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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Rocky Mountain Power to Establish Export Credits for Customer Generated Electricity	Docket No. 17-035-61 Phase 2
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SURREBUTTAL TESTIMONY OF CURT VOLKMANN

ON BEHALF OF

VOTE SOLAR

September 15, 2020

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1 **I. Introduction**

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

3 A. My name is Curt Volkmann. My business address is 132 Lake Vista Circle, Fontana,
4 Wisconsin, 53125.

5 **Q. On whose behalf are you submitting this direct testimony?**

6 A. I am submitting this testimony on behalf of Vote Solar.

7 **Q. By whom are you employed and in what capacity?**

8 A. I am President and founder of New Energy Advisors, LLC, an independent consulting
9 firm.

10 **Q. Please summarize your education and professional experience.**

11 A. I have a BS in Electrical Engineering from the University of Illinois with a
12 concentration in Electrical Power Systems. I also have an MBA from the University
13 of California at Berkeley with a concentration in Finance. I have 35 years of experience
14 in the utilities industry, primarily in electric transmission and distribution. My work
15 experience includes nine years at Pacific Gas & Electric in various transmission and
16 distribution engineering roles and eighteen years at Accenture with several positions
17 including Executive Director in the North American Utilities practice. Since 2015, I
18 have worked independently and supported clients in distribution-related regulatory
19 proceedings around the country. Exhibit 1-CV to the Revised Affirmative Testimony
20 of Curt Volkmann, filed May 8, 2020, provides a statement of my qualifications and
21 experience.

22 **Q. Have you previously testified before the Utah Public Service Commission?**

23 A. Yes. I submitted Affirmative and Rebuttal Testimony in Phase 2 of this Docket.

24 **II. Purpose of Testimony**

25 **Q. What is the purpose of your surrebuttal testimony?**

26 A. The purpose of my surrebuttal testimony is to respond to the Rebuttal Testimony of
27 Rocky Mountain Power (“RMP”) witness Jacob S. Barker filed on July 15, 2020, the
28 Rebuttal Testimony of the Division of Public Utilities (“DPU”) witness Robert A.
29 Davis filed on July 15, 2020, and the Rebuttal Testimony of the Office of Consumer
30 Services (“OCS”) witness Philip Hayet, filed on July 15, 2020.

31 My lack of comments on any components of other parties’ direct, affirmative, or
32 rebuttal testimony should not be interpreted as acquiescence or agreement. I reserve
33 the right to express additional opinions, to amend or supplement the opinions in this
34 testimony, or to provide additional rationale for these opinions as additional documents
35 are produced and new facts are introduced during discovery and trial. I also reserve
36 the right to express additional opinions in response to any opinions or testimony offered
37 by other parties in this proceeding.

38 **III. Summary of Recommendations**

39 **Q. Please provide a brief summary of your recommendations.**

40 A. I recommend that the customer generation (“CG”) export credit rate include a
41 transmission and distribution (“T&D”) capacity deferral value. There is robust and
42 growing evidence that CG exports contribute to the deferral or avoidance of T&D
43 capital investment.

44 **IV. T&D Capacity Deferral**

45 **Q. Has Vote Solar filed testimony in this proceeding explaining how CG exports**
46 **can defer or eliminate the need for transmission and distribution capacity**
47 **investments?**

48 A. Yes. In my Revised Affirmative Testimony, I explain how CG can defer or avoid the
49 need for distribution capacity costs,¹ and Vote Solar Witness Dr. Spencer Yang
50 explains how CG can avoid transmission capacity costs.² In my Rebuttal Testimony, I
51 provide examples of how CG materially reduces peak loads and the associated need for
52 capacity-related T&D capital investments.³

53 **Q. Have other witnesses in this proceeding addressed this topic?**

54 A. Yes. RMP witness Jacob Barker states that the value of T&D capital investment
55 deferral is difficult to quantify, that relying on CG to defer capital investment places

1 Vote Solar, *Revised Affirmative Testimony of Curt Volkmann*, May 8, 2020, lines 67-115.

2 Vote Solar, *Revised Affirmative Testimony of Spencer S. Yang*, May 8, 2020, lines 181-87.

3 Vote Solar, *Rebuttal Testimony of Curt Volkmann*, July 15, 2020, lines 176-239.

56 undue risk on the system, and therefore the Company has not included a value for T&D
57 capacity deferral in its proposed export credit.⁴ DPU witness Robert Davis states that
58 at the current penetration of CG in the State of Utah, there is little capacity avoidance.⁵
59 OCS witness Philip Hayet states that exported energy from CG is “non-firm,” and it is
60 therefore inappropriate to include an export credit component reflecting avoided T&D
61 capacity.⁶

62 **Q. How do you respond to the arguments raised by the witnesses in this proceeding**
63 **that CG should not be credited for avoided or deferred T&D capacity costs?**

64 A. As I state in my Rebuttal Testimony, there is growing evidence that CG materially
65 reduces peak loads and the corresponding need for capacity-related T&D capital
66 investments.⁷ I discuss examples of this in my Rebuttal Testimony, including how
67 Southern California Edison has applied an updated “PV Dependability” methodology,
68 resulting in significant reductions in its distribution load forecasts and associated need
69 for distribution capital investments.⁸ This contribution to peak load reduction exists,
70 even at the current relatively low penetration of CG in Utah.

