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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

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Director

To: Utah Public Service Commission

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

Date: April 24, 2020

Subject: In the Matter of Rocky Mountain Power's 2019 Annual Report of the Subscriber Solar Program. Docket No. 20-035-14

Background

On March 25, 2020, Rocky Mountain Power (RMP) filed with the Utah Public Service Commission (PSC) its 2019 Annual Report (Report) of the Subscriber Solar Program (Program). As per the Amended Settlement Agreement in Docket No. 15-035-61 submitted October 8, 2015, the Report is to be filed on an annual basis. This Report covers the period January 1, 2019 – December 2019.

On March 27, 2020, the PSC issued a Notice of Filing and Comment Period providing interested parties the opportunity to submit comments on the Report on or before Friday, April 24, 2020 and reply comments no later than Monday, May 11, 2020. Pursuant to the PSC's order the Office of Consumer Services (OCS) provides the following comments.

Discussion

In the aforementioned Settlement Agreement RMP agreed to file a report updating the Program subscription rate and other material program statistics six months after program launch, and annually thereafter¹.

The Report includes an introductory Program overview and three exhibits:

- Exhibit A provides more details, including the Subscriber Solar 2019 Summary Report, and the Program Dashboard Reports for 2017, 2018 and 2019.
- Exhibit B is confidential and contains the current Program Costs Model.
- Exhibit C is a record of the 2018 retired renewable energy certificates (RECs).

¹ Amended Settlement Agreement, page 8 paragraph 23. Docket No. 15-035-61.

Initial Comments

The 2019 Subscriber Solar Summary Report Table (Summary Table) includes:

- Program Sales Summary for each year 2017 through 2019,
- Program Expenses Summary information for each year 2015 through 2019, and
- Generation Status showing cumulative generation purchased, generation sold, unsold generation and cost of generation for years 2017 through 2019.

The 2019 Summary Table provides a good overview of the Program to date and 2019 results. As noted above the Summary Table includes Generation Status as combined numbers for all program years. While it is interesting to see the cumulative results there are areas where OCS would like to see more specificity for the subject program year. We will provide our recommendation later in these comments.

Subscription Status

RMP again reports that the subscription level at December 31, 2019 was 100% subscribed (20,000 blocks). Subscriptions were approximately 34.1% residential and 65.1% commercial.² The subscription level as well as percentage by customer class varies by month throughout the year. The 2019 Dashboard Report shows the monthly subscription rates for residential and commercial customers. Some monthly variation is expected and the overall subscription rate indicates that the current Program is successful and appears to be performing well.

Additional Offering

A Full Coverage Option³ was approved by the PSC on November 18, 2019.⁴ RMP indicates that it plans to begin offering this option in June 2020 when the billing system update is complete. In Docket No. 19-035-T08 RMP committed to provide stakeholders a periodic report once the Full Coverage Option has been implemented, addressing how this option is affecting the Subscriber Solar Program. Since the new option was approved late in 2019, OCS anticipates that future Subscriber Solar Annual Reports will need to be modified to present specific information related to the Full Coverage Option. The periodic reports will provide interested parties an opportunity to assess what information, and the presentation format, they may want for future reports.

Financial Status

The Program is designed such that Program costs are paid for by subscribers to the Program with minimal potential cost-shifting to other customers. However, if Program

² As in prior years no industrial customers are participating in the Program.

³ Full Coverage Option is an option for customers to subscribe 100 percent of their usage.

⁴ Docket No. 19-035-T08.

costs are not fully recovered by subscriber revenue, there is a potential that some portion of the costs could be imposed on non-participating customers.⁵

RMP states that the Program has to date spent approximately \$893,000 less than what was originally anticipated would be required to subscribe the Program at 100% through the 3rd year of production. The OCS appreciates that RMP has been able to launch the Program and achieve a high participation rate without expending the entire budget⁶ originally allocated to acquiring participants for the Program.

