monday through
184 Friday, except holidays.

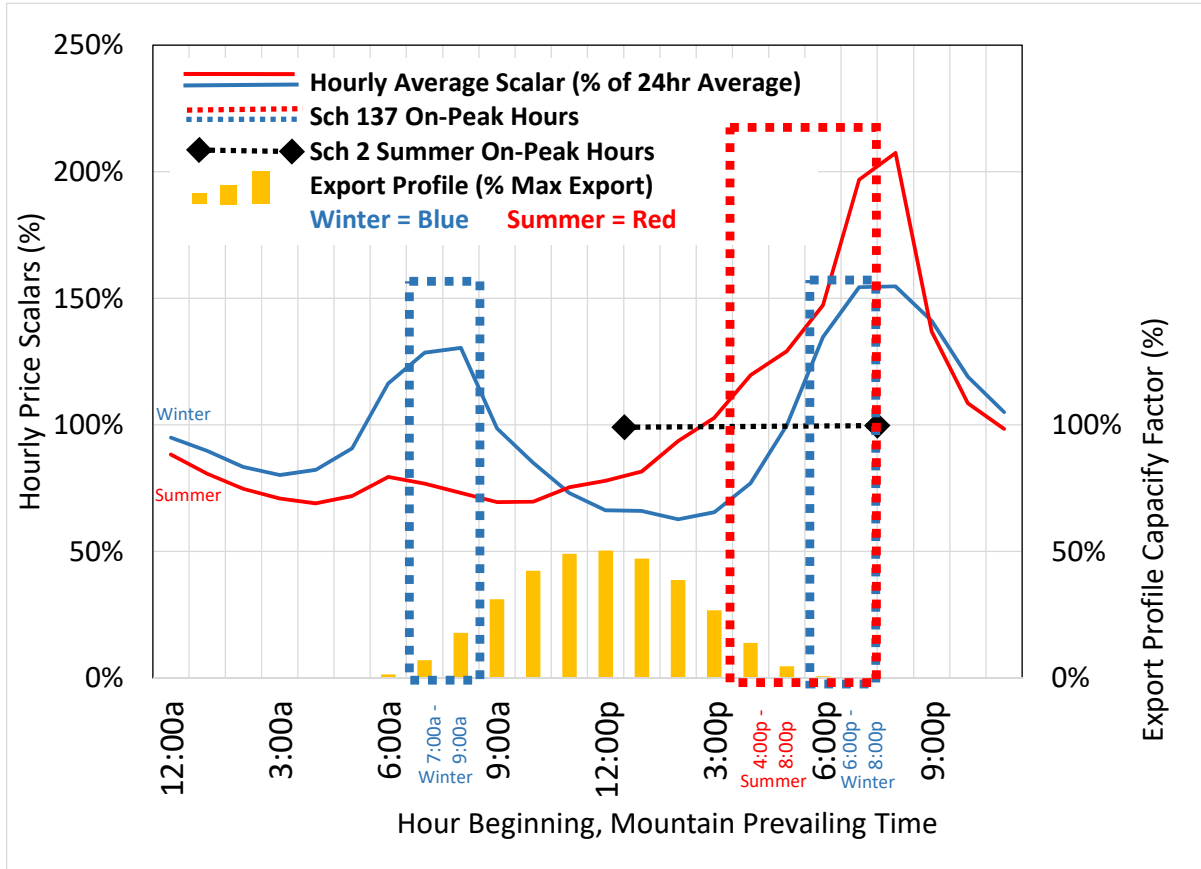
185 **Off-Peak:**

186 - All other hours, including the following holidays: New Year's Day,
187 President's Day, Memorial Day, Independence Day, Pioneer Day, Labor
188 Day, Thanksgiving Day, and Christmas Day.

189 **Q. Do the on-peak and off-peak definitions in Schedule 2 align well with the**
190 **Company's marginal costs?**

191 A. Not entirely. The average EIM scalars by hour show a wide variation in prices across
192 the day, as shown in Figure 1. A portion of the on-peak hours under Schedule 2 have
193 prices that are below average.

