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To: Utah Public Service Commission

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

Date: July 3, 2019

Subject: Office of Consumer Services Initial Comments Regarding Rocky Mountain Power's Second Annual Sustainable Transportation and Energy Plan Act (STEP) Program Status Report. Docket No. 19-035-17

## Introduction and Background

On April 30, 2019 Rocky Mountain Power (Company) filed with the Public Service Commission (Commission) its Second Annual Sustainable Transportation and Energy Plan Act (STEP) Program Status Report (STEP Report) as required by Commission orders in Docket No. 16-035-36. On May 2, 2019, the Division of Public Utilities (Division) requested additional time to complete its review of the STEP Report. On May 3, 2019, the Commission granted the extension of time until July 3, 2019. Pursuant to the Commission's notice the Office provides the following initial comments.

## Discussion

The overall STEP Program consists of a number of individual projects that have been approved by the Commission at various times since the inception of the STEP Program. In its initial approval, the Commission required the Company to file an annual report on the STEP Program and the associated dollars. The purpose of the STEP Report is to keep stakeholders adequately informed on the progress of the STEP programs.

The STEP Report provides the calendar year 2018 monthly accounting detail for the STEP program as well as information on the individual STEP programs, using the Commission approved reporting template.<sup>1</sup> Various modification to the STEP Report were requested in the first annual STEP Report (Docket No. 18-035-16) and additional

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<sup>1</sup> The Template was approved in a letter from the Commission dated October 12, 2017.

reporting requirements came from the Commission's February 6, 2019 Order in Docket No. 16-035-36. The STEP Report includes a list of these changes beginning on page 1.2 along with a reference to where the additional information can be found in the STEP Report. The Office finds the inclusion of this type of detail helpful and appreciates its inclusion.

### **Compliance with Reporting Requirements**

At Page 1.2 of the STEP Report the Company provides a table with a summary of requirements from Docket No. 18-035-16. The table includes the following: Topic; Recommendation;<sup>2</sup> and Compliance Reference (location in the STEP Report where the information can be found)<sup>3</sup>.

With a few exceptions, identified below, the information is provided as required.

- 1) Overall DSM/STEP Liability Account. Include a brief summary and spreadsheet explaining the DSM/STEP Liability and Asset balancing accounts.

The Company did include the required spreadsheet (Page 1.1); however, a "brief summary" was not included.

- 2) Electric Vehicle. Modify future reports to include: total number of workplace charging ports by county, the number of employers and sites, the average and range of total costs for each charging station.

The number of charging ports by county and the number of employers and sites are not specifically identified. The Office addresses the electric vehicles program more fully below.

- 3) USIP. Include a spreadsheet that reconciles USIP expenditures and ending balances that correlate to the STEP Report, RMP Exhibit A.

The information is provided as required, however, the Office notes that in the USIP 2019 annual report the Company identified a discrepancy on Table 2 (Page 16.0) of the STEP Report that was corrected in Table 4 of the USIP Report.<sup>4</sup>

On Page 1.3 the Company provides a table with a "summary of requirements from February 6, 2019 Order (Docket No. 16-035-36).

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<sup>2</sup> The party that made the recommendation is identified.

<sup>3</sup> Some of the requirements were met with information provided at the STEP meeting held on October 23, 2018.

<sup>4</sup> See USIP Report reconciliation workpaper of USIP account detail. Note 4: "As noted in the footnote of Table 2 in the STEP Report, CY 2018 expenses were preliminary at the time of the STEP Report filing. An accounting entry for \$8,129 was recorded after the STEP Report was filed."

In this table, there are a number of requirements associated with the Commercial Line Extension Program. While most required information is provided two of the requirements appear to be somewhat lacking and the Office identified two additional issues.

- 1) The Company did not specify the number of applications submitted. Page 11.0 includes the following statement:

“The Company receives a wide range of line extension requests. For a request to qualify for the commercial line extension pilot program, the developer project must include installation of backbone infrastructure, and also not have any or not enough electric service revenue allowances to cover the cost of that backbone.”

