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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Rocky Mountain Power for Approval 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

Docket No. 20-035-04

**INITIAL COMMENTS OF
WESTERN RESOURCE ADVOCATES ON
COLLABORATIVE STAKEHOLDER
PROCESS**

I. INTRODUCTION AND SUMMARY

With these initial comments, WRA is responding to the Commission’s invitation to provide feedback on the scope and format of the collaborative stakeholder process to address a number of issues raised in the cost of service and rate design phase of PacifiCorp’s 2020 general rate case.¹ Our comments contain recommendations on both scope and process for the stakeholder process; however, these comments are limited to specific issues and not intended to be comprehensive recommendations. We anticipate responding to issues raised by other parties.

¹ In its order on PacifiCorp’s 2020 General Rate Case, the Commission found that a collaborative stakeholder process “could evaluate avenues for consensus or clarification” on issues including PacifiCorp’s proposed AMI Project, residential rates, a multi-site commercial rate, Schedule 32 rate design, Schedule 6A TOU rates, electric vehicle-specific rates, critical peak pricing, class cost of service allocation, and rate unbundling. Docket No. 20-035-04 Order (“GRC Order”), issued December 30, 2020, page 94.

II. SCOPING RECOMMENDATIONS

WRA recommends that, in addition to other issues found by the Commission to warrant stakeholder discussion, the collaborative process should specifically address 1) PacifiCorp's planned investments in advanced metering infrastructure (and associated technology) and a path forward for implementing advanced rate designs for residential, commercial, and industrial customers; and 2) rate design for electric vehicle (EV) charging.

The recommendations herein are broader than, though consistent with, the scoping recommendations contained in Douglas Howe's surrebuttal testimony on behalf of WRA in this docket. In that testimony, WRA recommended that the Commission include a number of issues within the scope of a collaborative stakeholder process related to advanced metering infrastructure (AMI) deployment, including needed investments, advanced rates and programs for residential customers, data sharing standards, and incorporating AMI into distribution system planning.²

² The following are Mr. Howe's surrebuttal testimony recommendations, from page 4, lines 36-55:

First, I recommend the stakeholder working group evaluate the necessary investments for deploying advanced rate designs and establish a timeline and implementation strategy for making such investments. Based on discovery responses, it is clear that the installation of AMI meters, along with the field area network that remotely collects hourly meter data from AMR meters, will not allow the Company to deploy time of use rates, at least until the customer service system (CSS) is upgraded. As I indicated in my rebuttal testimony, the Company needs to articulate a plan for maximizing customer and grid value from this investment, consistent with the recommendations of OCS Witness Ron Nelson. In furtherance of this effort, I recommend that the working group develop a timeline and implementation strategy for upgrading the customer service system and deploying advanced rate designs.

Second, the working group should develop advanced rates and programs, including demand response programs, with considerations for low-income customer participation.

Third, I recommend the working group develop a plan for data sharing practices and a proposal for open data access standards in order to take advantage of and maximize customer and grid benefits of AMI.

Fourth, I recommend the working group develop a plan for how AMI and the associated communication network will be integrated into the Company's distribution system

A. An advanced rate design roadmap should be one of the outcomes of the stakeholder process.

WRA recommends that one of the outcomes of the collaborative stakeholder process should be an “advanced rate design roadmap”—that is, a reasonably articulated path toward and timeline for implementing advanced rates for all Utah customers. WRA’s interest in advanced rates and metering infrastructure is a component of our interest in developing a reliable, economic, and low carbon grid. Understanding the functionality of the distribution grid, including customer facing rates and programs, is key to achieving the customer, reliability, and environmental benefits of utility investments. Advanced metering infrastructure is foundational technology for advanced rates (as well as advanced reliability and resiliency measures) and is unique among utility investments due to its variety of benefits, some of which are dependent on *how* the AMI is deployed.³ Therefore, a key objective of the collaborative process should be to develop and articulate a path for implementing advanced rates and harnessing the benefits of AMI in Utah.