Figure 1: Hourly Price Scalars and Export Profile



194 **Q. What on-peak and off-peak definitions do you propose?**

195 A. Ideally the value within each period should be as uniform as possible, so that whenever
 196 a customer exports in a given period, the benefits are similar. At the same time, good
 197 ratemaking principles suggest that the on-peak and off-peak definitions be easy for
 198 customers to understand and align with existing programs. With that in mind, the
 199 Company proposes that the on-peak definition end at 8:00 p.m. consistent with the
 200 existing time of use definition. This end time also encompasses the vast majority of the
 201 export profile, which is predominantly composed of solar resources. With that bound
 202 in place, the top four price hours during the summer all occur between 4:00 p.m. to
 203 8:00 p.m. Mountain Prevailing Time (“MPT”). In the winter, the top four price hours

204 are split between the morning and the evening, and include 7:00 a.m. to 9:00 a.m. and
205 6:00 p.m. to 8:00 p.m. MPT. To maintain consistency with Schedule 2, on-peak hours
206 also only apply to Monday through Friday, and do not include holidays. All hours other
207 than on-peak hours are considered off-peak hours.

208 **Q. Are all of the export credit elements differentiated between on-peak and off-peak**
209 **periods?**

210 A. Yes. Energy and line losses are readily differentiated as the underlying source data has
211 hourly granularity. Integration costs are based on annual average values that reflect the
212 cost of holding back flexible resources that could otherwise be used to serve customer
213 load or support wholesale sales. Higher hourly energy prices imply higher costs for
214 integration, so this element has been differentiated using the same ratios as the energy
215 element.

216 **Q. Are you proposing a change to the summer and winter season definitions, relative**
217 **to the Schedule 2 definitions?**

218 A. Yes. The proposed summer season definition spans June through September, whereas
219 the Schedule 2 summer season definition also includes May. The hourly price scalars
220 for the month of May are better aligned with the winter on-peak definition, as May
221 prices are higher from 7:00 a.m. to 9:00 a.m. than between 4:00 p.m. and 6:00 p.m.
222 MPT. In addition, while the Company occasionally experiences high peak-producing
223 temperatures in the end of June or beginning of September that can lead to high prices,
224 this is not true of May. As a result, the proposed definition results in higher prices that
225 provide a stronger price signal during the summer periods when the Company's
226 resource needs and avoided costs are highest.

227 **Q. What are the proposed export credit values?**

228 A. Details on the proposed export credit values by season and by on-peak/off-peak are
229 shown in Exhibit RMP___(DJM-1).

230 **Updating Export Credit Rates**

231 **Q. Will a customer's export credit be fixed or will it be updated?**

232 A. The Company proposes to update the export credit annually. This will ensure that the
233 export credit payments continue to be consistent with the Company's avoided cost and
234 that they are consistent with the non-firm nature of the output. This will also allow all
235 customers participating under Schedule No. 137 – Net Billing Services to receive the
236 same export credit rates, reducing the administrative complexity of assorted vintages
237 of export credit rates and on-peak/off-peak definitions.

238 **Q. What factors drive the timing of an annual export credit update?**

239 A. Avoided costs under Schedule 37 are updated annually, typically on April 30th with a
240 July 1st effective date. Since avoided energy costs are calculated using the same
241 methodology and model as Schedule 37 and represent the majority of the export credit
242 value, it would be reasonable to update the export credit rates at the same time. Data
243 for avoided line losses, integration costs, or other inputs would be updated to reflect
244 the most recent information available for inclusion in the annual update. Therefore the
245 Company proposes to file an update to export credit values annually on April 30th with
246 a July 1st effective date.

247 **Q. Where would the cost of the export credit be booked and how would it be treated
248 for regulatory purposes?**

249 A. The Company recommends that export credit payments continue to be recorded in

250 FERC Account 555 and tracked in the energy balancing account. Excess energy from
251 customer owned generation is fed into the grid offsetting some of the need for energy
252 from other sources. Customers that produce more energy than they use would receive
253 a credit on their bill at the export credit rate for any excess energy supplied to the grid.
254 This credit would be treated just like any other purchased power expense by debiting
255 FERC Account 555 with an offsetting credit to the customer's bill.

256 **Conclusion**

257 **Q. Please summarize your recommendations for the Commission.**

258 A. The Company recommends that the Commission set the export credit at \$15.26 / MWH
259 for calendar year 2021. This value should be differentiated by on-peak / off-peak and
260 summer / winter periods that reflect higher and lower avoided costs values, with on-
261 peak defined in the summer as 4:00 p.m. to 8:00 p.m., MPT, and in the winter as
262 7:00 a.m. to 9:00 a.m. and 6:00 p.m. to 8:00 p.m., MPT. On-peak days will be limited
263 to Monday through Friday, not including holidays, and all other hours will be
264 considered off-peak. Finally, I recommend that the export credit be updated annually
265 with a July 1st effective date.

