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## State of Utah

### DEPARTMENT OF COMMERCE

### Office of Consumer Services

MICHELE BECK  
Director

To: The Public Service Commission of Utah

From: The Office of Consumer Services

Michele Beck, Director  
Béla Vastag, Utility Analyst

Date: September 24, 2021

Subject: Docket 21-035-29

### **Rocky Mountain Power's Fourth Annual Sustainable Transportation and Energy Plan Act ("STEP") Program Status Report**

Final Report on the Panguitch Solar and Battery Project

## **INTRODUCTION**

On August 25, 2021, Rocky Mountain Power ("RMP") filed its final report on one of its STEP Program projects, the Panguitch Solar and Battery Project, ("Panguitch Report") with the Utah Public Service Commission ("PSC"). On August 30, 2021, the PSC issued a Notice of Filing and Comment Period that set a deadline of September 24, 2021 for parties to file initial comments and October 12, 2021 for reply comments on RMP's report. In accordance with the PSC's Notice, the Utah Office of Consumer Services ("OCS") submits these initial comments on RMP's Panguitch Report.

## **OFFICE OF CONSUMER SERVICES COMMENTS**

The OCS has reviewed the Panguitch Report and has several questions. The OCS requests that RMP answer these questions in its reply comments. Additionally, if RMP provides new substantive information in its answers to these questions, the OCS recommends that the PSC require RMP to also submit an updated final report to ensure accuracy and completeness of the record. An updated report could be filed in this docket by the end of 2021 or at a later time that the PSC deems appropriate.

1. Figure 1 on page 2 of the Panguitch Report does not show the correct location of the 650 kW solar array. The OCS has verified that it is actually located on a different parcel of land, on the west side of the city of Panguitch (figure 1 shows it on the east side). Why was the location of the solar array moved? How does the cost of the actual parcel compare with the budgeted cost of the original parcel?
2. Page 6 of the report, “Lessons Learned”, indicates that the solar and battery system will be operated in order to “capture ITC benefits”. Furthermore, it also states that the “[system was] not initially designed to accommodate ITC requirements”. Project costs shown in table 1 on page 4 of the report do not appear to account for the ITC, i.e. investment tax credits. How much in ITC did RMP receive or qualify for? How were these funds accounted for? Were ratepayers and the Blue Sky Program credited with ITC funds reducing their costs?
3. Table 1 also shows that actual expenditures were \$8.96 million versus the budget of \$8.75 million. The OCS notes that this project already went over its original budget (which was approved by the PSC on December 29, 2016) by \$1.75 million (25% increase) when RMP received approval in February 2019 for the increased amount due to cost overruns. Why did this project have additional cost overruns of \$210,000? The final Panguitch Report does not explain the reasons for these additional costs.
4. Figure 2 on page 5 in the “Observations” section of the Panguitch Report shows the solar and battery system performing its designed function on July 7, 2021. This is the only data point provided on how this \$9 million system has been operating since its COD of March 9, 2020. How many days in 2020 and 2021 did this system provide the required services? Were there days when solar production was insufficient to deliver the designed function? Providing more information on how the system functioned and was operated in 2020 and 2021 would be beneficial. For example, see the type of operating information that RMP has provided for the Soleil Battery Demand Response project, a project only costing \$1.74 million.
5. Page 6, lessons learned, states that RMP should consider providing temporary diesel generators for battery backups. Why is needing backup generators an issue? Since they are being considered now, would backup generators have been a more cost effective solution to the voltage issue at the Panguitch substation and on the Sevier-to-Panguitch transmission line?
6. Page 6 also states that SCADA connectivity was added after the project was commissioned and that SCADA “is a MUST to ensure dispatch operators have complete control on battery dispatchability”. Why was SCADA functionality not part of the original design when it is a “MUST”. How much additional costs were incurred to incorporate SCADA capabilities?

## **RECOMMENDATIONS**

The OCS recommends that the PSC order RMP to update the Panguitch Report with information provided in answers to the OCS's questions listed above. These questions ask for key information about location accuracy, accounting for ITCs and cost overruns, and basic operational details. Without the addition of this information, the final report would not contain adequate information documenting the value of having pursued this project as a demonstration or research development endeavor. Ratepayers deserve to have a robust and correct report in exchange for being required to fund this project.

cc:

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