It may be the case that all incentive submissions were accepted. However, the Office suggests that the Company provide more clarity on the number of applications in future reports.

- 2) Whether recipients received multiple incentive awards. The Company states that, “To this point, none of the developments receiving STEP funds are additional phases of the same development that had previously received STEP funds under a different phase”.

The Office believes that this partially answers the question but we are also interested to know if any recipients received funding for different projects at separate locations. We recommend that future reports provide that additional detail.

- 3) The Office identified a correction concerning Individual Project Detail – Table 2, Page 11.1. Column 9 is labeled “Number of charging locations” and column 10 is labeled “Number of PV charging stations”. Based on the information provided in the columns, the headings are reversed, e.g. column nine includes the number of stations and column 10 the number of locations.

The Office recommends that the Company provide a corrected Table 2 in its reply comments in this docket.

- 4) The Commercial Line Extension also includes a requirement for the Company to identify the “number of conduit extensions installed for future EV charging locations as provided for in Regulation No. 13.” This information does not appear to be included in the STEP Report; however, the Office has been informed that on Table 2, identified above, the “Number of charging locations” is in fact the required information. The Office recommends that in future reports the Company more clearly label the column, provide a footnote or in some other way make clear that “charging locations” and “conduit extensions” are the same thing in the report.

The Office recommends that in future reports on the commercial line extension program that the Company: 1) provide more clarity on the number of applications received; 2) state if any recipients received funding for different projects at separate locations; 3) provide the number of conduit extensions installed for future EV charging locations as provided for in Regulation No. 13.

### **Recommended Clarification for STEP and USIP Accounting Table**

At page 1.0, the Company provides the 2018 Annual STEP Status Report, STEP and USIP Accounting. The last column on the page includes the 2017-2018 Cumulative Total for the Program. Each future report will include a cumulative total of all prior years. The first row of the table reads STEP Account Beginning Balance and each of the 2018 months includes the start balance for that month<sup>5</sup>. The 2017 – 2018 cumulative total amount is (\$15,850,031), which is the 2017 STEP Account beginning balance. This will continue to be the beginning total for cumulative reporting in future STEP reports. The beginning account balance is necessary for a full tracking of the STEP program. However, for clarity the Office recommends that in future reports that amount be footnoted or otherwise identified as the STEP Program beginning balance and not a “cumulative” amount.

### **Individual Projects Discussion**

The STEP Report covers the STEP Program and consists of 14 individual project reports. The specific project information included varies by project but generally includes the project name, project objectives, budget accounting and key findings. The fourteen projects are:

- 1) Electric Vehicle Charging Infrastructure
- 2) Woody-waste Co-Fire Biomass at Hunter Unit 3
- 3) NOx Neural Network Implementation
- 4) Alternative NOx Reduction
- 5) CO2 Enhanced Coal Bed Methane (CO2 Reduction)
- 6) Cryogenic Carbon Capture (Emerging CO2 Capture)
- 7) CarbonSAFE (CO2 Sequestration Site Characterization)
- 8) Solar Thermal Assessment (Grid Performance)
- 9) Circuit Performance Meters (Substation Metering)
- 10) Commercial Line Extension
- 11) Gadsby Emissions Curtailment
- 12) Panguitch Solar and Energy Storage Project
- 13) MicroGrid
- 14) Smart Inverter

In the following comments, the Office addresses only one project.

#### *Electric Vehicle Charging Infrastructure Project*

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<sup>5</sup> The monthly start balance is the ending balance from the prior month.

The Electric Vehicle (EV) Charging Infrastructure (EVCI) Project includes three components: Electric Vehicle Time of Use (TOU) Pilot – Schedule 2E; Plug-in EV Pilot Incentive Program – Schedule 120; and Plug-In EV Load Research Study Program – Schedule 121. Thus, creating different incentive opportunities for different customer classes. The EVCI project has an annual budget of \$2 million for five years. The \$2 million dollars must be used or committed to projects within the calendar year.