71 As Vote Solar witnesses Dr. Carolyn Berry and Sachu Constantine note in their
72 Surrebuttal Testimony⁹ and as Vote Solar witness Dr. Michael Milligan explains in his
73 Rebuttal Testimony, the characterization of CG as “non-firm” is irrelevant, as CG is an

4 RMP, *Rebuttal Testimony of Jacob S. Barker*, July 15, 2020, lines 37-41.

5 DPU, *Rebuttal Testimony of Robert A. Davis*, July 15, 2020, lines 177-78.

6 OCS, *Rebuttal Testimony of Philip Hayet*, July 15, 2020, lines 622-33, 678-714.

7 *Volkman Rebuttal*, lines 172-74.

8 *Id.* at lines 176-94.

9 *Vote Solar, Surrebuttal Testimony of Carolyn A. Berry*, Sept. 15, 2020, lines 497-502, *Vote Solar, Surrebuttal Testimony of Sachu Constantine*, Sept. 15, 2020, lines 250-67, 293-97.

74 “as-available” resource with a non-zero capacity value that should be credited with
75 avoided T&D capacity costs.¹⁰

76 **Q. Have other jurisdictions considered the impact of solar on T&D capacity**
77 **deferral?**

78 A. Yes. Every other jurisdiction in the U.S. that I am aware of with an established
79 methodology for quantifying the value of solar (“VOS”)¹¹ has included a component
80 for T&D capacity deferral.¹² These jurisdictions recognized the ability of CG to reduce
81 peak demand and have established frameworks for quantifying the value of its T&D
82 capacity contribution.

83 **Q. Do other PacifiCorp companies consider T&D capacity deferral in valuing solar?**

84 A. Yes. Pacific Power in Oregon includes a component for T&D capacity deferral in its
85 VOS calculation.¹³

¹⁰ Vote Solar, *Rebuttal Testimony of Michael Milligan*, July 15, 2020, lines 555-88.

¹¹ Minnesota and the City of Austin have developed VOS tariffs as an alternative to net energy metering, and both jurisdictions include a T&D capacity deferral component. California, New York, and Oregon have developed methodologies for calculating the VOS and other distributed energy resources, and each state includes a T&D capacity deferral component.

¹² A.C. Orrell, J.S. Homer, & Y. Tang, *Distributed Generation Valuation and Compensation*, at 8-14, PNNL-27271, Pacific Northwest National Laboratory, Feb. 2018, https://www.pnnl.gov/main/publications/external/technical_reports/PNNL-27271.pdf.

¹³ Pacific Power, *UM 1910—Updated Values for Resource Value of Solar Calculation*, Mar. 18, 2019, https://www.pacificpower.net/content/dam/pcorp/documents/en/pacificpower/rates-regulation/oregon/filings/docket-um-1910/03-18-19_updated_values_for_rvos_calculations/PacifiCorp_Updated_Values_for_RVOS_Calculations.pdf.

86 **Q. What do you recommend?**

87 A. I recommend that the export credit include a T&D capacity deferral component. As I
88 explain in my Revised Affirmative Testimony¹⁴ and my Rebuttal Testimony,¹⁵ CG can
89 materially reduce peak loads and there is growing evidence that CG's output can defer
90 or eliminate the need for T&D capacity investments. As in other jurisdictions that have
91 examined this topic, RMP's CG export credit should include a component for T&D
92 capacity deferral. Dr. Yang has determined that the value of avoided T&D capacity
93 costs due to CG exports in RMP's service territory is at least 1.86 cents/kWh in 2021
94 dollars.¹⁶

95 **Q. Does this conclude your testimony?**

96 A. Yes.

¹⁴ *Volkman Revised Affirmative*, lines 63-115.

¹⁵ *Volkman Rebuttal*, lines 161-246.

¹⁶ *Yang Revised Affirmative*, Table 1, line 46.

CERTIFICATE OF SERVICE

I hereby certify that on this 15th day of September, 2020 a true and correct copy of the foregoing was served by email upon the following:

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