



State of Utah
Department of Commerce
Division of Public Utilities

CHRIS PARKER
Executive Director

ARTIE POWELL
Director, Division of Public Utilities

GARY HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

ACTION REQUEST RESPONSE

To: Utah Public Service Commission

From: Division of Public Utilities
Artie Powell, Director
Doug Wheelwright, Utility Technical Consultant Supervisor
Bob Davis, Utility Technical Consultant
Vana Venjimuri, Utility Analyst

Date: August 5, 2020

Re: **Acknowledge, Docket No. 20-035-32** – In the Matter of Rocky Mountain Power’s Customer Owned Generation and Net Metering Report and Attachment A for the Period April 1, 2019 through March 31, 2020.

RECOMMENDATION (Acknowledge)

The Division of Public Utilities (“Division”) has reviewed Rocky Mountain Power’s (“RMP”) Customer Owned Generation and Net Metering Report and Attachment A for the annualized billing period ending March 31, 2020, and finds that it complies with the Public Service Commission’s (“Commission”) reporting requirements. The Division finds no outstanding issues other than the items reported below and recommends the Commission acknowledge RMP’s Report.

ISSUE

On July 1, 2020, RMP filed its 2020 Net Metering Report and Attachment A (“Report”) with the Commission. On July 2, 2020, The Commission issued its amended action request to the Division to review the filing for compliance and make recommendations. The Commission asked the Division to report back by July 31, 2020. On July 6, 2020, the Commission issued a Notice of Filing and Comment Period. Any interested party may submit comments on or before August 5, 2020, and reply comments on or before August 20, 2020. The Division respectfully submits the following comments in support of its recommendation.

BACKGROUND

In its Order dated November 30, 2010 in Docket Nos. 10-035-58, 08-035-T04, and 08-035-78, the Commission ordered:

The reporting requirements contained in R746-312-16 (Rule) replace the Company's net metering reporting requirements in Docket Nos. 08-035-T04 and 08-035-78 with the following exceptions and clarifications:

- a) All net metering interconnections must be noted in the annual report filed pursuant to the Rule;
- b) the information required by R746-312-16(2)(a) is the same cumulative information as provided in Attachment A of the Company's 2010 Report with the addition of the zip code, year of installation, and notation if the interconnection is a net metered resource;
- c) the Company's annual report filed pursuant to the Rule should provide all of the data required by the Rule through the end of the annualized billing period of the year the report is being submitted unless otherwise approved; and
- d) the Company is required to report information on the amount of net metering installed capacity relative to its net metering cap and any [unforeseen] problems or barriers in the tariff in its annual report filed pursuant to the Rule.

The reporting requirements contained in R746-312-16, Public Utility Maps, Records and Reports, state:

- (1) Each public utility shall maintain current records of interconnection customer generating facilities showing size, location, generator type, and date of interconnection authorization.
- (2) By July 1 of each year, the public utility shall submit to the commission an annual report with the following summary information for the previous calendar year:
 - (a) the total number of generating facilities approved and their associated attributes including resource type, generating capacity, and zip code of generating facility location;
 - (b) the total rated generating capacity of generating facilities by resource type;
 - (c) for net metering interconnections, the total net excess generation kilowatt-hours received from interconnection customers by month; and
 - (d) for net metering interconnections, the total amount of excess generation credits in kilowatt-hours, and their associated dollar value that have expired at the end of each annualized billing period.

The Commission's September 24, 2015 Order for Docket No. 15-035-64, ordered that future customer-owned generation and net metering reports shall provide:

- (1) An explanation of the calculation of the price attributed to expired net excess generation credits.
- (2) A column indicating the rate schedule under which each customer is taking service, or alternatively, the revenue class of each customer.¹

In Docket No. 17-035-31, RMP agreed to several recommendations made by the parties. RMP incorporated those changes to its report and those proposed by the Division and Office of Consumer Services ("OCS") to encompass the transitional distributed generation relating to Docket No. 14-035-114:

- (1) A table indicating which customer classes (or schedules) are represented by the "Customer Rate Schedule" codes on Attachment A.
- (2) An explanation as to why, as a general matter, some customers may have a kilowatt-hour credit in a year prior to the customer's interconnection date.
- (3) A statement that the required net metering excess energy valuation is found on Attachment B or elsewhere if the Company changes the reporting configuration.

