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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

<p>In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations</p>	<p>DOCKET No. 20-035-04 PHASE I – REVENUE REQUIREMENT</p>
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PREFILED DIRECT TESTIMONY OF SARAH WRIGHT

ON BEHALF OF

UTAH CLEAN ENERGY

PHASE I REVENUE REQUIREMENT

SEPTEMBER 2, 2020

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1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. Please state your name and business address.**

3 A. My name is Sarah Wright. My business address is 1014 2nd Avenue, Salt Lake City, Utah
4 84103.

5 **Q. By whom are you employed and in what capacity?**

6 A. I am the Executive Director of Utah Clean Energy, a non-profit public interest organization
7 whose mission is to lead and accelerate the clean energy transformation with vision and
8 expertise. We work to stop energy waste, create clean energy, and build a smart energy
9 future.

10 **Q. On whose behalf are you testifying?**

11 A. I am testifying on behalf of Utah Clean Energy (UCE).

12 **Q. Please review your professional experience and qualifications.**

13 A. I am the founder and Executive Director of Utah Clean Energy. Through my work with
14 Utah Clean Energy over the last 20 years, I have been involved in a number of regulatory
15 dockets, including Integrated Resource Planning, rate cases, tariff filings, and other dockets
16 relating to energy efficiency, renewable energy, integrated resource planning and net
17 metering. For 15 years prior to founding Utah Clean Energy, I was an occupational health
18 and environmental consultant, working on occupational health and ambient air quality
19 issues for a wide variety of commercial, industrial, and governmental clients across the
20 west. I have a BS in Geology from Bradley University in Peoria, Illinois and a Master of
21 Science in Public Health from the University of Utah in Salt Lake City.

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24 **II. PURPOSE OF TESTIMONY**

25 **Q. What is the purpose of Utah Clean Energy’s direct testimony in the revenue**
26 **requirement phase of the rate case?**

27 A. The purpose of Utah Clean Energy’s direct testimony is to respond to Rocky Mountain
28 Power’s (“the Company’s”) proposed expansion of the Subscriber Solar Program (“the
29 Program”) under Electric Service No. 73 (“Schedule 73”).

30 **Q. Do the Company’s proposed tariff changes need to be addressed as part of the rate**
31 **case?**

32 A. No, I do not believe so. Subscriber Solar was created through a standalone docket, and the
33 Company’s proposed revisions to the Program could be accomplished through a tariff
34 revision outside of the rate case. Given that the Company has proposed this tariff change as
35 part of the rate case, the purpose of my testimony is to outline principles the Commission
36 should consider before approving additional rounds of Subscriber Solar.

37 **Q. Please outline Utah Clean Energy’s position regarding the Company’s proposed**
38 **expansion.**

39 A. Utah Clean Energy supported the creation of the Subscriber Solar Program (“Program”) and was a signatory to the amended Settlement Agreement in Docket 15-035-61, which resulted in the creation of the Subscriber Solar Program.¹ Utah Clean Energy supports customer choice and providing customers who wish to do so with the opportunity to access renewable energy. We continue to support the Subscriber Solar Program in concept. The Company’s proposed Program redesign is premised on the assumption that the cost of solar resources will always be higher than avoided cost, and I do not agree that the purchase of

¹ Docket No. 15-035-61, Rocky Mountain Power Amended Settlement Agreement, October 8, 2015.

46 solar energy will necessarily come at a premium in the future. My testimony outlines
47 principles to ensure that the continued expansion of the Program is in the best interest of
48 Utah customers. Silence on other issues addressed in the revenue requirement phase of the
49 rate case and not addressed in my testimony does not indicate agreement or support for
50 those issues. I reserve the right to challenge other issues raised in this phase of the rate case
51 and other elements of the Subscriber Solar Program in future proceedings.

52 **III. PRINCIPLES FOR THE EXPANSION OF SUBSCRIBER SOLAR**

53 **Q. Why do you outline principles for the expansion of Subscriber Solar?**

54 A. As I understand it, the Company is not proposing to expand the Subscriber Solar program
55 at this time. Instead, the Company has proposed a new program design that would be used
56 to build additional solar resources in the future and subscribe customers to the expanded
57 Program in order to purchase energy from those resources. The Company has not proposed
58 a specific cost for participation in future rounds of the Program, only that future Program
59 customers will subscribe to the Program by paying their regular retail rates plus a premium
60 for the kilowatt-hours purchased from the solar resource (Direct Testimony of William J.
61 Comeau, lines 35 – 38). Since the Company is not proposing approval of a specific
62 resource at this time, the cost for participation in future rounds of the Program is unknown.
63 Further, the Company’s assumption that the program rate will be a cost premium, rather
64 than a cost savings, is premised on the assumption that the price of a solar PPA will always
65 be higher than avoided cost. Given the continued cost declines for solar resources, this may
66 not always be the case. The purpose of my testimony is to outline principles for
67 consideration to ensure that future rounds of the Subscriber Solar Program continue to

68 provide customers with improved energy choice and that the Program remains in the best
69 interest of Utah ratepayers.

