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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 Surrebuttal Testimony</p>
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PREFILED SURREBUTTAL TESTIMONY OF SARAH WRIGHT

ON BEHALF OF

UTAH CLEAN ENERGY

PHASE I REVENUE REQUIREMENT

OCTOBER 29, 2020

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1 **I. INTRODUCTION**

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. Are you the same Sarah Wright who filed direct testimony related to the revenue
6 requirement on September 2, 2020?**

7 A. Yes.

8 **Q. What is the purpose of your surrebuttal testimony?**

9 A. The purpose of my testimony is to respond to rebuttal testimony from Rocky Mountain
10 Power (“RMP” or “Company”) and the Division of Public Utilities (“the Division”) related
11 to the Company’s proposed expansion of the Subscriber Solar Program (“the Program”)
12 under Electric Service No. 73 (“Schedule 73”).

13 **Q. What is your final recommendation regarding the Company’s proposed expansion of
14 the Program?**

15 A. I recommend that the Public Service Commission (“Commission”) decline to approve the
16 Company’s proposed tariff revisions as part of this rate case. Instead, revisions to the
17 program should be addressed through a standalone proceeding initiated after the conclusion
18 of the rate case.

19 **II. SUBSCRIBER SOLAR RECOMMENDATIONS**

20 **Q. Why is the Company recommending that the Commission approve proposed revisions
21 to the Program in the general rate case?**

22 A. Ms. Steward stated in rebuttal testimony that the Company decided to consider revisions to
23 the program in the general rate case “to better align the program structure with changes in

24 rate design proposed therein. Additionally, the Company believed that consideration of the
25 revised program structure in the general rate case would facilitate a more timely process
26 after the rate case to obtain approval of the specific program rates once a new resource has
27 been acquired.” (Joelle Steward, Rebuttal Testimony, lines 409-413).

28 **Q. Does the Company explain why the general rate case is the appropriate forum to align**
29 **the new Program structure with other proposed changes in the rate case?**

30 A. The Company says that it “would have more certainty to be able to develop the program
31 marketing materials and procure the new resource for the expanded program more quickly
32 after the rate case and before expiration of tax credits.” (Ms. Steward, Rebuttal Testimony,
33 lines 428-430). However, there is no explanation for why approval of the proposed
34 Program revisions in the rate case helps RMP create marketing material or to procure new
35 resources better or more quickly than if the proposed revisions were reviewed in a
36 subsequent proceeding. This testimony does not sufficiently establish a compelling reason
37 to include the Program revisions in this general rate case. In fact, it makes more sense to
38 see how the Commission rules on other relevant proposals in the rate case so parties may
39 optimize the design of the new Program structure. This would be consistent with past
40 precedent where, as Ms. Anderson says in her direct testimony, “the legacy program was
41 requested and approved outside of a general rate case.” (Ms. Anderson, Direct Testimony,
42 lines 211-212).

43 **Q. Do you agree that ruling on the proposed Program revisions in the rate case will**
44 **facilitate a more timely process for approval of specific Program rates after the rate**
45 **case concludes?**

46 A. No. As Ms. Steward says in her rebuttal testimony, we still need a subsequent proceeding to
47 approve the rates for the new Program regardless of whether the Commission approves the
48 new rate structure. Further, parties do not fully understand the effect that the current
49 proposal will have on participating and non-participating customers. The Company's desire
50 for efficiency should not come at the expense of the transparency and understanding that
51 addressing the matter in a standalone docket would provide.

52 **Q. Do other parties agree with your recommendation that the proposed Program**
53 **revisions should be denied and reviewed in a subsequent standalone docket?**

54 A. Yes. This conclusion is consistent with what witnesses for the Office and the Division have
55 both expressed in this docket. Specifically, in rebuttal testimony, Division witness Mr.
56 Davis said that "unless RMP provides the parties with ample evidence of the resource costs
57 and accounting of the Program, the Division recommends RMP withdraw its proposal and
58 open it as a stand-alone docket when the resource costs and accounting become available."
59 (Mr. Davis, Rebuttal Testimony, lines 17-20). Ms. Anderson for the Office suggested that
60 "if RMP is able to develop additional evidence that an expansion of the Subscriber Solar
61 Program is in the public interest and does not shift costs and risk to non-subscribers, it can
62 seek approval of the program as a standalone filing outside the rate case." (Ms. Anderson,
63 Direct Testimony, lines 207-210).

64 **Q. Why is it important for parties to have a stronger and clearer understanding of how**
65 **the program and new rate design will work?**

66 A. This information is necessary to determine whether the new program will be fair to both
67 participating and non-participating customers.

68 **Q. Are there any ambiguities that you would like to discuss specifically?**

69 A. Yes, according to Company witness Mr. Moore, declining solar costs are likely to result in
70 a lower-cost PPA for the new Program, but “shouldn’t result in significant customer
71 program migration... because the new billing methodology is nearly identical in results.”
72 (Mr. Moore, Rebuttal Testimony, lines 87 – 89). Since the Company also asserts that the
73 current Program has successfully avoided burdening non-participants with Program costs,
74 this presents a logical inconsistency. If the cost of solar resources has declined, and the cost
75 of participating in the new Program (based on a cheaper resource) is anticipated to be same
76 as the cost of participation in the legacy Program, then participants of the new Program
77 may be over-paying. Clarity on this issue is necessary.

78 Additionally, the Company’s proposed revisions to the Program are a substantial departure
79 from the original Program design. Whereas the current Program rates are composed of a
80 Solar Delivery Block Charge and a Solar Block Generation Charge that replace a
81 customers’ general service rate, the Company’s proposed revised tariff would instead
82 consist of a premium that is applied to the customer’s general service rate. The original
83 Program was developed through a standalone proceeding, Docket 15-035-61, which
84 afforded interested stakeholders an opportunity to participate in collaborative meetings with
85 the Company and provide feedback over a four-month period. A separate proceeding to
86 address the Company’s proposal will provide stakeholders with a similar opportunity to
87 more fully understand the changes in the Company’s proposal, request information
88 necessary to fully evaluate it, and provide feedback.

89 **Q. Will a separate proceeding also afford parties the opportunity to better understand**
90 **and design a low-income component for the new Program?**

91 A. Both the Company and the Division filed responsive testimony to UCE's proposal for a
92 low-income component to the new Subscriber Solar Program. Creating a new proceeding to
93 discuss details of the new rate design will afford parties a better opportunity to evaluate and
94 design a fair and transparent low-income component that parties could agree on.

95 **III. CONCLUSION**

96 **Q. Please summarize your testimony.**

97 A. I recommend that the Commission decline to approve the Company's revisions to the
98 Subscriber Solar Program at this time, and order RMP to initiate a new docket in which its
99 revisions and full program costs may be evaluated together. Further, I request that the
100 Commission order Rocky Mountain Power to work with interested parties to develop a
101 low-income component as part of the new Program when it refiles for approval.

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

103 A. Yes.