Table 1 – 2018 EV Program Budget Accounting. Table 1 includes a breakout of the various parts of the overall EVCI project.

<b>2018 EV Program Budget Costs/Commitments</b>				
<b>Category</b>	<b>Prescriptive Incentives</b>	<b>Committed Custom Incentives</b>	<b>Program Management</b>	<b>Total</b>
Time of Use Rate Sign-up	\$22,400	-	-	\$22,400
Time of Use Load Research Study	\$10,000	-	-	\$10,000
Time of Use Meters	-	-	\$79,394	\$79,394
Non-Residential AC Level 2 Chargers – Single Port	\$102,907	-	-	\$102,907
Non-Residential AC Level 2 Chargers – Multi-Port	\$189,844	-	-	\$189,844
Non-Residential & Multi-Family DC Fast Chargers	\$97,878	-	-	\$97,878
Custom Projects	-	\$998,500	-	\$998,500
Administrative Costs	-	-	\$175,427	\$175,427
Outreach & Awareness	-	-	\$109,479	\$109,479
<b>Total</b>	<b>\$423,029</b>	<b>\$998,500</b>	<b>\$364,300</b>	<b>\$1,785,356</b>

The Office notes that the total of the dollar amounts presented on Table 1 adds to \$1,785,829 not \$1,785,356. Exhibit 2-F also shows the total amount as \$1,785,828. There are additional accounting issues in the EV category for which data requests have been issued but responses have not yet been received. The Office will continue to evaluate these issues and may provide additional feedback in reply comments.

The Company has modified Table 1 from the format used in the First STEP Report; the Office appreciates the modifications and finds this version easier to follow.

One of the added reporting requirements for EV charging infrastructure identified on page 1.2 is “modify future reports to include total number of workplace charging ports by county, the number of employers and sites, the average and range of total costs for each

charging station.” The Company indicates that the required information can be found on Table 2 and Exhibit 2-A in the EV program report. Table 2 provides by city the number of DC Fast Chargers with single ports, AC Level 2 Chargers – both multi-port and single port and TOU rate sign-up for Option 1 and Option 2. Exhibit 2-A 2018 EV Program Budget Prescriptive Incentives includes the following information: project name, measure name, quantity, number of ports, customer incentive, measure cost, creation date, city and zip code. The description for Table 2 states that 280 ports were installed across 75 employers and 51 ports were installed across nine multi-family properties. Although the Company has provided the number of employers, the number of sites for each employer is not identified. The Office has issued a data request to obtain additional information on this issue. The Office also notes that the information is not presented by county although using the cities identified the number per county can be determined.

Table 3 – 2018 EV Program Budget Customer Project Commitments. The Company provides the incentive amount, a brief description of the project and the equipment type. Footnote 2 to Table 3 indicates that Custom projects “may evolve and are expected to be completed throughout 2019. Actual incentive amounts and installed equipment will be included in the next reporting period for completed customer projects”.

Exhibit 2-C, 2017 EV Program Custom Projects Update, provides updated budget information on 2017 custom projects 1 through 9. Two projects (projects 2 and 5) that were committed in 2017 are still pending completion.<sup>6</sup> The incentives tied to project 2 and project 5 are \$8,000 and \$237,500, respectively. There is no “required by” completion date given, therefore the Office has issued a data request inquiring if the projects must be completed by a certain date to receive the incentive.

## **Recommendation**

The Office recommends that the Commission require the Company to provide a correctly labeled Individual Project Detail – Table 2, Page 11.1.

The Office further recommends that in future STEP Reports the Company be required to:

- State the number of commercial line extension STEP incentive applications received;
- Specify how many, or if no, commercial line extension incentive recipients received funding for different projects at separate locations;
- More clearly identify the number of conduit extensions installed for future EV charging locations; and
- Clearly identify the beginning account balance for cumulative STEP Program accounting.

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<sup>6</sup> Exhibit 2-D provides custom project details on projects committed to date.