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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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** **UCE Comments on Collaborative Stakeholder Process**

On December 30, 2020, the Public Service Commission ("Commission") issued an Order in Rocky Mountain Power's ("RMP") 2020 General Rate Case, Docket 20-035-04 ("Rate Case"). The Order invited interested parties to provide comments regarding a potential collaborative stakeholder process that would address several issues from the Rate Case that were not resolved. Utah Clean Energy ("UCE") is submitting these comments to support and help define a collaborative stakeholder process intended to find consensus or clarification of several issues from the 2020 rate case.

I. INTRODUCTION

During the Rate Case, several parties requested some form of collaborative process to address issues proposed in the proceeding, including Advanced Metering Infrastructure ("AMI") and its associated benefits, changes to residential rates including time of use ("TOU") rates, electric vehicle-specific rates, critical peak pricing, and rate unbundling to name a few. In response, the Commission's December 30, 2020, Order stated, "We find that a collaborative

stakeholder process could evaluate avenues for consensus or clarification on some or all of these issues. However, we are mindful of time demands on parties, and we have no desire to remove any party from participation in a stakeholder process because the process becomes too burdensome."[1]

Generally, Utah Clean Energy's comments propose a collaborative process focused on developing advanced rate designs primarily for residential customers, and potentially non-residential pilot programs, that leverage the substantial benefits of AMI. We recommend that the process focus on developing the Office of Consumer Services' ("OCS") proposed roadmap outlined in its Rate Case testimony, and include opportunities for technical assistance so that stakeholders can develop a shared understanding of technical capabilities and best practices. We also recommend that the collaborative process either include Commission representatives or annual progress updates to the Commission.

II. SCOPE OF COLLABORATIVE

A. The Collaborative Stakeholder Process Should Focus on Developing Advanced Rate Designs that Enable Customers to Realize the Benefits of Advanced Metering Infrastructure.

Rocky Mountain Power's 2020 rate case included a proposal to deploy AMI to enable the remote reading of 790,000 meters and replace 175,000 existing meters with smart meters. The Division of Public Utilities ("DPU") and the OCS both opposed this project because the meters RMP proposed to deploy in 2022 would not be used and useful in the test year. Further, the OCS and other parties, including UCE, found that the benefits of AMI extend well beyond those that RMP cited, and that RMP's AMI proposal did not include a clear plan for implementing the

[1] Docket 20-035-04, Public Service Commission Order on December 30, 2020, page 94.

advanced rate designs necessary to ensure that customers will realize the benefits and savings from AMI. In direct testimony, OCS recommended the development of a succinct Advanced Rate Design Roadmap to ensure that customers benefit from AMI investments.[2] The Commission agreed that including the costs of AMI in rates when the benefits are not realized in the test year is inappropriate. The Commission also acknowledged the potential benefits of AMI and stated, "we do not discourage RMP from pursuing it so long as it can be demonstrated to be cost effective."[3]

Given RMP's plans to install AMI in the near future, and the substantial benefits that can flow from this technology, advanced rate designs should be one of the primary focusses of the stakeholder collaboration. Utah Clean Energy supported the OCS's proposal that the Commission require RMP to develop an Advanced Rate Design Roadmap in concert with deployment of AMI. Ron Nelson for the OCS put it well when he said, "By narrowly focusing the AMI project on meter reading savings, RMP is foregoing any discussion or development of a comprehensive and transparent grid modernization strategy that better leverages demand-side resources, allows the utility and third-parties to provide new energy services, and improves load flexibility."[4] In sum, AMI can provide a variety of benefits to an array of stakeholders. However, the most significant benefits do not accrue to customers automatically when an advanced meter is installed. These benefits only appear when the AMI technology is paired with rate designs, programs, and consumer education that enables customers to achieve energy bill savings.

[2] Docket 20-035-04, Direct Testimony of Ron Nelson for OCS on September 15, 2020, lines 2045 - 2066.
[3] Docket 20-035-04, Public Service Commission Order on December 30, 2020, page 39.
[4] Docket 20-035-04, Phase II Direct Testimony of Ron Nelson, lines 1938 – 1943.

B. Primary Topics to Address when Discussing Advanced Rate Design and Advanced Metering Infrastructure.

Utah Clean Energy believes that prescribing the individual rate designs for the collaborative to consider could be either too restrictive or too broad depending on how many are included, and ultimately may not allow the stakeholders to identify and design the best outcome for Utah. However, there does need to be some instruction for what the collaborative is meant to do. The collaborative will be most effective and efficient if it is defined by a clear objective and structured to facilitate stakeholder feedback regarding that objective. UCE recommends that the collaborative be tasked with developing one or more advanced rate designs ("ARD") that could serve as the default rate for residential customers, and potentially one or more non-residential pilot programs that leverage AMI to encourage customer savings and benefit the grid. This goal focusses the group on one of the most important issues coming out of the rate case: redesigning Utah rates to unlock the full potential of AMI.