In Docket No. 18-035-28, RMP agreed to the DPU's recommendation to add a Section 9 to its report illustrating the "Measurement to Cap" for large non-residential customers under Schedule No. 136. Additionally, RMP agreed to identify the applicable tariff schedule when referring to net metering and customer generation in tables as recommended by the OCS.

Paragraph 21 of the Settlement Stipulation in Docket No. 14-035-114 specified the treatment of surrendered excess export credits from Schedule 136 customers at the end of the annualized billing period be treated similar to Schedule 135 credits, or for another use as determined by the Commission.²

In a letter dated August 30, 2018, the Commission approved the parties' recommendation to apply Schedule 136 surrendered excess export credits towards the Energy Balancing Account

¹ See Docket No. 15-035-64, Commission's Order, September 24, 2015, p. 5.

² Commission Order Approving Settlement Stipulation; Docket No. 14-035-114, September 29, 2017, ¶ 21 and ¶ 39.

(“EBA”).³ The Commission opened Docket No. 18-035-39 to consider alternative uses for the Schedule 135 surrendered excess export credits. The Commission issued its order on January 11, 2019 concluding that the current use of expired credits is reasonable, and therefore, used to fund Schedule 91. However, the Commission found that it was in the public interest to ensure that incremental value is being provided to low-income customers and directed RMP to grant a one-time credit to all Schedule 3 customers by dividing the \$159,840 value of the excess credits by the final count of Schedule 3 customers at the end of the April 2018 billing cycle.⁴

DISCUSSION

On September 29, 2017, the Commission issued its Order for the Net Metering Compliance proceeding in Docket No. 14-035-114. The Commission approved the parties’ stipulation, effectively ending the Net Metering program to new entrants as of November 15, 2017.⁵ The Stipulation allows Schedule 135, Net Metering Service, customers to remain on Schedule 135 until December 31, 2035. Schedule 136, Transition Program for Customer Generators, is for customers who file an application on or after November 15, 2017: they may remain on Schedule 136 until December 31, 2032.⁶ The stipulation created a need to amend certain parts of the Net Metering Report to include both traditional net metering customers under Schedule 135 and transitional customers under Schedule 136. RMP met with interested parties to discuss changes to the report that would fulfill the reporting requirements established by the Commission.⁷

For the reporting period of April 1, 2019 through March 31, 2020, RMP reports 7,772 new transition facilities.⁸ These new additions compare to 3,540 new facilities reported during the same period in the prior year composed of 16 Schedule 135 additions and 3,524 Schedule 136 transition additions. New facilities under Schedule 136 experienced exponential growth from

³ See <https://pscdocs.utah.gov/electric/18docs/1803528/304191CorresWiderburg8-30-2018.pdf>.

⁴ See <https://pscdocs.utah.gov/electric/18docs/1803539/3061961803539o1-11-2019.pdf>.

⁵ See “Order Approving Settlement Stipulation,” <https://psc.utah.gov/2016/06/20/docket-no-14-035-114-2/>.

⁶ The Transition Program for Customer Generators will end at the conclusion of Docket No. 17-035-61.

⁷ Commission Correspondence, Gary L. Widerburg, Docket No. 17-035-31, November 28, 2017.

⁸ 2020 Customer Generation Report, Section 1, Number of Customer Generation Systems, p. 1. The Division asked RMP for clarification of certain numbers and customer accounts in Attachment C, A, and B in data requests 1.1 through 1.8. RMP responded to those requests on July 22, 2020. The numbers reported in this report reflect RMP’s revised numbers.