266 **Q. Does this conclude your direct testimony?**

267 A. Yes.

Rocky Mountain Power
Exhibit RMP___(DJM-1)
Docket No. 17-035-61
Witness: Daniel J. MacNeil

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Exhibit Accompanying Direct Testimony of Daniel J. MacNeil

Proposed Schedule 137 Customer Generation Meter Fee

February 2020

**PacifiCorp
 State of Utah
 Export Credit Summary by Element**

Month	On-Peak			Off-Peak			Average* Total \$/MWh
	Energy \$/MWh	Losses \$/MWh	Integration \$/MWh	Energy \$/MWh	Losses \$/MWh	Integration \$/MWh	
1/1/2021	\$24.82	\$1.64	(\$0.27)	\$15.27	\$1.01	(\$0.16)	\$16.11
2/1/2021	\$36.62	\$1.75	(\$0.39)	\$15.70	\$0.75	(\$0.17)	\$16.28
3/1/2021	\$30.09	\$1.55	(\$0.32)	\$12.83	\$0.66	(\$0.14)	\$13.36
4/1/2021	\$22.45	\$1.06	(\$0.24)	\$9.95	\$0.47	(\$0.11)	\$10.31
5/1/2021	\$16.43	\$0.93	(\$0.18)	\$11.39	\$0.65	(\$0.12)	\$11.92
6/1/2021	\$19.82	\$1.34	(\$0.21)	\$13.14	\$0.89	(\$0.14)	\$13.89
7/1/2021	\$30.05	\$2.88	(\$0.32)	\$19.63	\$1.88	(\$0.21)	\$21.30
8/1/2021	\$33.21	\$2.51	(\$0.36)	\$17.14	\$1.29	(\$0.18)	\$18.25
9/1/2021	\$19.72	\$1.33	(\$0.21)	\$14.93	\$1.01	(\$0.16)	\$15.77
10/1/2021	\$25.44	\$1.52	(\$0.27)	\$13.11	\$0.78	(\$0.14)	\$13.75
11/1/2021	\$22.55	\$1.40	(\$0.24)	\$13.73	\$0.86	(\$0.15)	\$14.44
12/1/2021	\$26.46	\$1.80	(\$0.28)	\$16.56	\$1.13	(\$0.18)	\$17.51
Annual*	\$22.90	\$1.48	(\$0.25)	\$14.11	\$0.94	(\$0.15)	\$14.90
Summer*	\$24.66	\$1.89	(\$0.26)	\$16.01	\$1.24	(\$0.17)	\$17.08
Winter*	\$21.49	\$1.15	(\$0.23)	\$12.67	\$0.71	(\$0.14)	\$13.25

Definitions:

On-Peak Summer: June through September - 4pm - 8pm
 Winter: October through May - 7am - 9am & 6pm - 8pm
 All Year: Monday - Friday, excluding Holidays

Off-Peak All other, including all day on weekends and holidays

All times are in Mountain Time

* Average values reflect delivery based on historical average export profile

CERTIFICATE OF SERVICE

I hereby certify that on February 3, 2020, a true and correct copy of Rocky Mountain Power’s **Direct Testimony** in Docket No. 17-035-61 was served by email and overnight delivery on the following Parties:

Division of Public Utilities	
Chris Parker Division of Public Utilities 160 East 300 South, 4 th Floor Salt Lake City, UT 84111 ChrisParker@utah.gov	William Powell Division of Public Utilities 160 East 300 South, 4 th Floor Salt Lake City, UT 84111 wpowell@utah.gov
Utah Office of Consumer Services	
Cheryl Murray Utah Office of Consumer Services 160 East 300 South, 2 nd Floor Salt Lake City, UT 84111 cmurray@utah.gov	Michele Beck Utah Office of Consumer Services 160 East 300 South, 2 nd Floor Salt Lake City, UT 84111 mbeck@utah.gov
Bela Vastag Utah Office of Consumer Services 160 East 300 South, 2 nd Floor Salt Lake City, UT 84111 bvastag@utah.gov	
Assistant Utah Attorney General	
Patricia Schmid Assistant Attorney General 500 Heber M. Wells Building 160 East 300 South Salt Lake City, Utah 84111 pschmid@agutah.gov	Robert Moore Assistant Attorney General 500 Heber M. Wells Building 160 East 300 South Salt Lake City, Utah 84111 rmoore@agutah.gov
Justin Jetter Assistant Attorney General 500 Heber M. Wells Building 160 East 300 South Salt Lake City, Utah 84111 jjetter@agutah.gov	Steven Snarr Assistant Attorney General 500 Heber M. Wells Building 160 East 300 South Salt Lake City, Utah 84111 stevensnarr@agutah.gov

