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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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 Reply Comments of Utah Clean Energy
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Summary.

Utah Clean Energy provides the following reply comments to revise and clarify elements of the proposal outlined in our initial comments, filed August 1 2018. We also provide reply comments responsive to recommendations made by the Office of Consumer Services (“Office”) and the Division of Public Utilities (“Division”).

In summary, Utah Clean Energy recommends that:

- Expired Net Energy Metering (“NEM”) credits are credited to the Utah Weatherization Assistanes Program (“WAP”) to provide additional services to low-income customers.
- Expired NEM credits are distributed proportionally, based on current funding allocations, to weatherization service providers who are able to use the funds.
- To enable Utah WAP service providers to develop a solar pilot without undue regulatory burden, allow WAP providers to use up to 1/3 of their allocated funding for a small solar pilot program without first obtaining Commission approval, should the Commission determine that Commission approval is warranted.
- The Utah WAP provide a one year status report describing how expired NEM credits were dispersed to and utilized by service providers.
- The value of Schedule 136 expired credits is credited to the Energy Balancing Account (“EBA”).

- The Company implement reporting requirements suggested by the Office and the Division as outlined below.

Background.

In initial comments, Utah Clean Energy proposed that expired Net Energy Metering (“NEM”) credits are credited to the Utah Weatherization Assistancess Program (“WAP”) to provide additional weatherization services to low-income customers, and potentially a solar pilot program for low-income customers at the discretion of the weatherization office and service providers. Our proposal follows from a provision of the Net Metering Settlement Stipulation, in which parties agreed “to meet during the second quarter of 2018 to discuss potential options for funding and administering a low-income solar program and whether such a program is in the public interest.”¹ At this meeting, stakeholders identified expired NEM credits as a possible source of funding for a low-income solar program. We believe that this proposed change fulfills the intent of the Settlement Stipulation, results in improved services to low-income electricity customers, aligns with the expectations of solar customers, and is clearly allowable by existing rules and statutes.

In reply comments filed August 1, 2018, the Division recommends reporting requirements for Schedule 136 customers, expresses concerns about the cost-effectiveness and value of a low-income solar program, and recommends that excess credits from Schedule 136 customers offset the Energy Balancing Account.

¹ Docket No. 14-035-114, In the Matter of the Investigation of the Costs and Benefits of PacifiCorp’s Net Metering Program. Settlement Stipulation approved September 29, 2017. Paragraph 39.

The Office provided reply comments recommending that the value of solar export credits is transferred to the low-income weatherization program, that the value of Schedule 136 expired credits is credited to the Energy Balance Account (“EBA”), and that Rocky Mountain Power identify the applicable rate schedule when referencing Net Metering and Customer Generation in future reports.

Expired NEM Credits.

The Division and the Office share the concern that a low-income solar pilot program could have higher administrative costs compared to weatherization, and that weatherization services will offer higher levels of bill savings compared to a solar pilot program. We agree that weatherization services have a proven track record of providing value, especially for low-income households. That being said, we believe it is appropriate to allow the Utah WAP to use a portion of the funding for a low-income solar pilot for three reasons.

First, weatherization predominantly provides bill savings on natural gas usage, rather than electricity usage. Most homes in Utah use gas for both home and water heating, and the Utah Home Performance program found that 86% of weatherization measures targeted natural gas savings compared to 14% for electric savings.² The expired net metering credits result from electricity generated by Rocky Mountain Power solar customers, and applying the value of the credits towards solar installations will provide increased savings on electricity bills, compared to weatherization efforts which largely impact natural gas bills.

² UCE Attachment A - Utah Home Performance with ENERGY STAR 2010 – 2012 Final Report, P10.

Second, without discounting the value of energy efficiency and weatherization, which we agree are critical, we note that low-income customers have been largely unable to benefit from the growing rooftop solar market, and from the resulting bill savings. We believe it is important to improve equitable access to this energy technology and that using the expired net metering credits which result from expired solar generation to this end makes sense for both solar customers and low-income customers.

Finally, use of a portion of these funds for a solar pilot will provide weatherization service providers with resources to test a low-income solar pilot program and understand how to best leverage solar technology to the benefit of low-income households. In part, the purpose of a pilot would be to evaluate the administrative and program costs associated with a low-income solar program and understand how such a program can maximize savings for low-income households. Information collected through the pilot program could be used to compare bill savings achieved through solar installations with bill savings resulting from weatherization services without solar. A pilot solar program will result in more data and better information about the value of solar to low-income customers. Further, once a pilot program has been tested it may be possible to identify new partnerships or sources of funding to leverage resources and expand services to this population.

In response to concerns and suggestions from the Office and the Division, Utah Clean Energy proposes that the value of the expired net metering credits is disbursed to the Utah WAP program and distributed proportionally, based on current funding allocations, to weatherization service providers who are able to use the funds. Although we agree that a low-income solar pilot should be designed to minimize administrative costs and maximize benefits to participating customers, we are concerned that it is too onerous to require Utah Public Service Commission

review and approval for a solar pilot. A low-income solar pilot is likely to be small, and a requirement to secure Commission approval would add to the administrative costs of the program. If the Commission feels that a review is necessary, we propose that only weatherization service providers who wish to use more than 1/3 of their funding allocation to implement a low-income solar pilot program be required to present the details of their proposed program to the Commission for approval. We agree that only homes that have received weatherization services and are suitable for solar should be eligible.

Expired Schedule 136 Credits.

The Office and the Division both recommend that excess credits from Schedule 136 transition customers are applied to the EBA. Given that the Settlement Stipulation requires that the difference between the export credits to transition customers and the market value of exports adjusted for line losses is recovered through the Energy Balancing Account, we agree that it is appropriate to apply the excess credits from Schedule 136 customers to the EBA.

Reporting Requirements.

Rocky Mountain Power's net metering annual report continues to be a useful source of information about the growing number of customers with rooftop solar. We appreciate that Rocky Mountain Power has continued to refine the information provided in the report in response to feedback from the Office and Division. Going forward, the annual report should provide the same level of detailed information about Schedule 136 transition customers. We agree with the Office that it is helpful to use consistent labeling to both identify and differentiate Schedule 135 net metering customers and Schedule 136 transition customers in future reports. Rocky Mountain Power's 2018 Net Metering report includes Section 8, which illustrates progress towards the 170 MW cap for residential Schedule 136 customers, and we agree with the

Division's recommendation that the report also separately illustrate progress towards the 70 MW cap for large non-residential Schedule 136 customers.

Conclusion.

Utah Clean Energy shares the Office and Division's concerns that expired net metering credits should be used to maximize benefits to low-income households. We believe that the Utah Weatherization Assistance Program is well-equipped to deliver valuable services to low-income customers while keeping program and administrative costs low and that it is appropriate and beneficial to low-income customers to disburse the value of the net metering export credits to the Utah WAP. We suggest that weatherization service providers be allowed to use up to 1/3 of their allocated funding for a solar pilot program without first obtaining Commission approval, but that weatherization service providers who wish to exceed that amount present the details of their proposal to the Commission. We further recommend that the Utah WAP provide a one year status report and that the status report contain information about how funding was allocated to service providers; 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.

We support the Office and Division's recommendation to credit the value of Schedule 136 expired credits to the EBA, and the Office and Division's recommendations related to reporting requirements as outlined above.

RESPECTFULLY SUBMITTED,

/s/ *Kate Bowman*

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CERTIFICATE OF SERVICE

Docket No. 18-035-2018

I hereby certify that a true and correct copy of the foregoing was served by email this 16th day of August, 2018, on the following:

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