

Utah Clean Energy
1014 2nd Ave.
Salt Lake City, UT 84103
801-363-4046

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

Investigation Re: Expiring Excess
Generation Credits under Schedule 135

DOCKET NO. 18-035-39
Comments of Utah Clean Energy

Introduction.

Utah Clean Energy (“UCE”) appreciates the Commission’s creation of Docket 18-035-39 “for the purpose of considering alternative uses of expiring excess generation credits under Schedule 135.”¹ The following comments recommend reassigning expired Schedule 135 credits to the Utah Weatherization Assistance Program (“WAP”) to provide additional low-income services. We also provide context for this recommendation and address concerns that prevented resolution of this issue in Docket No. 18-035-28. This proposed change is authorized by and aligned with the intent of existing rules and statutes and will result in improved low-income services. We recommend that the Commission direct Rocky Mountain Power to transfer the balance of the expired Schedule 135 credits as reported in PacifiCorp’s 2018 Customer Owned Generation and Net Metering Report² to the Utah Weatherization Assistance Program. We also

¹ Docket No. 18-035-39 - Notice of Docket and Comment Period, October 10, 2018.

² Docket No. 18-035-28 - Rocky Mountain Power’s Customer Owned Generation and Net Metering Report for the Period April 1, 2017 through March 31, 2018, July 2, 2018, Page 4.

suggest that the Commission solicit feedback from parties next year, when Rocky Mountain Power files the next NEM annual report, in order to review the results from this change and consider whether it should be made permanent or if additional changes are warranted.

Background.

On July 2, 2018 Rocky Mountain Power (“Company”) filed the 2018 Customer Owned Generation and Net Metering Report (Docket 18-035-28), and on July 3 the Commission issued a Notice of Filing and Comment period inviting interested parties to submit comments on the Report on or before August 1, 2018 and reply comments on or before August 16, 2018. Parties’ comments in this docket addressed several issues related to the 2018 Customer Owned Generation and Net Metering Report, one of which was the use of expired excess generation credits under Schedule 135. On August 30, 2018 the Commission published correspondence acknowledging the 2018 Report as meeting the reporting requirements and noting that the Commission “declines to modify the current treatment of expiring credits from Schedule 135 customers at this time,” citing “parties’ concerns regarding funding programs not related to reducing electric usage.”³ In response, Utah Clean Energy filed a Petition for Review and Reconsideration⁴ and the Office of Consumer Services filed a Petition for Reconsideration,⁵ both requesting that the Commission review its August 30, 2018 decision with regard to use of expiring Schedule 135 excess generation credits. We appreciate the Commission’s creation of this Docket to consider the specific issue of Schedule 135 excess generation credits.

³ Docket No. 18-035-28, Correspondence from Gary L. Widerburg, August 30 2018.

⁴ Docket No. 18-035-28, Utah Clean Energy Petition for Review and Reconsideration, September 28 2018.

⁵ Docket No. 18-035-28, Office of Consumer Services Petition for Reconsideration, September 27 2018.

Discussion.

The expired Schedule 135 excess generation credits are discussed in detail in UCE comments filed in Docket 18-035-28.⁶ Our comments in Docket 18-035-28 address background information related to our recommendation, including a discussion of how expired Schedule 135 excess generation credits are created, requirements for their use as described in S.B. 110, and their current application towards the Company's low-income bill assistance program (HELP). Of particular importance, UCE's prior comments note that the current allocation of the expired Schedule 135 credits to the HELP program does not result in incremental value to low-income programs. In the interest of brevity we do not reiterate discussions of these issues.

In initial and reply comments filed in Docket 18-035-28, UCE, the Office, the Division, and USEA all supported reallocating the expired Schedule 135 credits to the Utah WAP for multiple reasons.⁷ The WAP is an established program that currently has a waitlist for participants, which means the credits can be used immediately to serve incremental customers. Further, reallocation of the expired Schedule 135 credits to the WAP will provide a direct benefit to low-income customers that is consistent with net metering customers' expectations for how the credits they generate are utilized.

The only party not aligned with this recommendation was the Company, who cites two impediments to using the expired Schedule 135 credits for additional weatherization services, both of which relate to the Company's Schedule 118 Low Income Weatherization tariff. First,

⁶ See Comments filed August 1, 2018 and Reply Comments filed August 15, 2018.

⁷ Docket No. 18-035-28 - UCE's August 1, 2018 Initial Comments at pg. 4; UCE's August 16, 2018 Reply Comments at pg. 1-2; Division's August 1, 2018 Initial Comments at pg. 7; Division's August 16, 2018 Reply Comments at pg. 3; Office's August 1, 2018 Initial Comments at pg. 5-6; Office's August 16, 2018 Reply Comments at pg. 2; USEA's August 16, 2018 Reply Comments at pg. 1-2.

the Company states that although the WAP has a waitlist of individuals in need of weatherization services, the billings for the Company's Schedule 118 electricity weatherization program use only a fraction of funding currently provided by the Company. This is because Schedule 118 funds can only be used for measures that reduce electricity usage, whereas most of the homes served by the WAP have natural gas space and water heating. Therefore, the Company states that additional funding to the Schedule 118 low-income weatherization program will not create any incremental value.⁸ Second, the Company states that applying Schedule 118 services with the intent of reducing non-electrical consumption violates the terms of the Company's administration of Schedule 118, which limits the scope of the Company's involvement to reducing consumption of electricity only.⁹ As an alternative, Rocky Mountain Power proposed that the expired Schedule 135 credits be reallocated to the Lend-A-Hand program.

