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VIA EMAIL

UTAH PUBLIC SERVICE COMMISSION
Heber M. Wells Building
160 East 300 South, 4th Floor
Salt Lake City, Utah 84111

To: The Utah Public Service Commission

**From: Utah Clean Energy
Kate Bowman, Renewable Energy Program Manager**

**Re: Docket No. 17-035-61
Application of Rocky Mountain Power to Establish Export Credits for
Customer Generated Electricity**

Background

The Public Service Commission (“Commission”) issued an Order in Docket No. 17-035-61 on October 30, 2020 and directed Rocky Mountain Power (“Company” or “RMP”) to file revised tariff sheets implementing the Commission’s Order.

On November 10, 2020, Rocky Mountain Power filed a revised tariff sheet for Schedule 136, “Transition Program for Customer Generators,” and a tariff sheet for Schedule 137, “Net Billing Service.” On the same date the Commission requested the Division of Public Utilities (“Division” or “DPU”) to review the tariff filings for compliance and make recommendations.

The Division filed its action request response on November 18 and recommended approval of RMP’s proposed revisions with one change, the removal of stand-alone batteries from the definition of Renewable Generating Facility. On the same date the PSC issued a notice of comment period inviting comments on the DPU’s action request response on or before November 23, 2020.

Introduction

The purpose of Utah Clean Energy’s (“UCE”) comments is to respond to the Division’s Action Request Response, which concludes that RMP’s November 10, 2020 filing correctly incorporates the Commission’s Order. As noted by the Division, the Company’s tariff filing correctly includes approved Export Credit Rates, Level 1, Level 2, and Level 3 Interconnection fees, and ends Schedule 136. Utah Clean Energy agrees with the Division’s recommendation to approve

revisions to Schedule 136. We recommend additional changes to the Schedule 137 tariff in order to ensure the tariff complies with the directives of the Commission’s October 30, 2020 Order.

First, we recommend a change to the definition of the term “Exported Customer-Generated Energy” in order to ensure that the tariff clearly reflects the directives of the Commission’s order and the Division’s recommendations. We request that the Commission clarify when and how customer-generated electricity is determined to be “exported” energy, and therefore compensated at the Export Credit Rate, and require the Company to add detail to the definition of “Exported Customer-Generated Energy” accordingly. Second, we recommend that Special Condition 3 conform with the corresponding Special Condition from Schedule 136 to clarify that the credit value of the Export Credit Rate may be applied to Power and Energy Charges on a customer bill. As written, the Schedule 137 limits the application of the Export Credit Rate value on a customer’s bill, which is not discussed in the Commission’s Order. Finally, we support removal of stand-alone batteries from the definition of Renewable Generating Facility as recommended by the Division.

Definition of Exported Customer-Generated Energy

UCE is concerned that the definition of “Exported Customer-Generated Energy” in the Schedule 137 tariff does not clearly demonstrate whether or not the tariff is in compliance with the Commission’s November 10, 2020 order.

Schedule 137 defines Exported Customer-Generated Energy as “The amount of customer-generated Energy in excess of the customer’s on-site consumption that is exported to the grid.” This definition is the only portion of the tariff that references how the Company will determine whether customer generated energy is considered “exported” for the purposes of crediting solar customers for kilowatt-hours they have generated at the Export Credit Rate. The current definition does not clearly articulate when or how the Company will identify customer-generated energy as “exported to the grid.” For comparison, Schedule 136 clearly defines Exported Customer-Generated Energy as “the amount of customer-generated Energy in excess of the customer’s on-site consumption, as measured and netted with on-site Energy consumption in 15-minute intervals.”

The question of when and how customer generation is netted against RMP-supplied energy was a key issue of contention before the Commission in this proceeding. Understanding netting is relevant to solar customers because it determines when and how customer-generated kilowatt-hours are determined to have been exported to the Company in exchange for a credit equal to the Export Credit Rate. This information is important to evaluate anticipated savings from installing solar. Rocky Mountain Power proposed “that there be no interval netting”¹ of exported and delivered energy, and variously referenced this proposal using other terms including “instantaneous netting” and “real time netting.” In practice, Rocky Mountain Power’s proposal for “instantaneous” or “no interval” netting would result in use of meters that update delivered and export registers each second.² Vote Solar proposed that exported and delivered energy be

¹ Direct Testimony of Robert Meredith, lines 48 – 49.

