
Rocky Mountain Power's First Annual Sustainable Transportation and Energy Plan Act ("STEP") Program Status Report	<u>DOCKET NO. 18-035-16</u>
	<u>ORDER</u>

ISSUED: August 3, 2018

BACKGROUND AND PROCEDURAL HISTORY

On April 30, 2018, PacifiCorp, doing business as Rocky Mountain Power ("PacifiCorp"), filed its First Annual Sustainable Transportation and Energy Plan Act ("STEP") Program Status Report ("Report") with the Public Service Commission ("PSC"). The Report contains the overall calendar year 2017 monthly accounting detail for the STEP program as well as information on the individual STEP projects, using the reporting template approved by the PSC on October 12, 2017 in Docket No. 16-035-36.¹

The Report also provides a comprehensive analysis and evaluation of the four proposals PacifiCorp received in response to its Alternative NOx Control Technology Demonstration project ("NOx Project") request for proposal. PacifiCorp concluded none of the responders were capable of meeting the NOx Project's objectives within the approved budget limits and therefore PacifiCorp recommends abandoning the NOx Project and utilizing the remaining STEP funds to expand other STEP projects. PacifiCorp is currently developing a proposal for the redeployment of these funds for PSC approval later this year.

¹ See *In the Matter of the Application of Rocky Mountain Power to Implement Programs Authorized by the Sustainable Transportation and Energy Plan Act - RMP Reporting Template for STEP Programs*: Docket No. 16-035-36, <https://pscdocs.utah.gov/electric/16docs/1603536/297254CorresWiderburg10-12-2017.pdf>.

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PacifiCorp acknowledges the STEP Report is a work in progress and may need to be revised annually to keep stakeholders adequately informed on the progress of the STEP programs.

On May 2, 2018, the PSC issued a Notice of Filing and Comment Period. On May 9, 2018, at the request of the Division of Public Utilities (“DPU”), the PSC issued a Notice of Amended Comment Period, with comments due on July 12, 2018, and reply comments due on July 27, 2018.

Comments were filed jointly by the Southwest Energy Efficiency Project and Utah Clean Energy (“SWEEP/UCE”) on July 11, 2018. On July 12, 2018, the DPU and the Office of Consumer Services (“OCS”) each filed comments. The OCS, DPU, and PacifiCorp filed reply comments on July 20, July 26, and July 27, 2018, respectively.

PARTIES’ COMMENTS

The DPU recommends the PSC acknowledge the Report. In addition, the DPU recommends future STEP reports include: 1) a spreadsheet that reconciles the Utah Solar Incentive Program (“USIP”) expenditures and ending balances that correlate to RMP Exhibit A of the STEP Report; 2) a brief summary and spreadsheet explaining the DSM/STEP Liability and Asset balancing accounts; 3) a spreadsheet explaining the Electric Vehicle (“EV”) Program expenditures; and 4) an explanation for any external Operations and Maintenance/Administrative and General (“OMAG”) expense. To increase the transparency of the EV Program, going forward the DPU also recommends PacifiCorp provide additional accounting information and explanations, and a status report for the additional filing requirements. In addition, the DPU

encourages parties to meet and discuss how to proceed with accounting for EV custom project incentives and other EV commitments.

The DPU supports PacifiCorp's proposal to abandon the NOx Project and use the remaining funds for another STEP program. The DPU recommends PacifiCorp file a request with the PSC to reallocate funds from the NOx Project to another program.

The OCS also recommends the PSC acknowledge the Report. The OCS states the Report is a good starting point and proposes several enhancements. In its July 12, 2018 comments the OCS recommends: 1) Table 1 EVCI should be modified such that the accounting information is presented in a more easily understood format; 2) Table 3 EVCI should include the date each custom project was accepted by PacifiCorp; 3) PacifiCorp should provide an explanation on the battery storage project accounting and milestones in reply comments in this docket; and 4) the PSC should require PacifiCorp to meet with interested parties to discuss potential modifications and/or enhancements to the STEP annual report going forward.

In its reply comments, the OCS further recommends future STEP reports include: 1) the number of employers and sites of workplace charging ports; 2) the average and range of total costs for each charging station; 3) a spreadsheet that reconciles USIP expenditures and ending balances that correlate to the STEP Report, RMP Exhibit A; 4) a brief summary and spreadsheet explaining the DSM/STEP Liability and Asset balancing accounts; 5) a spreadsheet explaining the EV Program expenditures; 6) accounting and explanations that demonstrate the EV Program in a more transparent manner; 7) a status report for the additional filing requirements for the EV Program; and 8) an explanation for any external OMAG expense.

The OCS supports abandoning the NOx Project. Further, the OCS recommends that the PSC specify that the funds associated with this project are no longer authorized to be spent unless and until PacifiCorp receives approval to reallocate them.

