

July 27, 2018

VIA ELECTRONIC FILING

Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Gary Widerburg
Commission Secretary

RE: Docket No. 18-035-16
Rocky Mountain Power's First Annual Sustainable Transportation and Energy Plan Act ("STEP") Program Status Report
Reply Comments

On May 9, 2018, the Public Service Commission of Utah ("Commission") issued a Notice of Amended Comment Period ("Notice") requesting comments on Rocky Mountain Power's ("Company") July 12, 2018 first annual Sustainable Transportation and Energy Plan Act ("STEP") Program Status Report ("Report"). On July 11, 2018, joint comments were submitted by Southwest Energy Efficiency Project ("SWEET") and Utah Clean Energy ("UCE"). On July 12, 2018, the Division of Public Utilities ("Division") and the Office of Consumer Services ("Office") each filed comments. Consistent with the Notice, the Company submits the following reply comments.

Summary of Interested Party Recommendations

When developing the reporting requirements for the STEP program, the Company and parties anticipated that as the programs advanced and the reporting occurred, the need for changes to the report and/or programs may arise. As contemplated, the parties made several recommendations in their comments with some overlap of the recommendations among the parties. The Company values the feedback offered by the parties in their comments and looks forward to working with them to ensure that the annual STEP report provides a meaningful, transparent and complete reporting of the STEP programs. For ease of reference, the Company compiled the parties' recommendations into Exhibit A, arranged by topic. Next to each recommendation in the table is the Company's response. With only a few exceptions, as noted, the Company agrees to these recommendations. Exhibit A also indicates where additional discussion is warranted, for which the remainder of these reply comments is dedicated.

STEP Collaborative Meeting

The Division and the Office request that the Company convene a meeting with interested parties to discuss various topics related to the annual STEP report, including ways to improve it. The Company agrees that a meeting to collaborate on improvements and changes to the annual STEP report and/or programs would be beneficial and will be reaching out to interested parties to schedule a meeting that will be referred to as the STEP Collaborative. An agenda for the meeting

is presented at the end of these reply comments that captures the topics raised by parties in their comments for which the Company believes additional discussion is necessary.

Utah Solar Incentive Program (“USIP”)

During the Division’s review of the USIP program expenses, it indicated that the clarity of the information could be improved. Specifically, the Division recommends that the Company include an explanation and correlation of the USIP amounts reported in the Company’s annual STEP reports to those reported in the annual USIP reports. The Division’s request is consistent with the recommendation they made in their July 2, 2018 comments in the USIP annual report Docket No. 18-035-24 (“USIP Docket”). As noted in the USIP Docket, the Company agrees with the Division’s request and will provide the information in the annual USIP reports that correlates to the USIP information included in the STEP report.

Also, in its reply comments in the USIP Docket, the Company suggested some modifications to the USIP report going forward since the program is no longer accepting new applications. The Commission issued a Notice of Filing and Comment Period on July 25, 2018, to solicit comments from interested parties related to the Company’s proposed changes. The Company believes it would be beneficial to expand the discussions related to USIP in the STEP Collaborative to include a discussion on the Company’s proposed change to the future USIP reports. To capitalize on the opportunity to better coordinate the two reports, the Company will include USIP reporting for both the USIP and STEP reports on the agenda for the STEP Collaborative. The Company expects this discussion to help inform the comments to be filed in the USIP Docket.

DSM/STEP Liability Account Reporting

The Division recommends that the STEP report include a high-level presentation of the following aspects of the DSM/STEP liability account:

- Annual spend
- Annual capitalization
- Annual expenses
- The asset and liability balances for the reporting period
- Year-to-date balances

As part of its review, the Division submitted data request DPU 1.7 requesting the DSM/STEP liability and asset account monthly balances through the 10 year program period. In response, the Company provided an Excel spreadsheet with the monthly balances. In comments, the Division indicated the spreadsheet was helpful and recommended it be provided in the future annual STEP reports. The Company will work with the Division and other interested parties at the STEP Collaborative to develop a DSM/STEP liability account reporting format that provides all of the information requested above.

Electric Vehicle Reporting

Of all the STEP programs, the EV program was the most active during 2017 and is also

the only program that has a use-or-lose budget. Both the Division and Office found the information filed by the Company to be difficult to understand. The Company appreciates the feedback and will work with the parties to ensure the STEP report provides a clear accounting of the EV program. The parties suggested several specific improvements to the STEP report related to the EV program, as shown in Exhibit A. The Company agrees to the recommendations made by the Division and the Office. For the recommendations made by SWEEP/UCE, the Company agrees to expand the EV report to include the total number of workplace charging ports by county, the number of employers and sites, and the average and range of total costs for each charging station.

UCE/SWEEP's joint comments also recommend a new offering for residential AC Level 2 Chargers, and to increase incentive levels for the prescriptive AC Level 2 and DC Fast Charger offerings, due to low uptake. Their recommendation is based on the participation details for prescriptive measures from the Report. The 2017 STEP Report, however, only contains prescriptive measure installations that occurred from July 1 through September 30, 2017, due to the EV Program's effective date and the fiscal year accounting. The Company does not recommend increasing incentive levels for prescriptive measures based on participation rates that occurred during this short timeframe when the EV Program was just starting to ramp up. Instead, the Company recommends adding this topic to the agenda for the STEP Collaborative meeting, where the Company will provide a more current status of the EV Program for review, and a discussion on any necessary adjustments to the EV Program can be held at that time.

