



State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

CHRIS PARKER
Director, Division of Public Utilities

GARY HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

COMMENTS

To: Utah Public Service Commission

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

Date: November 8, 2018

Re: Comments, Docket No. 18-035-39, – Investigation Re: Expiring Excess Generation Credits under Schedule 135.

COMMENTS

The Division of Public Utilities (“Division”) previously filed comments and reply comments with the Public Service Commission of Utah (“Commission”) in Docket No. 18-035-28 regarding the use of expired excess generation credits. The Division does not oppose a change in the use of the expired excess generation credits to help low-income customers with their utility bills and funding of energy efficiency projects. However, the Division is not proposing or supporting any specific program or programs at this time.

ISSUE

On October 10, 2018, the Commission gave its Notice of Intention to Open a Separate Docket to Examine Use of Expiring Excess Generation Credits under Docket No. 18-035-28. On the same day, the Commission opened Docket No. 18-035-39, Notice of Docket and Comment Period. The Commission opened this docket for the purpose of considering alternative uses of expiring excess credits under Schedule 135. Any interested person or party may submit comments to the Commission on this issue by Thursday, November 8, 2018 and may submit reply comments by Tuesday, November 27, 2018. The Division respectfully submits the following comments.

BACKGROUND

On July 2, 2018, Rocky Mountain Power (“RMP”) filed its Customer Owned Generation and Net Metering Report and Attachment A for the period of April 1, 2017 through March 31, 2018 (“Report”). Several parties including the Division filed comments and reply comments on or around August 1, 2018 and August 16, 2018, respectively. In their comments and reply comments, several individuals and parties, including the Office of Consumer Services (“OCS”) and Utah Clean Energy (“UCE”), advocated for a change in the application of expiring generation credits under Schedule No. 135. In its comments filed in Docket No. 18-035-28, the Division supported changing how the expired excess credits are used and supported UCE’s Utah Weatherization Assistance Program (“WAP”) proposal.

On August 30, 2018, the Commission’s Secretary issued a letter acknowledging the Report noting the Commission’s approval of the DPU’s and OCS’s recommendation that expiring credits from Schedule No. 136 transition and post transition customers offset EBA surcharges. However, the Commission declined to modify the treatment of Schedule No. 135 expiring credits.¹ The OCS and UCE each filed petitions with the Commission for reconsideration (“Petitions”) on September 27 and September 28, 2018, respectively, regarding the expiring credits. On October 10, 2018, the Commission gave notice that it intended not to act on the Petitions and to open a separate docket to consider the use of expiring Schedule No. 135 credits. On the same day, the Commission opened this docket to consider alternative uses of the expiring excess generation credits.

DISCUSSION

In its comments filed in Docket No. 18-035-28, the Division supported changing how the expired excess credits are used and supported UCE’s Utah Weatherization Assistance Program (“WAP”) proposal. As previously stated in the Division’s comments in that docket, expired net metering credits currently offset funds collected from all customers through Schedule No. 91 and Schedule No. 92 (“HELP”) surcharge refund, respectively. The HELP funds offset low-income customer power bills by approximately thirteen dollars per month at a maximum. Changing the use of the

¹ Public Service Commission Correspondence from Gary L. Widerburg, August 30, 2018.

expired excess generation credits would eliminate the offset to the low-income program, thus slightly raising the HELP surcharge but providing incremental revenue for low-income programs.

The Division's position in this docket has not changed substantially from its original comments in Docket No. 18-035-28, and the Division is not opposed to a slight bill increase or HELP surcharge to customers. In the Division's opinion, the use of the excess generation credits to help low-income customers with their utility bills and help fund low-income energy efficiency programs is in the public interest. The Division concludes this is a reasonable method to align customers' expectations of how the expired excess credits from their customer generation are used.

In its August 16, 2018 reply comments, RMP claims its current agreement with the Housing and Community Division ("HCD"), under WAP, includes a maximum annual funding cap of \$225,000. According to RMP, the billings received from HCD for WAP projects have not come close to using the funds currently available year-over-year. RMP claims \$47,332 of funding was used in 2017, and \$24,525 so far in 2018.² RMP recommends putting the funds in the Salvation Army's Lend-A-Hand program to lower electric bills for low-income customers.

RMP argued in its Docket No. 18-035-28 reply comments that adding more funds to the WAP program is unworkable given the confines of Schedule 118. As explained above, the number of qualified applicants in any given year do not exhaust the funds. RMP asserts that if it were required to change the qualifications for funding weatherization or energy efficiency projects by removing the requirements that the project directly relates to electricity usage would violate Schedule 118 and RMP's role and participation in WAP.³

If RMP's claims are true, it would make little sense to add more funds to fund the qualifying programs. The Division is aware that the OCS has asked for clarification from the Department of Workforce Services. Thus far, the Division has been unable to ascertain the extent to which the WAP can use additional funds. The Division will continue working with parties to

² Rocky Mountain Power's Reply Comments, Docket No. 18-035-28, August 16, 2018, Rocky Mountain Power's Customer Owned Generation and Net Metering Report and Attachment A for the Period April 1, 2017 through March 31, 2018, pg. 3-4.

³ Id.

evaluate this point of contention. The Division is not opposed to the additional funding for WAP provided the parties can agree how to use the funds more effectively and obtain a clear record of the use of current funds.

CONCLUSION

The Division is not proposing or supporting any specific program or programs at this time. The Division does not oppose changing the use of expired excess generation credits. However, more information on how funds will be effectively utilized is needed before the Division can support a specific proposal.

cc: Jana Saba, RMP
Michele Beck, OCS
Service List