SWEEP/UCE suggests future reports should include more detail regarding Level 2 workplace charging stations, listing the number of employers and sites participating in the program as well as the average and range of total costs for each charging station. SWEEP/UCE also suggests PacifiCorp increase the incentive levels for chargers at multi-family housing units as participation rates were very low during the first year of the program. Based on other utility EV programs, SWEEP/UCE suggests utility ownership of charging port infrastructure might work better in the multi-family market. SWEEP/UCE points out that in the June 28, 2017 PSC-approved Stipulation and Partial Settlement Agreement in Docket No. 16-035-36, parties agreed to evaluate the program after the first year of operation and consider making adjustments to the incentive and outreach strategies.

SWEEP/UCE also recommends the incentive levels for DC fast chargers should be increased to address low participation rates in the program. SWEEP/UCE further recommends PacifiCorp explore the possibility of creating a residential Level 2 charging rebate of at least \$500, with the provision that the incentive recipient must participate in the STEP time-of-use (“TOU”) pilot study.

In its reply comments, the DPU objects to SWEEP/UCE’s suggested increases in the incentive levels and explains its concerns regarding redesigning a program before there is sufficient information available on which to make a decision. With the exception of enhanced Level 2 workplace charging station reporting, the OCS objects to SWEEP/UCE’s

recommendations, explaining that it believes more information is needed before programs are redesigned.

The OCS is concerned with SWEEP/UCE's suggestion regarding utility ownership of charging infrastructure. The OCS asserts that costs associated with PacifiCorp-owned charging infrastructure should be prohibited from inclusion in rates paid by all customers because of the potentially negative impact on competition from the private sector. The DPU shares the OCS's concern regarding utility ownership of charging infrastructure.

In reply comments PacifiCorp: 1) provided supplemental information on the storage project as requested by the OCS; 2) agrees with the STEP reporting enhancements proposed by the DPU, OCS, and SWEEP/UCE; and 3) agrees that a meeting to collaborate on improvements and changes to future STEP reports would be beneficial, commits to schedule and facilitate a STEP Collaborative meeting, and provides an agenda for the STEP Collaborative meeting.

Like the DPU and OCS, PacifiCorp does not recommend increasing EV incentive levels for prescriptive measures based on participation rates that occurred during the short period from July 1 through September 30, 2017 when the program was ramping up. Instead, PacifiCorp recommends addressing this issue in the STEP Collaborative meeting.

PacifiCorp believes SWEEP/UCE's recommendation to increase the incentive for the TOU study is premature. PacifiCorp points out it did not actively promote the TOU rates due to ongoing recruitment efforts for the load research study. PacifiCorp commits to providing a status update on TOU rates in the upcoming STEP Collaborative meeting.

DISCUSSION, FINDINGS, AND CONCLUSIONS

Based on the comments filed by the DPU, OCS, SWEEP/UCE, and PacifiCorp, we find the Report fulfills the PSC-approved STEP reporting requirements and we acknowledge the Report. We also acknowledge and adopt PacifiCorp's commitment to incorporate in future reports all of the reporting enhancements suggested by the DPU, OCS, and SWEEP/UCE. We find these enhancements, identified in Exhibit A of PacifiCorp's reply comments, will help ensure future STEP reports are comprehensive and transparent, and increase parties' familiarity with the details of the STEP projects and how they are implemented.

We acknowledge PacifiCorp's commitment to facilitate a STEP Collaborative meeting. During this meeting, we encourage parties to examine how PacifiCorp implements its EV grant-based custom projects and partnerships selection process to ensure that the funds are spent prudently.

Based on the recommendations of the OCS and DPU, we find PacifiCorp's proposal to abandon the NOx Project and reallocate the funds to other programs reasonable. The remaining portion of the approved funding for this project is no longer available for use until PacifiCorp files for and receives PSC approval for redeployment of these funds.

We decline to adopt SWEEP/UCE's recommendations regarding changing EV incentive levels or program redesign at this time. In light of the ramping up period for the EV programs and the OCS and DPU's concerns regarding modifying programs before sufficient information is available, we find PacifiCorp's recommendation to provide an update on these topics and discuss necessary adjustments during the STEP Collaborative meeting is reasonable.

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ORDER

1. We acknowledge PacifiCorp's First Annual Sustainable Transportation and Energy Plan Act Program Status Report.
2. We approve PacifiCorp's recommendation to abandon the NOx Project. Any remaining NOx Project STEP funds are no longer authorized to be spent until PacifiCorp receives PSC approval to reallocate them.
3. PacifiCorp shall revise future STEP annual reports as proposed by the DPU, OCS, and SWEEP/UCE, and agreed to by PacifiCorp in its reply comments.
4. PacifiCorp shall convene the STEP Collaborative as identified in its reply comments.

DATED at Salt Lake City, Utah, August 3, 2018.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#303792

Notice of Opportunity for Agency Review or Rehearing

Pursuant to §§ 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this Order by filing a written request with the PSC within 30 days after the issuance of this Order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC does not grant a request for review or rehearing within 20 days after the filing of the request, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a petition for review with the Utah Supreme Court within 30 days after final agency action. Any petition for review must comply with the requirements of §§ 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on August 3, 2018, a true and correct copy of the foregoing was served upon the following as indicated below:

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