In order to evaluate advanced rates, it will be necessary to better understand PacifiCorp’s advanced metering infrastructure plans. Currently, we have little information about the capabilities of PacifiCorp’s planned metering infrastructure build-out, including associated communications systems and data collection, storage, and portability policies, as well as needed investments in the customer service system. Therefore, stakeholders lack necessary information for actually developing advanced rates and programs at this time. WRA recommends that the

³ “Advanced Metering Infrastructure (AMI) is different from traditional utility investments. It has forward looking benefits whose value depends on how it is deployed and implemented. It can enable new opportunities, allow for more customer options, respond to customer expectations to manage and generate their own electricity, and provide data to maintain and improve the operation of the distribution system.” Advanced Grid Research Office of Electricity, US Department of Energy, *AMI in Review: Informing the Conversation*, page ii.

Commission utilize this stakeholder process to achieve more transparency and a common understanding about the functionality and opportunities of PacifiCorp's AMI deployment, and to evaluate opportunities for achieving both customer and utility benefits of AMI in a reasonable timeframe.

AMI investments enable significant customer benefits, including improved reliability, long term cost savings, improved energy efficiency options, and more opportunities for the use of distributed energy resources (DER) (e.g. electric vehicles, rooftop solar and behind the meter battery storage). AMI allows two-way communication between the utility and the customer meters, opening up new opportunities for customer programs and interaction, including, potentially, third-party offerings. Many of the benefits of AMI deployment, including grid and ratepayer benefits, are conditional upon the utility implementing rates and programs over time. In order to maximize both customer and utility benefits, PacifiCorp's AMI deployment and advanced rate design roll-out warrants stakeholder engagement.

A Stakeholder process is an ideal forum for investigating and evaluating PacifiCorp's AMI deployment in order to maximize both utility and customer benefits. The Advanced Grid Research Office of Electricity of the US Department of Energy found that stakeholder processes about AMI deployment could be valuable due to its highly technical and multi-faceted nature:

Parties reported that a pre-application stakeholder process can be a beneficial mechanism for providing transparency and explaining the technology and implementation plans. They can prove even more valuable—not only as a one-way flow of information—but as a means for gathering the insights and perspectives of other parties. Collaboratives, or a collaborative stakeholder process, where engineers and other utility personal are available to answer questions can be a worthwhile mechanism for addressing concerns sooner and outside of the litigated proceeding.⁴

⁴ Advanced Grid Research Office of Electricity, US Department of Energy, *AMI in Review: Informing the Conversation*, page 15. The Advanced Grid Research Office conducted a review of utility AMI applications

WRA recommends that PacifiCorp provide an initial filing or presentation of information. WRA recommends that the Commission facilitate the development and evolution of a stakeholder process that allows PacifiCorp to share their plans, educate stakeholders, and meaningfully gather feedback and recommendations related to AMI deployment and advanced rates. In furtherance of this, WRA recommends that the Commission require PacifiCorp to provide some initial, foundational information, including the following:

- Benefits of AMI, including customer rates and programs:
 - What types of rates will be enabled by Pac’s AMI, and over what anticipated timeline?
 - What other investments (besides the metering infrastructure and communications system) are needed to implement advanced rate designs? What is the currently anticipated timing of those investments?
 - Is the proposed AMI deployment interoperable with existing systems, such as billing, outage management, and geographic information systems?
- What policies need to be established to ensure full benefits of AMI deployment? E.g. data policies, communications standards (for Home Area Networks and customer technology choices)
 - Data issues, including privacy and portability, and ensuring customers benefit from utilization of their usage data
 - How will customer data be handled, stored, and utilized?
- Planning implications – how can PacifiCorp incorporate AMI deployment and the functionality it provides into distribution planning and IRP processes?

While WRA anticipates that discussions will evolve as stakeholders gain understanding of the issues, we recommend that Pacifcorp provide the foregoing information at the outset in order to facilitate two-way dialogue and maximize the value of the stakeholder process.

WRA recommends that the stakeholder process also address whether there are opportunities to implement advanced rates (e.g. pilots) or customer education programs in the near term. Because full AMI deployment will take time, WRA also recommends that the stakeholder process address whether there are customer-facing programs or engagement that

nationally, as well as interviewed regulatory stakeholders, and compiled findings and recommendations this report, which is attached to these comments for reference.

