



SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor

State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: The Public Service Commission of Utah
From: The Office of Consumer Services
Michele Beck, Director
Alex Ware, Utility Analyst

Date: June 8, 2021
Subject: Docket 17-035-61: OCS Comments on Export Credit annual update structure

In the Matter of: Application of Rocky Mountain Power to Establish Export Credits for Customer Generated Electricity

BACKGROUND

The Public Service Commission (PSC) issued an order on October 30, 2020 that in part established a comment period regarding the potential timing, procedure, and scope of annual updates to Rocky Mountain Power's (RMP) Schedule 137. On February 2, 2021, the PSC issued an order vacating those comment period deadlines. On April 28, 2021, the PSC established a new comment and reply comment period of June 8, 2021 and June 29, 2021 respectively. The Office of Consumer Services (OCS) submits these comments to the PSC in response to that notice.

DISCUSSION

In its October 30, 2020 order in this docket, the PSC determined that it is "just and reasonable to update the [export credit rate] ECR annually..."¹ Specifically, the PSC recognized that energy and capacity prices may change annually and therefore the annual updating of these fluctuating market conditions will result in the most accurate rate.

¹ 17-035-61 Commission Order 10-30-2020, p. 7.

Timing: Regarding when RMP should annually file to update the ECR, the OCS is agnostic at this time. We look forward to reviewing comments from other parties in this docket that may have timeframe preferences based on other reporting requirements and/or data availability. OCS supports a timeline convenient to other ongoing regulatory requirements of both RMP and the Division of Public Utilities (DPU).

Process: Since the ECR update will be a tariff filing, consistent with statute it will go into effect 30 days after filing unless the PSC specifically rules otherwise. Of course, the PSC can adopt a tariff that specifically adopts a different schedule. Nonetheless, the OCS asserts that it makes sense for routine updates to be reviewed and implemented relatively quickly, within 30 to 60 days. The process should also allow parties to request additional process if and when they present compelling reasons that additional analysis is necessary to protect the public interest. If the PSC determines that some inputs are not appropriate for routine updates, it should provide clear guidance on how parties can propose updates outside of the annual process. For example, it is not clear to the OCS to what extent the inputs used to calculate the generation and distribution capacity are well suited for annual updates. If not, an alternate timing and process should be identified.

Also, the OCS opposes using the annual update process being used to relitigate the ECR or its parts. We believe that fundamental disagreements about calculation methods or inputs to be included in the ECR, would be more appropriately addressed in a separate docket. The annual ECR update docket should only be used for the updates as intended. Thus, the PSC should clearly direct parties that such issues should be raised in a separate application or request for agency action, with the burden of proof resting on the moving applicant.

Scope: The OCS assumes that RMP's response to this request for comments may provide a foundational summary of the inputs necessary for the ECR update and information regarding the timing of new data availability. We envision an update process similar to RMP's Schedule 38 (Qualifying Facilities Procedures), where the Company was ordered on June 9, 2015 in Docket No. 14-035-140 to identify data suited to routine updates versus data that must be updated through formal consideration before the PSC. The OCS anticipates we will likely have reply

comments after we have the opportunity to review RMP's and other participants' suggestions.

Generally, the OCS believes that it is important for RMP's costs related to the program to be updated annually where practical. We recognize that some data may not be able to be updated annually, such as data that is an output from RMP's biennial integrated resource planning (IRP) process or a general rate case. For example, inputs like the transmission OATT, EIM results, and load data should be updated annually. The OCS understands line losses to be an input that is updated in a general rate case and is not likely ripe for annual updates. Finally, integration costs are typically addressed in the IRP. However, for integration costs to be updated in the annual ECR filing following each IRP, the OCS believes that the PSC will need to specifically approve those costs in the IRP rather than just offering an acknowledgement of the overall filing. Alternatively, others may propose a more efficient approach to a review and approval of integration costs.

RECOMMENDATIONS

Regarding the annual update of RMP's ECR, the OCS recommends that the PSC order the following:

1. Require annual updates for cost inputs where feasible (such as EIM costs and load data) and require prompt updates in the annual filing immediately following other regulatory processes that update input costs,
2. Identify any aspects of the ECR that are not suited to be routinely updated and provide clear direction on the process that will be used to provide a more in-depth review, and
3. Require any party that wants to change the components of the ECR or the method of calculation of any existing component to file its own application or request for agency action to ensure the annual update of the ECR is not used to relitigate the ECR.

The OCS may refine its recommendations based on initial comments from other parties.

cc: Jana Saba, Rocky Mountain Power

Chris Parker, Division of Public Utilities

Service List