Generation Not Sold to Subscriber Solar Participants

Exhibit A “2019 Subscriber Solar Summary Report” includes a 2019 Dashboard spreadsheet. In 2019 the solar resource generated 48,133,302 kWh and sold 47,749,442 kWh to program participants, leaving 383,860 kWh unsold. The terms of the amended settlement stipulation in Docket No. 15-035-61, state that generation costs of the solar resource are compared to the generation charges paid by solar subscriber customers and the difference is either recovered from, or credited back to Utah customers through the Energy Balancing Account.⁷ Thus, 383,860 kWh at a cost of \$20,267.81 was included for recovery in the Energy Balancing Account. Due to the high percentage of blocks sold to subscribers in 2019 the cost responsibility for other customers is not significant.

OCS comments on the Subscriber Solar 2018 Annual Report recommended “that information for the subject year of each Report should be provided in a single table. This table should also include the “unsold generation” amount for the year.”⁸

In reply comments RMP stated “The Company will make best efforts to include “all relevant information” for the specific year of the report in a single table for future reports as recommended by the OCS...”⁹

The PSC’s acknowledgement letter of the 2018 Report included the following:

[RMP] “,,commits to making best efforts, in future reports, to include all relevant information for the specific year of the report in a single table, as recommended by the OCS” Further, “Based on the PSC’s review of the filings and the recommendations of the DPU, the OCS, and UCE, the PSC acknowledges the Report.”¹⁰.

⁵ Paragraph 21 of the Amended Settlement Agreement reads in part: “The parties agree that Program costs not recovered by subscriber revenue can be deferred and recovered through general rates provided they are consistent with initial Program cost estimates as detailed in Attachment 1.”

⁶ The original budget discussed here was for marketing, administration, interest and required billing system updates. It does not include costs for the generation produced by the facility.

⁷ “The Parties agree that there will be no load adjustment and no change in allocation factors due to the Program. The solar resource will be included as a Utah-situs resource in net power costs.” Amended Settlement Agreement, Docket No. 15-035-61 at 20.

⁸ OCS comments, April 23, 2019. Docket No. 19-035-15.

⁹ RMP reply comments, May 14, 2019. Docket No. 19-035-15.

¹⁰ PSC May 15, 2019 letter acknowledging the 2018 Subscriber Solar Annual Report.

The table for 2019 does not include the amount of unsold generation as recommended by OCS and seemingly agreed to by RMP. OCS asserts that it should be easy for readers of the annual report to see the amount of generation subject to the EBA that becomes the cost responsibility of ratepayers. Thus, OCS again recommends that in future reports RMP specify the total kWhs of unsold generation and include the total dollar amount charged to the EBA from unsold energy in the subscriber solar program for the report year.

Corrections to Report

OCS identified a minor error in confidential exhibit B. RMP has verified that Cell D21 should contain the number 3 rather than 2. This is a plug number and the error has no bearing on the rest of the document.

RMP Plans for Future Resource

RMP notes its intent to file for a second subscriber solar project in the upcoming rate case. RMP is not requesting changes in this filing, therefore OCS will not comment on any expansion plan at this time.

Recommendations for Future Reports

In our comments on the 2018 Subscriber Solar Annual Report the OCS recommended that the unsold generation for the subject year should be included in the details for that year. We reiterate that recommendation and add that both the kWh and the dollar amount charged to the EBA for unsold generation in that year should also be specifically identified¹¹.

The Division of Public Utilities recommended in the 2018 Subscriber Solar Annual Report that RMP include a liability account balance reconciliation on the summary tab in Exhibit A. The 2019 Report does include the liability account balances at January 2019, \$1,663,323.29 and December 2019, \$1,724,899.79. The reason for the increase is not easily discernable. RMP did not provide the formulas behind the numbers nor an explanation for the reason in the increase in the December amount.¹² OCS recommends that RMP provide detail behind the liability account balances in future reports.

Final Comments and Recommendations

The OCS believes that with this Report RMP provides a useful tool to assist parties in understanding and monitoring the Program. We recommend that the PSC acknowledge this Report and order RMP to include the following in subsequent annual reports of the Subscriber Solar Program:

¹¹ It is possible to arrive at these numbers through the spreadsheets provided. However, because customers are responsible for those costs OCS asserts they should be specifically called out.

¹² RMP did provide more detail on the liability account in response to DPU Data Request 1.1.

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- the kWh and the corresponding dollar amount that was charged to the EBA for that year, and
- necessary detail regarding the liability account balance to track the accounting.