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Division of Public Utilities

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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities
Artie Powell, Director
Doug Wheelwright, Utility Technical Consultant Supervisor
Bob Davis, Utility Technical Consultant

Date: November 18, 2020

Re: Approve Tariff with Recommendation, Sheet Revisions to Schedule 136 and Schedule 137, Docket No. 17-035-61 – Application of Rocky Mountain Power to Establish Export Credits for Customer Generated Electricity. Compliance.

Recommendation (Approve Tariff Sheets with Recommendation)

The Division of Public Utilities (“Division”) recommends the Public Service Commission of Utah (“Commission”) approve Rocky Mountain Power’s (“RMP”) proposed revisions to Schedule No. 136 and Schedule No. 137, Net Billing Service, in its entirety except as noted below with an effective date of October 30, 2020.

Issue

On November 10, 2020, RMP filed with the Commission its proposed revisions to Electric Service Schedules: Sheet No. B.1; Electric Service Schedule No. 136, Transition Program for Customer Generators; and Electric Service Schedule No. 137, Net Billing Service. RMP requested an effective date of October 30, 2020. On November 10, 2020, the Commission issued an action request to the Division requesting it to review RMP’s filing for compliance and make recommendations. The Commission asked the Division to report back by November 25, 2020. This memorandum represents the Division’s response to the Commission’s request.

Background

On October 30, 2020, the Commission issued its order (“Order”) in Docket No. 17-035-61 ending the Transition Program for Customer Generators under Schedule No. 136, pursuant to the stipulation agreed to by the parties and approved by the Commission in Docket No. 14-035-114.¹ The Commission’s Order establishes the rate structure and rates for customer generated export credits.² The Commission instructed RMP to file the necessary revisions to Schedule 136 and submit tariff Schedule No. 137.³

On November 6, 2020, the Utah Solar Energy Association (“USEA”) filed its motion for immediate relief from the Commission’s Order and asked for an extension to the termination of Schedule 136 until January 1, 2021.⁴ On November 17, 2020, the Commission issued its Order denying USEA’s motion.⁵

Discussion

The Division’s review of RMP’s filing concludes that it complies with the Commission’s Order issued on October 30, 2020, in Docket No. 17-035-61, except that RMP includes batteries as an eligible facility. It is not clear from the Order whether the inclusion of batteries in Schedule 137 is appropriate. Batteries are not included in the definition of eligible facilities found in Utah Code Annotated § 54-15-102(4).⁶ The Order states in relevant part that the export credit rate is intended for “excess customer-generated electricity.” Batteries may be used as part of a customer

¹ See Commission’s Order Approving Settlement Stipulation, September 29, 2017, <https://pscdocs.utah.gov/electric/14docs/14035114/29703614035114oass9-29-2017.pdf>.

² See Commission’s “Order”, October 30, 2020, pg. 4-19, <https://pscdocs.utah.gov/electric/17docs/1703561/3161911703561o10-30-2020.pdf>.

³ *Id.*, pg. 22.

⁴ See USEA Motion, November 6, 2020, <https://pscdocs.utah.gov/electric/17docs/1703561/316293USEAMemoSprtMfrIRfImpleDateComOrdrMtntoDvte11-6-2020.pdf>, and <https://pscdocs.utah.gov/electric/17docs/1703561/316292USEAMotionnfrImRelffrmImpleDatinComOrdrTerminTrnstnPrgmMtnDevi11-6-2020.pdf>

⁵ Commission Order Denying USEA’s Motion, November 17, 2020, <https://pscdocs.utah.gov/electric/17docs/1703561/3164391703561odm11-17-2020.pdf>

⁶ See Utah Code Annotated § 54-15-102(4), <https://casetext.com/statute/utah-code/title-54-public-utilities/chapter-15-net-metering-of-electricity/section-54-15-102-definitions>.

generation system or as a stand-alone backup system.⁷ The Division understands the Order could reasonably be read to include batteries as part of a customer-generation system.

However, the inclusion of potential stand-alone batteries has not been addressed. It is unlikely that a stand-alone battery bank would be economical for storing and re-selling energy under current rates. However, it may be the case that if customers in the future are able to combine tariffs such as a tariff that prices energy at wholesale market rates at night such as an EV charging rate, a customer may be able to take advantage of an arbitrage opportunity. The Division recommends that the Commission determine whether or not batteries should be included in Schedule 137 as an eligible facility. If the Commission determines that inclusion is inappropriate at this time, batteries should be removed from the tariff.

The Division's review concludes that RMP correctly includes the approved export credit rates ("ECR") rates for the summer and winter billing months, the Level 1, Level 2, and Level 3 Interconnection fees from Schedule 136 into its Schedule 137, and ends Schedule 136 as ordered by the Commission on October 30, 2020 as follows and herein:⁸

1. Approval of 5.969 cents/kWh in summer rates (June through September) and 5.639 cents/kWh in winter rates (October through May), with no time of use differential.
2. Schedule 137 customers' excess generation will be netted monthly in connection with billing for RMP-supplied energy.
3. Accrued bill credits will expire annually coincident to the regularly-scheduled meter reading in the month of March (or October for irrigation customers).
4. Incorporating Schedule 136's tiered interconnection application fees into Schedule 137 of \$60 for Level 1, \$75 per application plus \$1.50 per kilowatt of installed capacity for Level 2, and \$150 per application plus \$3.00 per kilowatt of installed capacity for Level 3.
5. In accordance with the stipulation approved by the Commission in its September 29, 2017 Order, the transitional program ended with the issue of the October 30, 2020 Order in Docket No. 17-035-61. RMP shall file tariff sheets that reflect this date appropriately in both Schedule 136 and Schedule 137.

⁷ *Supra* n2, pg. 2, ¶ 2, "That highest and best use should incentivize customers to size their systems to take full advantage of the benefits of avoiding electricity purchases. Additionally, the export credit rate we order will provide meaningful compensation to those customers for their excess generation."

⁸ *Supra* n2, pg. 22.

The Division notes that Schedule 136 customers who have filed and received confirmation of approval of their applications can take up to twelve months to complete their projects with an additional six months for large non-residential customers upon request.

In review of RMP's advice letter for this matter, the Division reviewed Utah Administrative Code Rule 746- 405-2(D)(3)(g), which requires a statement that the tariff sheets proposed do not constitute a violation of state law or Commission rule. However, the rule also states that the filing of proposed tariff sheets shall of itself constitute the representation of the filing utility that it, in good faith, believes the proposed sheets or revised sheets to be consistent with applicable statutes, rules and orders. The filing does not appear to violate statute or rule.

Conclusion

Except as noted here, the Division concludes that RMP's November 10, 2020 filing correctly incorporates the Commission's Order. The Division concludes that RMP's proposed tariff sheets are just and reasonable and in the public interest. The Division has reviewed RMP's filing and recommends the Commission approve RMP's proposed revisions to Schedule No. 136, Transition Program for Customer Generators and Schedule No. 137, Net Billing Service, effective October 30, 2020. The Division recommends that if the Commission does not intend to include stand-alone batteries, it direct RMP to remove Batteries from the definition of Renewable Generating Facility in Schedule No. 137, Sheet No. 137.2.

cc: Joelle Steward, RMP
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