AMI meters are quickly becoming cost effective, industry standard technology across the country. The benefits of these meters include more efficient integration of distributed energy resources, more granular customer use data to help design better energy efficiency programs, more accurate resource planning, and a host of monitoring and operational benefits.[5] However, regulators and consumer advocates have been critical of utility smart meter deployments that do not ultimately deliver promised benefits. According to the American Council for an Energy-Efficient Economy, "providing customers with AMI data alone generally does not result in energy savings. AMI data needs to be paired with customer engagement tools; pricing strategies; and programs with incentives and services that enable, motivate, and support customers to take

[5] *See* Docket 20-035-04, Phase II Direct Testimony of Ron Nelson, lines 2217 – 2218.

actions and make changes to modify their energy use."[6] Given RMP's plan to transition to AMI meters in the near term, a collaborative process to develop a plan that leverages the full range of AMI benefits is a unique and valuable opportunity.

C. Proposed Components of the Collaborative Stakeholder Process

As the parties begin to negotiate these issues, the stakeholder group may find that the process of thinking about and developing ARD paired with AMI enables discussions of other issues named by the Commission in its order, including new critical peak pricing rates, commercial rates, class cost of service allocation, electric vehicle specific rates, the issues of unbundling in rates, and more precise energy efficiency incentives in rates. Although these issues may not need to be resolved in order to deploy AMI to the benefit of customers, the collaborative may also be an appropriate forum in which to discuss them.

While recognizing the need for flexibility during the early stages of this collaborative process, Utah Clean Energy would like to propose the following components to help focus the collaboratives' efforts. First, given the wide array of benefits and potential applications stemming from AMI, it will be important for the stakeholders to start this collaborative process with a common understanding of the benefits that result from AMI and the various programs required to enable them. This may include, but is not limited to, a shared understanding of best practices for TOU rates, critical peak pricing or other opt-out pilots, and a new generation of energy efficiency and demand respond programs that can leverage the increased capabilities of AMI meters. Second, any new rate that leverages AMI should afford customers with functional and secure access to necessary data that will help them benefit from AMI technology. Third, as

[6] ACEEE, "Leveraging Advanced Metering Infrastructure to Save Energy," Jan. 3, 2020, page iv. https://www.aceee.org/research-report/u2001.

the group identifies new rate structures, it will be important to look at what other existing rates may need to be re-tooled to better harmonize them with the proposed new rate structure(s).

III. PROCESS FOR COLLABORATIVE

Utah Clean Energy proposes that the collaborative process consist of a technical conference to help parties understand critical issues and benefits related to ARD, a filing from the Company documenting capabilities and a plan for implementing ARD, a series of meetings or working groups through which the parties can discuss the Company's filing and ask questions or provide feedback, and an opportunity to provide annual and final updates to the Commission at the conclusion of the working group. Ideally, the outcome will be a filing from the Company that incorporates stakeholder feedback and that is supported by the collaborative participants.

A. We Recommend that the Collaborative Include Technical Conferences and/or Opportunities for Technical Assistance.

Technical conferences provide stakeholders with the opportunity to learn from RMP regarding their capabilities for enabling ARD, while the opportunity to consult external expertise helps expand a common technical understanding among the parties. Understanding the kaleidoscope of possible benefits from ARD and AMI, and the various programs and capabilities necessary to tap into those benefits is likely going to be an early challenge that the stakeholders will face. While we understand that external expertise can be difficult to secure, there are several organizations that have substantial experience in working with regulators, utilities, and stakeholders to develop and implement ARD and AMI, some of which provide technical assistance upon request from a state utility regulator like the Commission. UCE is willing to help identify technical experts and to help the collaborative apply for technical assistance if necessary. The opportunity to learn from experts and to develop a shared understanding of capabilities, best

practices, and advanced rate designs that are actionable by consumers will only improve the outcome of this process. As part of its directive creating the stakeholder process, we would ask that the Commission include dates for 1 or 2 technical conferences in the docket schedule and support collaborative participants to seek out and solicit external expertise when practical.