Similarly, UCE/SWEEP also recommends increasing the incentive for participation in the Time of Use Study ("TOU Study") to \$500 to encourage an increased participation rate. As stated in the Report, TOU rates were not actively promoted by the Company due to the ongoing recruitment efforts for the load research study. Therefore, the Company believes this recommendation is premature at this time. A status update on TOU rates will be included on the agenda for the STEP Collaborative.

Clean Coal Technology Reporting

As described in the Report, the request for proposals ("RFP") for the Alternative NOx Reduction project did not produce any viable bids. As a result, the Company recommends abandoning the program and reallocating the funds to other clean coal technology programs. In comments, the Division supports the Company's conclusion that the project should be abandoned and recommends the Company make a filing to determine the best use of those funds. Similarly, the Office supports abandoning the project and requests the Commission deem those funds to be no longer authorized until the Company receives approval to allocate them to another project. The Company is currently analyzing a proposal for the redeployment of these funds, and plans to make a filing later this year.

Panguitch Battery Storage

The Office requested clarification of the Company's project accounting for the Panguitch Battery Storage project. The Company reported \$331,995 of project costs as being both annual spend and committed funds. The \$331,995 figure shown in the "committed funds" field of the report was unintentionally included in that field. The Company clarifies that a total of \$331,995

was spent in calendar year 2017 for the Panguitch Battery Storage program and should only have been reported in the “annual spend” field of the STEP report. Also, the Office pointed out an asterisk next to the header on the “Project Milestones” table that does not have an accompanying footnote. The STEP reporting template that was filed by the Company in Docket No. 16-035-36 on September 1, 2017, and approved on October 12, 2017, contained an asterisk with an associated footnote intended to be guidance for what should be included in the table when the Company completed the annual STEP report. When the Company used this template to create the reports for the individual STEP programs, it removed the asterisks and corresponding footnotes from the individual project reports; however, the asterick was inadvertently left in the Panguitch Battery Storage report.

STEP Collaborative Agenda

Based on the comments and feedback from the interested parties, at this time the agenda for the STEP Collaborative will include the following.

- USIP reporting
 - Modifications to the STEP report to ensure clarity
 - Possible changes to the USIP annual reports as proposed by the Company in the USIP report Docket No. 18-035-24
- DSM/STEP liability account
 - Designing a format that provides the information requested by the Division
- Electric Vehicle reporting
 - Implement improvements to the report that help make it easier to understand and more transparent including all of the recommendations made by the Division and Office and any other improvements identified
 - Discuss how to proceed with accounting for EV custom project incentives and other commitments
 - Multi-family housing participation/incentives
 - DC fast charging incentives
 - TOU study participation update
- External OMAG
 - Discuss reporting in future reports

The Company appreciates the opportunity to file reply comments and looks forward to continual engagement with the parties in implementation of STEP.

Sincerely,



Joelle Steward
Vice President, Regulation

Exhibit A

Exhibit A: Summary of Recommendations

Topic	Division	Office	SWEEP/UCE	RMP Response
USIP	1) Include a spreadsheet that reconciles USIP expenditures and ending balances that correlate to the STEP Report, RMP Exhibit A.			Agree (additional discussion in comments)
Overall DSM/STEP Liability Account	2) Include a brief summary and spreadsheet explaining the DSM/STEP Liability and Asset balancing accounts.			Agree (additional discussion in comments)
Electric Vehicle	3) Include a spreadsheet explaining the Electric Vehicle ("EV") Program expenditures.			Agree
	4) Provide accounting and explanations in the annual report that demonstrate the EV Program in a more transparent manner.	1) Table 1 EVCI should be modified such that the accounting information is presented in a more easily understood format.		Agree
		2) Table 3 EVCI should include the date each custom project was accepted by the Company.		Agree
	5) The parties should meet to discuss how to proceed with accounting for EV custom project incentives and other commitments.			Agree
	6) Provide at a minimum, a status report for the additional filing requirements for the EV Program.			Agree
			1) modify future reports to include: total number of workplace charging ports by county, the number of employers and sites, the average and range of total costs for each charging station.	Agree
			2) increase participation of multi-family charging stations through: a) increase the incentive to the maximum levels that were authorized in docket 16-035-36, b) consider requesting higher incentives from the Commission or c) propose a turnkey approach, in which RMP would directly install and own the charging infrastructure.	Do not agree at this time
			3) increase the DC fast charging incentives up to the maximum levels allowed under docket 16-035-36.	Do not agree at this time
Clean Coal	7) File with the Commission to reallocate funds from the Alternative NOx Emission Control Technology to another program.	5) recommends that the Commission clearly indicate that the funds associated with this project are no longer authorized to be spent unless and until the Company receives approval for a reallocation or new proposal that is found to be in the public interest.		Agree (additional comments)
Panguitch Battery Storage		3) The Company should provide an explanation on the battery storage project accounting and milestones in reply comments in this docket.		Agree (additional comments)
Overall Report	8) The Division suggests that RMP provide an explanation for any external OMAG expense in future reports.			Agree
		4) The Company should meet with interested parties to discuss potential modifications and/or enhancements to the STEP Annual Status Report.		Agree

CERTIFICATE OF SERVICE

Docket No. 18-035-16

I hereby certify that on July 27, 2018, a true and correct copy of the foregoing was served by electronic mail to the following:

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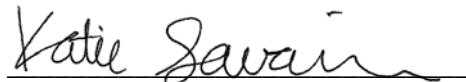
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