Section 54-15-104(4) of the Utah Code describes allowable uses for excess Schedule 135 credits and specifies that the avoided cost value of remaining unused credits shall be granted:

- (a) to the electrical corporation's low-income assistance programs as determined by the governing authority; or
- (b) for another use as determined by the governing authority.¹⁰

The impediments described by the Company indicate a misunderstanding or mischaracterization of UCE's recommendations related to the expired Schedule 135 credits. We do not dispute that only weatherization measures reducing electricity usage are eligible for

⁸ Docket No. 18-035-28 – Rocky Mountain Power's August 16, 2018 Reply Comments at pg. 3-4.

⁹ *Id.*

¹⁰ Utah Code Ann. section 54-15-104(4).

Schedule 118 funding, nor have we suggested modifications to the qualifications for this program. UCE has not recommended that the expired Schedule 135 credits be allocated for the Company to administer through Schedule 118 or limited to measures that reduce electricity usage, nor was that our intent. There is no requirement that the expired Schedule 135 credits exclusively fund programs that only reduce electric usage, and the Commission has the authority to assign the expired Schedule 135 credits to the WAP program as “another use as determined by the [Commission].”¹¹ The Office also addressed this question in Docket 18-035-28, stating in reply comments 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.”¹²

The legislature likely delegated the discretion and authority to determine a use for the expired Schedule 135 credits to the Commission in order to ensure that the value of the credits is used to provide incremental low-income assistance. If the legislature’s intent was to accept that the funds may not actually be put to use it would have simply directed the funds to serve the utility’s low-income program under subsection 54-15-104(4)(a), whether that program could make use of the funds or not. Instead, the legislature tasked the Commission with the responsibility of finding a program under section 54-15- 104(4)(b) that incrementally benefits from the funds. Further, the statute says that the value may be assigned to any program the Commission deems fit. This broad discretion allows the Commission to consider the Utah WAP.

¹¹ Utah Code Ann. section 54-15-104(4)(b).

¹² Docket 18-035-28, Office’s August 16 Reply Comments at pg. 3

While we believe the Lend-A-Hand program provides a valuable service to our community, the WAP is a more appropriate use for the expired schedule 135 credits. Two primary motivations for installing rooftop solar are to reduce usage of grid electricity and to reduce energy bills. The WAP program helps facilitate reduced usage of grid electricity while simultaneously providing enduring financial savings to low-income customers. For these reasons, the WAP is a better fit for the expired credits.

Conclusion.

Utah Clean Energy respectfully recommends that the Commission reassign the expired Schedule 135 credits to the Utah WAP for use to provide incremental low-income services. This proposed change will result in improved low-income services and is authorized by and aligned with the intent of existing rules and statutes. For future years, we suggest that the Commission solicit feedback when the Company files the next NEM annual report in order to review the results from this change.

RESPECTFULLY SUBMITTED,

Utah Clean Energy

/s/ Kate Bowman _____

Kate Bowman

*Renewable Energy Program Manager for Utah
Clean Energy*

CERTIFICATE OF SERVICE

Docket No. 18-035-39

I hereby certify that a true and correct copy of the foregoing was served by email this 8th day of November, 2018, on the following:

ROCKY MOUNTAIN POWER

Yvonne Hogle	yvonne.hogle@pacificorp.com
Joelle Steward	joelle.steward@pacificorp.com
Jana Saba	jana.saba@pacificorp.com
Utah dockets	utahdockets@pacificorp.com
Data Request Response Center	datarequest@pacificorp.com

DIVISION OF PUBLIC UTILITIES

Patricia Schmid	pschmid@agutah.gov
Justin Jetter	jjetter@agutah.gov
Chris Parker	chrisparker@utah.gov
William Powell	wpowell@utah.gov
Erika Tedder	etedder@utah.gov
DPU Data Request	dpudatarequest@utah.gov

OFFICE OF CONSUMER SERVICES

Michele Beck	mbeck@utah.gov
Cheryl Murray	cmurray@utah.gov
Steven Snarr	stevensnarr@agutah.gov
Robert Moore	rmoore@agutah.gov
Bela Vastag	bvastag@utah.gov

VOTE SOLAR

Rick Gilliam	rick@votesolar.org
Briana Kobor	briana@votesolar.org
Jennifer Selendy	jselendy@selendygay.com
Joshua S. Margolin	jmargolin@selendygay.com
Stephen Q. Wood	swood@woodbalmforth.com

VIVINT SOLAR

Stephen F. Mecham	sfmecham@gmail.com
-------------------	--

UTAH SOLAR ENERGY ASSOCIATION

Amanda Smith	asmith@hollandhart.com
Engels J. Tejada	ejtejeda@hollandhart.com
Chelsea J. Davis	cjdavis@hollandhart.com
Ryan Evans	revans@utsolar.org

AURIC SOLAR
Elias Bishop

elias.bishop@auricsolar.com