B. We Recommend that the Company make a Filing Documenting Capabilities and a Plan for Implementing ARD that is Consistent with the OCS' Proposed Roadmap

Given that both ARD and AMI technology are necessary to fully leverage the benefits of AMI, it is vital to understand what obstacles need to be overcome to implement ARDs. For example, during the Rate Case RMP provided information in discovery suggesting that it is not currently able to implement an ARD with AMI because its customer service system "cannot accept billing determinants from [AMI] meters."[7] There may also be impediments to implementing advanced DSM and DR technologies, which would need to be overcome before deploying some the specific programs necessary to leverage AMI benefits. Successful implementation of AMI and ARD also requires a clear plan for engaging and educating customers, managing enrollment in optional advanced rate designs and programs, and evaluation to determine whether ARD are achieving their stated goals. Flagging these potential issues right away and discussing what is necessary to move past them will provide a sound foundation for all stakeholders to start the collaborative process.

Utah Clean Energy recommends that the Commission require RMP to make a compliance filing in this docket (20-035-04) addressing these issues or create a new docket for this filing. RMP's compliance filing should contain a description of any anticipated impediments to

[7] Docket 20-035-04, Western Resource Advocates data request to RMP 10.1 The full question reads: "Please confirm whether the Company's existing CCS can accept billing determinants from AMI meters?" RMP answered "The Company's existing customer service system (CCS) cannot accept billing determinants from advanced metering infrastructure (AMI) meters." *Id*.

developing new customer engagement programs or enhancing existing programs, an overview of how RMP needs to revise its customer service system before it may deploy ARD or other AMI-based programs, and how long each of these initial requirements will take to implement. This proposal is generally consistent with the OCS's proposed roadmap, which asks RMP to "develop a succinct Advanced Rate Design Roadmap that describes how and when RMP will leverage technological capabilities of advanced meters to create beneficial rate structures that serve both customer and grid needs."[8]

The goal of this filing is not to ask RMP to create and propose an ARD or AMI program. That task would be to the responsibility of the whole stakeholder collaborative. The goal of this filing is to allow all participating stakeholders to begin the process on the same page, to create a framework that helps indicate what technologies and rate designs are most practicable for RMP to implement, and to help illuminate the necessary steps and timeline for implementation and customer enrollment.

C. Utah Clean Energy Recommends Collaborative Meetings or Working Groups that Include Commission Representatives and that are Ultimately Accountable to the Commission.

The collaborative stakeholder process is the best way to develop a durable AMI program accompanied by ARD. As RMP said in its rebuttal Rate Case testimony, "collaboration on such an undertaking results in better outcomes for customers."[9] UCE also believes that the best way to maximize the possibility of success is to create a more formal process that is ultimately accountable to the Commission. This collaborative should be formally initiated by the Commission with instructions to work together to develop ARDs that fully leverage the benefits

[8] Docket 20-035-04, Phase II Direct Testimony of Ron Nelson, lines 2045 – 2048.
[9] Docket 20-035-04, Phase II Direct Testimony of Robert Meredith, lines 1290 – 1291.

of AMI meters. The collaborative would meet as frequently as is practicable towards this goal, and ultimately would be responsible for filing joint recommendations to the Commission during RMP's next general rate case, or by the end of 2024, whichever is earlier.

UCE would also recommend that Commission staff participate in or observe the collaborative meetings. By participating the Commission's staff will develop a shared knowledge base alongside the stakeholders that will ultimately help the Commission understand and evaluate parties' proposals relative the alternatives considered. If the Commission decides not to participate in the collaborative process, we would ask that the Commission request annual updates from the collaborative on progress made, issues under discussion, and best available forecasted timelines for the resolution of those issues. Ideally, the group will produce a clear plan for implementation of ARD and AMI that is supported by participating stakeholders.

IV. CONCLUSION

Utah Clean Energy recommends that the collaborative stakeholder process focus on developing one or more ARDs that substantially leverage the benefits of AMI. The process should start off with an initial filing by RMP to give stakeholders a common understanding of what modifications need to be made to RMP's systems or processes to implement ARD and AMI, and the expected timeline to for these changes. The collaborative should meet as often as is practicable to work towards providing joint recommendations to the Commission by RMP's next rate case or the end of 2024, whichever is earlier. The Collaborative should schedule technical conferences and pursue opportunities for external expertise when practical, and we recommend that the Commission staff either participate directly or request an annual update to build a joint understanding with the collaborative participants.

RESPECTFULLY SUBMITTED on February 16, 2021.

Utah Clean Energy

/s/ Hunter Holman

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CERTIFICATE OF SERVICE
Docket No. 20-035-04

I hereby certify that a true and correct copy of the foregoing was served by email this 16th day of February 2021, on the following:

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