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Reply Comments

To: Public Service Commission of Utah
From: Utah Division of Public Utilities
 Chris Parker, Director
 Artie Powell, Manager
 Doug Wheelwright, Utility Technical Consultant Supervisor
 Bob Davis, Utility Technical Consultant
Date: June 29, 2021
Re: **Docket No. 17-035-61**, Application of Rocky Mountain Power to Establish Export Credits for Customer Generated Electricity.

Recommendation

The Division of Public Utilities (Division) files these reply comments in response to the Public Service Commission's (Commission) request for comments and reply comments by June 8, 2021 and June 29, 2021, respectively.¹ The Division, Rocky Mountain Power (RMP), and the Office of Consumer Services (OCS) appear in general to agree on the timing, process, and scope of the annual review of the export credit rate (ECR). Although Utah Clean Energy (UCE) generally arrives at the same conclusions, the Division has concerns with UCE's request for multiple rounds of comments.

The Division recommends that RMP file the annual update by mid-October of each year with an effective date of January 1st of the following year. The Division also recommends the

¹ See Commission Order, Docket No. 17-035-61, April 28, 2021, page 13, Section 6, <https://pscdocs.utah.gov/electric/17docs/1703561/3184591703561ooar4-28-2021.pdf>.

Commission update the current Schedule No. 137 rates beginning later this year allowing parties ample time to come to an agreement on the scope and procedure for the annual review.

The Division's failure to address any positions or issues presented by other parties that are not addressed herein should not be construed as agreement or disagreement with those positions. The Division reserves its right to provide additional comments on any topic or respond to other parties' comments in future filings of this docket.

Discussion

Timing of Annual Update

The parties concluded in their comments that RMP should prepare and file changes to Schedule No. 137 in the fourth quarter of the year.

The Division, therefore, recommends RMP file its Schedule No. 137 revisions by mid-October of each year allowing parties time to review and make recommendations with a Commission approved effective date of January 1st of the following year.

Procedure of Annual Update

Assuming RMP's annual filing is an update to its tariff, any annual review may fall under the umbrella of the Commission's rules, Utah Code Annotated R746-405-2-E, Approval of Filed Tariff Sheets.² The Division, therefore, proposes a process for the ECR annual update similar to the Commission approved process for reviewing and approving RMP's Schedule 38 updates.

The Division reiterates and expands its initial comments as follows by recommending that:³

- The Company makes a filing, in which it designates updates as routine or non-routine. In its initial comments, RMP classified updates as annual, most recent general rate case (GRC) or integrated resource plan (IRP), or future export credit proceeding. The Division

² See <https://casetext.com/regulation/utah-administrative-code/public-service-commission/title-r746-administration/rule-r746-405-filing-of-tariffs-for-gas-electric-telephone-and-water UTILITIES/section-r746-405-2-format-and-construction-of-tariffs>.

³ See Division of Public Utilities, Comments, Docket No. 17-035-61, June 8, 2021, pages 3-4, <https://pscdocs.utah.gov/electric/17docs/1703561/319027DPUCmnts6-8-2021.pdf>.

concludes that this classification is generally consistent with the Division's designation of routine and non-routine updates or changes. RMP's annual updates would correspond to the Division's routine updates while RMP's other classifications are consistent with the Division's non-routine updates;

- Interested parties would have fifteen days to review the application and file comments;⁴
- If no party challenges any of the updates or proposes any additional updates or changes, the rates become effective on January 1st of the following year;
- If any party challenges any of the updates or proposes additional updates or changes, to the tariff, then rates would go into effect on January 1st with the unopposed or unchallenged updates and a process and schedule will be set to consider the challenged updates or changes; and
- Non-routine updates or changes to the tariff approved by the Commission through proceedings that do not align in timing with the routine updates or changes could become effective at the next annual review, or as directed by the Commission, so customers understand the tariff structure and rates throughout each annual billing cycle.

In light of Commission Rule R746-405, the Division has concerns regarding the efficiency and practicality of UCE's request for multiple rounds of comments and longer review periods than those the Division proposes above.⁵ The Division is concerned that too many rounds of comments may not be meaningful in the context of the routine annual tariff review where the primary questions are whether RMP used the correct inputs and performed the calculations correctly. Too much process for routine update review may also be too little process for non-routine updates or changes. Too much process will unnecessarily delay the effective date, and may result in attempts to litigate non-routine updates or changes, or other issues that are better suited to more thorough review. The Division's proposal would allow sufficient time to review

⁴ Utah Code Annotated, Public Service Commission Rules, R746-405-2(E)(4)(b).

⁵ See Utah Clean Energy, Comments, Docket No. 17-035-61, June 8, 2021, pages 2 and 9, <https://pscdocs.utah.gov/electric/17docs/1703561/319030UCECmnts6-8-2021.pdf>.

the routine updates or changes with a January effective date and provide a more comprehensive process for other updates and changes.

Scope of Annual Update

The proposed process requires a relatively quick and intense review of RMP's filing. The *Scope of Annual Update* as presented by the Division, RMP, and the OCS in each of their comments is generally consistent. The Division concludes that the scope and process may need to be adjusted as the parties learn and work through the first few annual reviews. The timing, process, and scope presented by parties is a good starting point.

Conclusion

Similar in complexity to the quarterly review of RMP's Schedule Nos. 38 and 37 Avoided Cost filings, the annual review of Schedule No. 137 requires review sufficient to support Commission findings. Models built through collaboration to determine the avoided energy costs, avoided generation, transmission, and distribution capacity costs for the winter and summer ECR rates, and the assumptions that are input into the models, offer an expeditious method for the annual review. If disputes arise, they may still be resolved within the boundaries of this general review process. The annual ECR review should be relatively easy to understand and timely. The process offers the customer generator an opportunity to better align its generation and usage.

Therefore, the Division recommends an annual review beginning with RMP's filing of tariff revisions by mid-October 2021, followed by a fifteen-day review by parties that allows time for the Commission to issue its findings and conclusions resulting with an effective date of January 1, 2022, and January 1st of each succeeding year. Any non-routine adjustments, if needed, can be assigned a new docket and discussed separately as explained above.

Cc: Jana Saba, RMP
Michele Beck, OCS
Service List