² Docket 17-035-61 Corrected Phase II Rebuttal Testimony of Kate Bowman on behalf of Utah Clean Energy, October 1, 2020, lines 1002 – 1004.

netted monthly, in conjunction with a customers' monthly billing cycle, as is the case with the Schedule 135 net metering tariff.

Based on the Commission's order, it is not clear whether the Commission intends for customer generation to be netted against energy purchased from the utility at the time of a customer's monthly billing cycle, or whether the Commission intends to adopt RMP's proposal for "instantaneous" netting over an interval of one second.

The Commission's order states "Schedule 137 customer's excess generation will be netted monthly in connection with billing for RMP-supplied energy."³ This directive is also expressed as "The value of a customer's monthly excess generation will be netted against the energy portion of the customer's monthly bill,"⁴ and "We approve netting a customer's ECR value earned against energy costs incurred on the customer's monthly bill."⁵

The Commission's order also states "We decline to approve... interval netting of excess generation..."⁶ The Commission elaborates "But more importantly, hourly netting (or any netting interval) simply does not have a basis or a justification in a cost of service setting," "Cost of service principles dictate that Schedule 137 customers should receive the ECR for each kWh they actually export to the grid," and "While we find netting a customer's ECR values against energy charges on the customer's monthly bill to be simple and intuitive, we consider it unnecessary to consider whether some other netting interval might be more understandable, even though that seems unlikely."⁷

The Division's action request response concludes that the Schedule 137 tariff appropriately complies with the Commission's order in part because "Schedule 137 customers' excess generation will be netted monthly in connection with billing for RMP-supplied energy."⁸ However, Schedule 137 does not clearly explain that customers' excess generation will be netted monthly, including within the definition of "Exported Customer-Generated Energy."

Netting of customer-generated energy against RMP-supplied energy for purposes of determining the Export Credit value a customer will receive is separate and distinct from the question of when and how customers are *credited* for the value of their exported energy. Schedule 136 customers, whose exports are netted against their energy purchases on a 15-minute basis, receive a credit for the value of their export credits on a monthly basis as part of their regular billing cycle. No party advocated that solar customers be billed, or credited for the monetary value of their energy exports, on any different interval other than monthly. Therefore, we interpret references to "netting" in the Commission's order as pertaining to the netting of kilowatt-hours generated against kilowatt-hours purchased from the utility for the purposes of determining the customer's accrual of Export Credits, rather than netting of the monetary value of the credits a customer has earned against the expenses on their bill.

³ Docket No. 17-035-61, Order, October 30, 2020. Page 22.

⁴ *Ibid.* Page 2

⁵ *Ibid.* Page 19

⁶ *Ibid.* Page 2

⁷ *Ibid.* Page 19

⁸ Docket No. 17-035-61, Division Action Request Response, November 18, 2020. Page 3.

We request that the Commission clarify whether Exported Customer-Generator Energy is determined by netting customer's excess generation monthly, or whether the Commission's order affirmatively approves the Company's proposal for instantaneous netting. If the former is true, then we recommend amending the definition of exported customer-generated energy to read, "Exported Customer-Generated Energy means the amount of customer-generated Energy that in excess of the customer's on-site consumption that is exported to the grid as netted with on-site energy consumption on a monthly basis." This language is consistent with the Commission's order that "Schedule 137 customers' excess generation will be netted monthly in connection with billing for RMP-supplied energy." If the latter is true, and the Commission's order approves instantaneous netting, then it is especially important that the definition provide additional clarity. Monthly netting of generation against consumption is much more common than instantaneous netting, and there is currently no language in the tariff that clearly articulates a departure from the common practice of monthly netting. In that case, we recommend that the definition be amended to read, "Exported Customer-Generated Energy means the amount of customer-generated Energy that in excess of the customer's on-site consumption that is exported to the grid on an instantaneous basis." It may also be appropriate for the definition to reference the register(s) that will be used for billing purposes. For example, the definition could read "customer generated-energy... that is exported to the grid as measured by export register 24 on the customer meter."⁹ Providing clarification on this issue and ensuring that the definition of "Exported Customer-Generated Energy" clearly implements the Commission's Order will ensure that the tariff appropriately communicates how solar customers will be compensated for customer-generated energy.