3,524 new facilities in last year's report to 7,772 new facilities for this reporting period comprised exclusively of solar. The total facility for both Schedule 135 and Schedule 136 is 42,596.⁹

As of March 31, 2020, RMP reports 338,266 kW of total generation composed of 248,259 kW for Schedule 135 and 90,007 kW for Schedule 136. This represents a 23 percent increase from last year's reported total combined generation capacity of 276,030 kW. The 2020 Report illustrates a combined total solar only generation capacity at March 31, 2020 of 337,647 kW¹⁰ composed of both Schedule 135 and Schedule 136. The Company reported 275,412 kW in 2019, 234,580 kW in 2018, 161,442 kW in 2017, 66,226 kW in 2016, and 32,573 kW in 2015. This represents a 937 percent increase over the six-year period.¹¹

The Non-Net Metering changed modestly from last year's revised count of 53 to 55 adding one solar customer and one battery storage customer. These are customer generators larger than 2 MW or connecting to the grid by other switchgear or inverter configurations. The total Non-Net Metering MW reported in 2020 increased slightly from 132.7 MW to 134.35 MW.¹²

The Excess Energy Value per kWh used to calculate the value of expired credits from 2015 to present for Schedule 135 customers has been \$.0303, \$.0221, \$.0207, \$.0183, and \$.026, respectively. The 2020 report lists 30,999 Schedule 135 customers with 11,021,901 kWh of expired credits equating to \$286,569. This compares to last year's report of 30,999 customers with 8,371,936 kWh of expired credits equating to \$153,206. All remaining projects have been completed since the closure of the Net Metering Program. The amount of Schedule 135 expired excess credits is not anticipated to change significantly year-over-year in future reports.¹³

RMP reports and calculates the excess expired credits for Schedule 136 transition customers separately from Schedule 135 customers. RMP reports 11,597 customers in this year's Report

⁹ Id.

¹⁰ The Division assumes this number still includes 1,200.7 kW of solar/battery facilities under Schedule 135 reported in prior years.

¹¹ *Supra n.8*, 2020 Customer Generation Report, Section 3, Total kW Combined Capacity, p. 3 of 5.

¹² Id., Sections 1 and 2.

¹³ Id., Section 5.

with a value of \$240,552.¹⁴ The expired credit value for Schedule 136 customers varies by class from \$.092 (residential) to \$.034 (non-residential) and therefore has to be presented differently from the Schedule 135 summary. The average value for Schedule 136 expired credits is \$.0914 per kWh.

Section 8 illustrates a current enrolled capacity of 73.85 MW for Schedule 136, representing 43.4 percent of the 170 MW_{DC} program cap for residential and small business customers. The current enrolled capacity for large non-residential customers is 9.01 MW, representing 12.9 percent of the 70 MW_{DC} cap.¹⁵

In addition to prior reporting rate schedules, this year's report has 32 rate schedules consisting of Schedule 135 and Schedule 136 customer classes and 19 Schedule 136 export rates.

The Division notes that RMP added a column in Section 6, Excess Net Metering Generation, illustrating the total export credits in kWh for each month for Schedule 136 customers in addition to the Schedule 135 as requested in last year's report.

In response to the Division's data request, DPU DR 1, RMP committed to correcting minor mistakes found in Attachment C, Attachment A, and Attachment B. RMP commits to filing revised attachments in its reply comments.

CONCLUSION

The Division has reviewed RMP's 2020 Customer Generation Net Metering Report, and Attachments A and B. With the corrections RMP has committed to provide, the Division concludes that RMP's filing complies with the Commission's reporting requirements and recommends the Commission acknowledge RMP's 2020 Customer Generation Net Metering Report.

¹⁴ Id., the Division continues to analyze excess and expired credits to monitor system sizing. The expired credits could be the result of energy efficiency or combination of both.

¹⁵ An additional 5.82 MW of large customer generation and 36.87 MW of residential and small business generation are pending according to Rocky Mountain Power's "Utah Megawatt Capacity Update". See RMP's website at: <https://www.rockymountainpower.net/savings-energy-choices/customer-generation/megawatt-capacity.html>.

cc: Joelle Steward, RMP
Jana Saba, RMP
Michele Beck, OCS
Service List