Pacificorp could deploy in the nearer term, before achieving full AMI deployment. For example, it may be appropriate to establish pilot rate programs or customer education and outreach efforts before AMI has been fully deployed. WRA recommends that the stakeholder process evaluate the following questions:

- Are there advanced rate designs or pilot programs we can implement in the near term—with both existing AMR as well as new AMI meters?
- How does the utility plan to engage and educate customers so they understand new rates and programs, and the technology that enables them?

WRA believes that having such a discussion may facilitate utility and customer adoption of and adaptation to advanced rate designs.

B. Stakeholders should discuss EV charging rates and evaluate whether there are consensus recommendations regarding implementation of a commercial EV charging rate.

WRA recommends that the stakeholder process consider an electric vehicle charging rate. Electric vehicle charging presents challenges and opportunities, including potential ratepayer benefits. EV charging tends to be intermittent, with brief periods of high energy usage, but also has the potential to be beneficially flexible load. As EVs and the public charging stations which support them continue to proliferate across Utah, long-term solutions to EV rate design are needed to address current barriers and ensure that the potential ratepayer benefits of this electric load are realized.

As discussed in the testimony of WRA witness Aaron Kressig, we are facing increasing need to address the impacts of EV charging in Utah. There is meaningful policy support for transportation electrification and the buildout of EV charging stations, and there is growing interest in electric vehicles, nation-wide and locally.⁵ Electric vehicles offer substantial

⁵ See Direst testimony of Aaron Kressig, lines 107-216.

emissions benefits compared to traditional gasoline powered vehicles, both in terms of greenhouse gases and pollutants which drive local air pollution. EVs are essential to addressing Utah’s persistent air quality challenges, particularly in urban areas along the Wasatch Front where air quality concerns are the highest.⁶ Not only do electric vehicles offer tremendous environmental benefits, but they also offer economic benefits for Utahns: EVs offer fueling and maintenance cost reductions for those that drive them, and efficient charging of electric vehicles puts downward pressure on utility electric rates, to the benefit of all utility ratepayers.⁷

One of the most critical keys to unlocking the benefits of EVs, and EV charging load, is thoughtful EV charging rate design, which can drive greater EV adoption, consistent with Utah policy, while simultaneously ensuring that charging occurs in a way that benefits all utility ratepayers and in hours when grid capacity is underutilized. A well-designed commercial EV charging rate could reduce barriers to EV adoption while also ensuring more widespread ratepayer benefits.

WRA recommends that the stakeholder collaborative investigate and discuss a commercial EV charging rate designed to encourage efficient use of the utility’s electric system while satisfying increasing customer interest in and demand for EV charging services.

III. PROCESS RECOMMENDATIONS.

In its request for comments on the stakeholder collaborative, the Commission indicated that “comments may address the potential scope of the process, whether the process should

⁶ Direst testimony of Aaron Kressig, lines 107-129.

⁷ Direst testimony of Aaron Kressig, lines 125-129.

involve a PSC docket or be more informal, whether any reporting is appropriate, and who should take the lead in the process.”⁸ WRA offers the following feedback in response.

WRA believes that establishing a new docket is appropriate, but does not oppose utilizing the current docket, as long as the stakeholder process is open to parties that did not intervene in the general rate case. WRA recommends that, at least with regard to AMI deployment and advanced rates, the process be initiated with an informational filing or presentation of information from PacifiCorp, as discussed above in Section II.A.

WRA anticipates that some reporting will be appropriate. For example, parties could develop a memo for the Commission summarizing issues discussed, presentations made (and by whom), as well as any consensus recommendations. It may be appropriate to require additional or ongoing reporting, based on developments from the stakeholder process.

WRA supports having either the Commission or the Division of Public Utilities facilitate discussions. WRA recommends that parties who wish to should have the opportunity to make presentations about specific issues that are within scope of the stakeholder process. WRA also recommends that the process should include opportunity for stakeholders to respond to presentations and information. For example, if a specific is discussed at one meeting, the next meeting should include time for parties to discuss that same issue in a follow-up discussion, after having some time to review and digest the information.

⁸ GRC order, page 94.

Dated this 16th day of February, 2021.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'SH', written in a cursive style.

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