



State of Utah
Department of Commerce
Division of Public Utilities

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REPLY COMMENTS

To: Utah Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Artie Powell, Energy Section Manager
Bob Davis, Utility Analyst

Date: August 16, 2018

Re: **Reply Comments, Docket No. 18-035-28**, – In the Matter of Rocky Mountain Power’s Customer Owned Generation and Net Metering Report and Attachment A for the Period April 1, 2017 through March 31, 2018.

REPLY COMMENTS AND RECOMMENDATION (Acknowledge with Recommendation)

The Division of Public Utilities (Division) has reviewed Rocky Mountain Power’s (RMP) responses to the Division’s data requests 2.1 through 2.7. The Division has no revisions to its original August 1, 2018 Action Request Response filing except for those contained herein. The Division supports the recommendations of the Office of Consumer Services (OCS) in its initial comments for this docket. Finally, the Division comments on Utah Clean Energy’s (UCE) proposal for expired export credits. With its additional comments and recommendations, the Division recommends that the Commission acknowledge RMP’s Report.

ISSUE

On July 2, 2018, RMP filed its 2018 Net Metering Report (Report) with the Commission. On July 2, 2018, the Commission issued an action request to the Division to review the filing for compliance and make recommendations. On July 3, 2018, the Commission issued a Notice of Filing and Comment Period allowing comments on or before August 1, 2018 and reply

comments on or before August 16, 2018. The Division respectfully submits the following reply comments in support of its original recommendation.

DISCUSSION

On July 10, 2018, the Division sent a series of data requests to RMP to clarify sections 1, 3, 6, and 8 of its Exhibit C, Customer Generation Report. RMP had not responded to those data requests at the time of the Division's Action Request Response filing on August 1, 2018. Since that time, RMP responded to the Division's data requests. Based on its data request responses, RMP supports the Division's conclusions. The Division offers the following clarifications to its original comments.

The Non-Net Metering customer count did change from last year as filed by RMP. As of March 31, 2018, there was *one hydro and two gas* non-net metering customers added to the **49** customers reported March 31, 2017 or **52 Non-Net Metering customers**. These additional customers are included in this year's Exhibit C-Interconnection Report, but not included in Exhibit A. The total Non-Net Metering Capacity by Resource MW reported in 2018 is **132.45**.¹ The Division recommends the Commission acknowledge the report conditioned upon RMP revising, and refile, Exhibit A and Exhibit C.

Utah Clean Energy's Proposal for Expired Net Metering Credits

Utah Clean Energy (UCE) has shown particular interest in this topic and put forth a proposal for an alternate use of expired net metering credits in its initial comments to this docket on August 1, 2018. UCE proposes to use expired Schedule 135 net metering credits and expired Schedule 136 export credits to support weatherization services² and a solar pilot for low-income customers (Proposal). The Division offers the following comments on the Proposal.

Currently, expired net metering credits offset funds collected from all customers through Schedule No. 91 and Schedule No. 92 (HELP) surcharge refund, respectively. The remaining

¹ 2018 Customer Generation Report, Section 3, Total kW Combined Capacity, p. 3. The Division notes that the single Non-Net Metering Hydro (.36 MW) and two Non-Net Metering Gas (.845 MW) are not contained in Exhibit A whereas the numbers for the year ending March 31, 2017, for all technologies, are contained in Exhibit A. DPU data request 2.2 and 2.5.

² Utah Weatherization Assistance Program (WAP) at <https://www.utahca.org/weatherization/>. The Division understands that some services provided by the WAP program are taking twelve months to complete.

HELP funds lower low-income customer power bills by approximately thirteen dollars per month at a maximum. UCE's proposal would divert the offset to fund the low-income program, thus slightly raising the customer bill surcharge. The Division is not opposed to the slight increase to help low-income customers and generally supports UCE's proposal to use the funds for the Utah Weatherization Assistance Program (WAP). This would better align customer generation customers' expectation of how their expired credits are used.

The Division is skeptical and has many concerns with the solar installation portion of the proposal for low-income customers. Although not opposed to a low-income solar pilot, the Division is skeptical that spending weatherization dollars on solar generation is a wise use of limited funds, especially given concerns over costs, cheaper efficiency gains, and limits on the number of customers to be served.³ It would make more sense to spend all available funds on energy efficiency for many homes before spending any funds for just a few solar systems.

The Proposal suggests installing 2 kW solar systems in a program managed by Utah Community Action (UCA).⁴ The Division is concerned that the proposal underestimates the costs and burdens of a low-income solar program. Solar system installation requires engineering, structural review of the installation site, maintenance, administrative and engineering costs to the utility, and other costs including eventual disposal and replacement. The third parties installing the solar systems may cover some of the costs, however, other costs become a burden to other ratepayers. The Division's skepticism of the solar pilot is rooted in these unknown costs and burdens and limited benefit.

More analysis of the mechanics of how the solar pilot portion of the Proposal might work would be beneficial before proceeding. In the interim, should the Commission approve the solar pilot, the Division recommends that the sizing of the systems be limited to no more than 50 percent of the customer's average bill, or 2 kW system size, whichever is smaller.

The Proposal suggests using Federal and State tax credits as an offset to solar system costs. It is unclear to the Division how the tax credits to offset system costs would work under

³ Utah Clean Energy concurs that only those homes that are already efficient with sound roofs should be considered for solar. Comments of Utah Clean Energy, Docket No. 18-035-28, Kate Bowman, page 11.

⁴ The Division concludes UCE's analysis could have varying results by changing the parameters in PV Watts to determine the benefits proposed. Every install would be different and the average savings may vary accordingly.

the Proposal and who would receive those credits. Similarly, the renewable energy credits (RECS) would require answers to the same questions. These ideas remain nascent.

Schedule 136 Credits

The expiring credits from Schedule No. 136 transition customers total \$151. The Division supports the comments made by the OCS and concludes any excess credits from the Schedule 136 transition customers and post transition customers should offset EBA surcharges on customer bills. Thus, the \$151 in expiring Schedule 136 credits should be credited against upcoming EBA charges.

The Division is skeptical of the low-income solar installation program. The Division suspects funds would be better used to continue offsetting low-income power bills, weatherization as proposed, and energy efficiency. However, if a program is approved, it should consider the factors listed above and be narrowly constrained until it is better understood.

CONCLUSION

The Division has reviewed RMP's responses to the Division's data requests 2.1 through 2.7 and revised its conclusions as stated herein. The Division recommends that RMP add a Section 9 to its report illustrating the "Measurement to Cap" for large non-residential customers under Schedule No. 136. The Division's review of RMP's 2018 Customer Generation Net Metering Report concludes that RMP's filing complies with the Commission's reporting requirements and recommends that the Commission acknowledge RMP's report with the condition that RMP revises, and refiles, Exhibit A and Exhibit C. The Division supports the recommendations the Office of Consumer Services (OCS) made in its initial comments to this docket. The Division has reviewed UCE's Proposal to change the use of expired net metering credits, and supports the Utah Weatherization Assistance Program portion of UCE's proposal but has reservations about the solar pilot portion of the proposal.

cc: Joelle Steward, RMP
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Service List