Application of Export Credit Rate Value to Customer Bills

The Schedule 137 tariff narrows the ability of solar customers to apply earned export credits against the energy charges on their bill, and we request that the Commission direct Rocky Mountain Power to amend Special Condition 3 to comply with the Commission's Order. The Commission's Order states that "We approve netting a customer's ECR value earned against energy costs incurred on the customer's monthly bill,"¹⁰ and "The value of a customer's monthly excess generation will be netted against the energy portion of the customer's monthly bill."¹¹ The energy portion of a customer's bill consists of a combination of Energy Charges and Power Charges. The Commission's Order does not explicitly state that the Export Credit Rate value should not be credited against Power Charges. As such, we understand the Commission's Order as approving netting of the ECR value earned against Energy Charges and Power Charges, as opposed to other charges on a customer bill including the Customer Service Charge and Facilities Charge.

⁹ For Schedule 135 customers, Register 24 measures "the total energy the site generates back to Rocky Mountain Power. Register 24 is not to be confused with the energy the site is actually generating, because most of that energy is being consumed by the site itself. The energy reading (see back) for register 24 will only increment if the site is producing more energy than it is using." See

https://www.rockymountainpower.net/content/dam/pcorp/documents/en/rockymountainpower/savings-energy-choices/customer-generation/RMP_Reading_Your_Net_Meter.pdf

¹⁰ Docket No. 17-035-61, Order, October 30 2020, Page 19

¹¹ *Ibid.* Page 2

Special Condition 3 of Schedule 137 is identical to Special Condition 7 of Schedule 136 except for the omission of the term “Power Charges.” Whereas Schedule 136 allowed solar customers to apply export credits to “Power and Energy Charges,” Special Condition 3 of the Schedule 137 states that “The credit value in dollars computed for the Exported Customer-Generated Energy will be applied against the Energy Charges on the Customer’s monthly bill.” The Commission’s Order does not state that export credits should not be credited against Power Charges, and so we request that the Commission direct the Company to amend Special Condition 3 of Schedule 137 to match Special Condition 7 of Schedule 136.

Battery Storage

Utah Clean Energy concurs with the Division that the Commission’s Order did not address battery storage. Although the Commission has also approved the WattSmart Batteries Program, a Rocky Mountain Power incentive program for customer-sited battery storage, the WattSmart Batteries Program does not anticipate that customer batteries would export energy to the grid at this time.¹² We recommend that battery storage be removed from the Schedule 137 tariff. Inclusion of batteries as a “Renewable Generating Facility” for the purposes of Schedule 137 is not necessary and could preclude a more thorough exploration of appropriate rate design to encourage customer adoption of storage capable of exporting to the grid.

Summary

We request that the Commission clarify whether the Commission’s order contemplates netting customer-generated kilowatt-hours against customer purchases of energy at the time of the customer’s monthly billing cycle, or whether the Commission’s order effectively adopts RMP’s proposal for “instantaneous” netting. We recommend that the definition of “Exported Customer-Generated Energy” be amended to more clearly explain when and how customer generated energy will be credited at the Export Credit Rate. We also recommend that the Commission direct the Company to amend Special Condition 3 of Schedule 137 to match Special Condition 7 of Schedule 136. Finally, Utah Clean Energy recommends that the Commission direct RMP to remove Batteries from the definition of Renewable Generating Facility in Schedule No. 137 so that rate design for storage may be considered through a more robust proceeding in the future.

Kate Bowman

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¹² The Company’s Advice No. 20-08 filed on September 3, 2020 in Docket No. 20-035-T07 states “At the outset of the Program, batteries will be dispatched to off-set customers’ load, as discussed in the Load Shaping paragraph above. As the Program evolves and matures however, it is the intent to dispatch the batteries for additional capabilities, such as charging batteries during the day with excess solar and exporting the solar energy during peak times, in order to maximize benefits for all parties.” Page 6.