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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: Utah Public Service Commission

From: Office of Consumer Services
Michele Beck, Director
Cheryl Murray, Utility Analyst

Date: August 16, 2018

Re: Office of Consumer Services' Reply Comments: 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. Docket No. 18-035-28.

Background

On July 2, 2018, Rocky Mountain Power (Company) filed with the Public Service Commission (Commission) its Customer Owned Generation and Net Metering Report (Report) and Attachment A for the period April 1, 2017, through March 31, 2018.

On July 3, 2018, the Commission issued a Notice of Filing and Comment Period establishing Wednesday, August 1, 2018 and Thursday, August 16, 2018 as the deadlines for interested parties to submit comments and reply comments, respectively.

On August 1, 2018, the Office of Consumer Services (Office), Division of Public Utilities (Division) and Utah Clean Energy (UCE) submitted to the Commission comments on the Report. The Office and the Division recommended that the Commission acknowledge the Report as meeting Commission requirements and made several additional recommendations. UCE's comments related to the future disbursement of expired net energy metering (NEM) credits. UCE did not comment on acknowledgement of the Report.

The following reply comments respond to the recommendations presented by UCE and the Division.

Office Response to UCE Recommendations

Currently, the value of expired NEM credits is transferred to the low-income rate program, to offset the amount collected in Schedule 91 (Surcharge to Fund Low Income Residential Lifeline Program). The intent is to provide value to low-income customers where bill credit assistance can be helpful. The Office's August 1, 2018 comments provide more information regarding the treatment of these credits. [OCS August 1, 2018 comments, page 5]

In formulating its August 1, 2018 comments UCE states that it consulted with Utah Weatherization Assistance Program (WAP) and Utah Community Action (UCA) managers.¹ Thus, UCE provides valuable background information from those organizations.

UCE Recommendations for Expired NEM Credits

UCE proposes that, in the first year, expired NEM credits are credited to Utah WAP and that WAP allocate those funds to UCA to provide additional services to low-income customers. In the first year the value of the expired NEM credits, \$159,839.79, could be used by UCA to:

Provide additional weatherization services to low-income homes; and

Explore a pilot program to install solar arrays for customers that are receiving or have already received weatherization services.

"After the first year, the credits should be distributed amongst the seven subsidiary WAP administering organizations, according to the program's already established allocation formula." [UCE comments August 1, 2018, page 5]

Office Response to UCE First Year Funding Recommendation

In our August 1, 2018 comments the Office recommended that the value of expired Schedule 135 NEM credits be transferred to the low-income weatherization program instead of the low-income rate assistance program (Schedule 98). Thus, we agree with UCE that low-income weatherization is a better use of those funds. However, we do not agree with the specifics of their proposal.

The Office recommends that rather than all funds being allocated only to UCA through WAP for the first year, the allocation of funds should be determined by the administrators based on which agencies are able to utilize the funds in the upcoming year. We recognize that receiving a fairly sizable increase in funds may create an administrative burden for some agencies, therefore, we do not advocate for strict adherence to the current funding allocation scheme but we believe that fairness dictates that some of the funds be allocated to the agencies that can accommodate an increase to provide assistance to low-income customers in the regions they serve.

¹ These entities receive funding from the Company's demand side management programs to provide low-income weatherization.

The Office has been informed that there continues to be a wait list for low-income weatherization services. Based on this one year report we cannot be certain if this level of funding will be available in the future, therefore, the Office asserts that we should take advantage of this current opportunity and utilize these funds to provide weatherization services to as many low-income homes as can be accommodated by the provider agencies. The Office asserts that this additional funding should be granted to the weatherization agencies for their use without consideration as to the specific electric energy savings attributable to the measures installed. Thus, these funds should not be handled through the Company's demand-side management (DSM) group with the energy savings requirements attendant to DSM funding.

UCE also proposes that Utah WAP file a status report after one year, containing "information about the number of families served by weatherization, crisis services, or solar, the type of weatherization and energy measures provided, and information regarding energy saved by participating units." [UCE comments August 1, 2018, page 14] The Office believes that information of this nature would be useful in evaluating the effectiveness of this funding source.

Office Response to UCE Solar Pilot Program Proposal

Regarding UCE's proposal to let UCA explore a pilot program to install solar arrays for customers that are receiving or have already received weatherization services, the Office agrees that any solar installation should occur only on weatherized homes.² However, as part of its pilot solar program proposal UCE states at page 10 of its August 1, 2018 comments:

"Utah Community Action is primarily responsible for determining whether implementation of a low-income solar pilot program is a worthwhile and good use for a portion of the expired NEM credits. If UCA elects to pursue the program, it will also be responsible for executing and managing the program."

UCE's proposal seems to give great latitude to UCA regarding expending these funds. The Office asserts that prior to implementation of any low-income solar pilot program, the details of such a program must be presented to the Commission for approval and parties must be given an opportunity to provide comments. UCA should not be allowed to expend funds on a low-income solar pilot program without specific Commission approval of that program.

Office Response to Division Recommendations

The Division "concludes that any excess credits from the transition customers and post transition customers should also be included in the EBA". [Division comments August 1, 2018, page 7] In initial comments the Office also recommended that the value of any

² In its August 1, 2018 comments in this docket the Division stated, "However, if a low-income solar program is approved, it should be available to only customers who have implemented adequate efficiency measures." [Division comments page 7]

Schedule 136 expired credits should be credited to the energy balancing account (Schedule 94). [Office comments August 1, 2018, pages 6 and 7] Thus, we are in general agreement with the Division on this recommendation, although the Office does not take a specific stand on post transition customers at this time.³

The Division also recommends that “RMP add a Section 9 in future reports illustrating the “measurement to Cap” for large non-residential customers.” [Division’s August 1, 2018 comments, page 6]. The Office supports the Division’s recommendation to include that information in future reports.

Recommendations

The Office reiterates its earlier recommendations that the Commission order:

1. The value of Schedule 135 expired generation credits be transferred to the low-income weatherization program without requiring a demonstration of electric energy savings; and
2. The value of Schedule 136 expired generation credits be credited to the EBA.

The Office further recommends that the Commission order that:

1. The current balance of Schedule 135 expired generation credits transferred to the low-income weatherization program be allocated among those agencies that are able to utilize the funding in the coming year.
2. No low-income solar pilot program shall be implemented using funds from Schedule 135 expired generation credits without specific prior Commission approval.
3. Future reports include a section illustrating the measurement to cap for large non-residential customers.

Copies to:

Rocky Mountain Power
Joelle Steward, Vice President, Regulation
Division of Public Utilities
Chris Parker, Director
Utah Clean Energy
Sarah Wright

³ UCE did not provide a specific recommendation regarding Schedule 136 expired credits.