70 **Q. Please describe the first principle the Commission should consider when evaluating**
71 **the expansion of the Subscriber Solar program.**

72 A. First, the costs and benefits of participation in the Subscriber Solar Program should be fully
73 contained within Program rates. As Mr. Comeau states, when Subscriber Solar was
74 established, “a key objective of the program was to provide additional renewable energy
75 choices to customers through a program that is self-funding, self-sustaining, and does not
76 burden non-participants with the costs of the program” (Direct Testimony Mr. Comeau,
77 lines 72 – 75). As a voluntary program, it is important that the Subscriber Solar Program
78 rates are designed such that Program participants pay for the full cost of the Program.
79 Likewise, Program participants should receive the full value of the benefits that the
80 Program resource provides.

81 **Q. What is the second principle the Commission should consider when evaluating the**
82 **expansion of the Subscriber Solar program?**

83 A. The expansion of the Subscriber Solar program should continue to fulfill its original
84 purpose, which was to provide additional renewable energy choices to customers. Future
85 rounds of the Subscriber Solar Program should not duplicate opportunities to access solar
86 energy that already exist through other utility programs or tariffs or through general service
87 from the Company. Instead, future rounds of Subscriber Solar should seek to expand
88 participation from categories of customers who cannot otherwise access solar energy.

89 **Q. What do you mean when you say that future rounds of Subscriber Solar should not be**
90 **duplicative of other opportunities to access solar energy?**

91 A. As demonstrated by the 2019 IRP Preferred Portfolio, solar resources are likely to be a
92 significant portion of the Company’s future cost-effective energy mix. As the renewable
93 energy composition of the Company’s portfolio increases, the marginal value of programs
94 that provide customers with voluntary access to solar energy – at a premium compared to
95 their regular rates – decreases. To the extent that renewable energy resources are cost-
96 effective, they should be made available to all customers, and not purchased at a premium
97 through a voluntary tariff. I recognize that some customers do want to purchase renewable
98 energy sufficient to offset a certain percentage of their own usage and cannot currently
99 achieve this objective either through general service or other existing programs and tariffs.

100 **Q. What types of customers should future rounds of Subscriber Solar be designed to**
101 **serve?**

102 A. Low income customers face many barriers to accessing solar through other means. The
103 Subscriber Solar program design is also well suited to meeting the objective of expanding
104 access to solar to low income customers.

105 **Q. Why do you believe that future rounds of Subscriber Solar should focus on expanding**
106 **access to low income customers?**

107 A. There are more opportunities than ever before for a wide variety of utility customers to
108 access solar energy. However, low income customers continue to face many barriers that
109 prevent these households from accessing the benefits of solar energy. Low income
110 households are less likely to be able to afford the upfront cost of solar, may not have a
111 credit score sufficient to obtain financing for solar, do not have a tax liability that allows
112 them to benefit from available tax incentives, and are less likely to own their home or live
113 in a home with a suitable roof. Subscriber Solar is an ideal solution to address all of these

114 barriers. Just as the Blue Sky program simultaneously purchases RECs and funds
115 community projects, future rounds of Subscriber Solar could be structured to expand access
116 to solar energy while also helping low income customers to save money on their bills.

117 **Q. Have programs like Subscriber Solar prioritized the participation of low income**
118 **customers in other states?**

119 A. Yes. One way that other states have ensured that programs structured like Subscriber Solar,
120 often referred to as “community solar” projects, are accessible to low income customers is
121 by ensuring that a portion of the solar electricity from a community solar program is
122 reserved for participation by these customers. At least nine states and Washington D.C.
123 include provisions to ensure low income customers benefit from participation in
124 community solar programs. Many achieve this through a carveout that reserves a portion of
125 subscriptions for low income customers.²

126 **Q. What do you propose for future rounds of Subscriber Solar?**

127 A. I recommend that a certain percentage of shares from future rounds of the Program be
128 reserved for low income customers. Since these customers are most vulnerable to increased
129 energy costs, I also propose that shares of future Programs be discounted for low income
130 customers such that they provide long-term bill savings. For example, 10% of Program
131 shares could be reserved for low income customers who are eligible to participate in the
132 Program through a special discounted rate, similar to Schedule 3, rather than a premium.
133 The full costs of the Program, including the cost of the discount offered to low income
134 customers, can be captured in the general Schedule 73 rate. This will ensure that costs are

² Low-Income Solar Policy Guide, Summary of State Approaches to Low-Income Community Solar, by Program, Carveout, Incentive. <https://www.lowincomesolar.org/wp-content/uploads/2018/05/LISPG-Cmtty-Solar-Policy-Chart.pdf>.

135 not shifted to non-participating customers. I also recommend that Program materials clearly
136 communicate the low income element of the Program, so that all potential Program
137 participants understand the terms of their participation.

138 **IV. CONCLUSION**

139 **Q. Please summarize your testimony.**

140 A. Utah Clean Energy supports the expansion of the Subscriber Solar Program. To align with
141 the original intent of the Program, future rounds should ensure that both the costs and
142 benefits of the program are isolated to participating customers. I also recommend that
143 future rounds of the Program be designed to encourage participation from low income
144 customers and provide bill savings for these customers. That way, future rounds of the
145 Subscriber Solar Program will expand access to solar energy to customers who are least
146 likely to be able to access solar through other means. Low income Program participants
147 will also benefit from lower energy bills. Expanding access to solar without shifting costs
148 onto non-participating customers achieves the goal of the Subscriber Solar Program and is
149 in the best interest of Utah ratepayers.

150 **Q. Does that conclude your testimony?**

151 A. Yes.