Vivint Solar	
Stephen F. Mecham (C) STEPHEN F. MECHAM LAW, PLLC 10 West 100 South, Suite 323 Salt Lake City, UT 84101 sfmecham@gmail.com	
Vote Solar	
Rick Gilliam (C) VOTE SOLAR 590 Redstone Drive Broomfield, CO 80020 rick@votesolar.org	Briana Kobar (C) VOTE SOLAR 986 E Princeton Avenue Salt Lake City, UT 84105 briana@votesolar.org
Jennifer Selendy (C) Selendy & Gay PLLC 1290 Avenue of the Americas New York, NY 10104 jselendy@selendygay.com	Joshua S. Margolin (C) Selendy & Gay PLLC 1290 Avenue of the Americas New York, NY 10104 jmargolin@selendygay.com
Philippe Z. Selendy (C) Selendy & Gay PLLC 1290 Avenue of the Americas New York, NY 10104 pselendy@selendygay.com	
Utah Clean Energy	
Sarah Wright UTAH CLEAN ENERGY 1014 2nd Avenue Salt Lake City, UT 84103 sarah@utahcleanenergy.org	Kate Bowman UTAH CLEAN ENERGY 1014 2nd Avenue Salt Lake City, UT 84103 kate@utahcleanenergy.org
Hunter Holman (C) Utah Clean Energy 1014 East Second Avenue Salt Lake City, UT 84105 hunter@utahcleanenergy.org	
Utah Solar Energy Association	
Amanda Smith Holland & Hart LLP 222 S. Main Street, Suite 2200 Salt Lake City, Utah 84101 asmith@hollandhart.com	Engels J. Tejada Holland & Hart LLP 222 S. Main Street, Suite 2200 Salt Lake City, Utah 84101 ejtejeda@hollandhart.com

<p>Chelsea J. Davis Holland & Hart LLP 222 S. Main Street, Suite 2200 Salt Lake City, Utah 84101 cjdavis@hollandhart.com</p>	
<p>Salt Lake City Corporation</p>	
<p>Megan J. DePaulis SALT LAKE CITY ATTORNEY'S OFFICE 451 S State St, Suite 505A Salt Lake City, UT 84111 megan.depaulis@slcgov.com</p>	<p>Tyler Poulson SALT LAKE CITY CORPORATION 451 S State St, Suite 148 Salt Lake City, UT 84111 tyler.poulson@slcgov.com</p>
<p>Auric Solar, LLC</p>	
<p>Elias Bishop Auric Solar, LLC 2310 South 1300 West West Valley City, Utah 84119 elias.bishop@auricsolar.com</p>	
<p>Western Resource Advocates</p>	
<p>Sophie Hayes (C) Western Resource Advocates 307 West 200 South, Suite 2000 Salt Lake City UT 84101 sophie.hayes@westernresources.org</p>	<p>Nancy Kelly (C) Western Resource Advocates 9463 N. Swallow Rd. Pocatello, ID 83201 nkelly@westernresources.org</p>
<p>Steven S. Michel (C) Western Resource Advocates 409 E. Palace Ave. #2 Santa Fe NM 87501 smichel@westernresources.org</p>	
<p>Rocky Mountain Power</p>	
<p>Data Request Response Center PacifiCorp 825 NE Multnomah, Suite 2000 Portland, OR 97232 datarequest@pacificorp.com</p>	<p>Jana Saba 1407 W North Temple, Suite 310 Salt Lake City, UT 84114 jana.saba@pacificorp.com; utahdockets@pacificorp.com</p>
<p>Yvonne Hogle 1407 W North Temple, Suite 320 Salt Lake City, UT 84116 yvonne.hogle@pacificorp.com</p>	

Katie Savarin

Katie Savarin
Coordinator, Regulatory Operations