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Department of Commerce
Division of Public Utilities

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ACTION REQUEST RESPONSE

To: Public Service Commission of Utah

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

Date: September 8, 2021

Re: **Acknowledge, Docket No. 21-035-46** – Rocky Mountain Power's 2021 Net Metering, Customer Generation and Interconnection Report for the Period April 1, 2020 through March 31, 2021

RECOMMENDATION (Acknowledge)

The Division of Public Utilities (Division) has reviewed Rocky Mountain Power's (RMP) Customer Owned Generation and Net Metering Report and Attachments for the annualized billing period ending March 31, 2021, and finds that it complies with the Public Service Commission's (Commission) reporting requirements. The Division finds no outstanding issues and recommends the Commission acknowledge RMP's Report. The Division requests that RMP include the supporting documentation for Section 6 of Attachment C in future reports.

ISSUE

On August 6, 2021, RMP filed its 2021 Net Metering Report and Attachments A, B, C, and D (Report) with the Commission. On August 9, 2021, the Commission issued an action request asking the Division to review the filing for compliance and make recommendations. The Commission asked the Division to report back by September 7, 2021. On August 11, 2021, the Commission issued a Notice of Filing and Comment Period. Any interested party may submit comments on or before September 8, 2021, and reply comments on or before September 23, 2021.

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.

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.[2] 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. Schedule 136 customers may remain on Schedule 136 until December 31, 2032.[3] The stipulation created a need to amend certain parts of the Net Metering Report to include both traditional net metering customers under

[1] See Docket No. 15-035-64, Commission's Order, September 24, 2015, p. 5.
[2] See "Order Approving Settlement Stipulation," https://psc.utah.gov/2016/06/20/docket-no-14-035-114-2/.
[3] The Transition Program for Customer Generators will end at the conclusion of Docket No. 17-035-61.

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.[4] RMP has included Schedule 137 data in this year's report.

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.[5]

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 (EBA).[6] 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 under Schedule 135 is reasonable. However, the Commission found that it was in the public interest to ensure that incremental value was being provided to low-income customers, directing 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.[7]

This year's report contains a partial year of Schedule 137 data as a result of the Commission's Order on October 30, 2020 for Docket No. 17-035-61. The Commission's Order closed the Transition Program for Customer Generators (Schedule No. 136) to new customers and initiated

[4] Commission Correspondence, Gary L. Widerburg, Docket No. 17-035-31, November 28, 2017.
[5] Commission Order Approving Settlement Stipulation; Docket No. 14-035-114, September 29, 2017, ¶ 21 and ¶ 39.
[6] See https://pscdocs.utah.gov/electric/18docs/1803528/304191CorresWiderburg8-30-2018.pdf.
[7] See https://pscdocs.utah.gov/electric/18docs/1803539/3061961803539o1-11-2019.pdf.

Schedule No. 137, Net Billing Service.[8] The surrendered excess credits for Schedule 137 are treated the same as Schedule 136 and offset EBA net power costs.

DISCUSSION

For the reporting period of April 1, 2020 through March 31, 2021, RMP reports 7,166 new facilities composed of 6,237 Schedule 136 and 929 Schedule 137 customers.[9] These new additions compare to 7,772 new facilities reported during the same period in the prior year composed entirely of Schedule 136 transition additions. New facilities under Schedule 136 experienced a small decline of new facilities from last year's report to 6,237 new facilities (5,518 solar, 717 solar and battery, and 2 wind generators). The total facility count for Schedule 135, Schedule 136, and Schedule 137 is 49,774.[10] The Division notes that RMP reports that six customers who had originally filed Level II Interconnection agreements under Schedule 135 ran into complications with their projects escalating their interconnection agreements to Level III requiring further studies and did not interconnect until 2020.[11]

As of March 31, 2021, RMP reports 400,126 kW total generation, composed of 250,839 kW for Schedule 135, 142,455 kW for Schedule 136, and 6,832 kW for Schedule 137. This represents an 18.28 percent increase from last year's reported total combined generation capacity of 338,266 kW. The 2021 Report illustrates a combined total solar only generation capacity at March 31, 2021 of 392,767 kW[12] composed of Schedule Nos. 135, 136, and 137. RMP reported 337,647 kW in 2020, 275,412 kW in 2019, 234,580 kW in 2018, 161,442 kW in 2017, and 66,226 kW in 2016. This represents a steady increase of 493.1 percent over the six-year period.[13] Illustration 1 shows the year over year changes.

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[8] See Commission Order, Docket No. 17-035-61, October 30, 2020, page 4, Section 3, [https://pscdocs.utah.gov/electric/17docs/1703561/3161911703561o10-30-2020.pdf.](https://pscdocs.utah.gov/electric/17docs/1703561/3161911703561o10-30-2020.pdf)
[9] 2021 Customer Generation Report, Section 1, Number of Customer Generation Systems, p. 1.
[10] Id.
[11] See RMP's 2021 Net Metering, Customer Generation and Interconnection Report, August 6, 2021, Attachment D.
[12] The Division assumes this number still includes 1,200.7 kW of solar/battery facilities under Schedule 135 reported in prior years.
[13] *Supra* n.9, 2021 Customer Generation Report, Section 3, Total kW Combined Capacity, p. 3 of 6.

Illustration 1

Total Solar Only Generation

Year	kW	Year/Year Change
2016	66,226	
2017	161,442	143.8%
2018	234,580	45.3%
2019	275,412	17.4%
2020	337,647	22.6%
2021	392,767	16.3%
% Change	493.1%	
Avg. Change		49.1%

RMP reported no changes to the Non-Net Metering customers from last year's revised count of 55. 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 2021 remains at 134.35 MW.[14]

The historical Excess Energy Value per kWh used to calculate the value of expired credits from 2015 to the present for Schedule 135 customers has been $0.019, $0.026, $0.0221, $0.0207, $0.0183, and $0.026, respectively, for an average of $0.022 per kWh. The 2021 report lists 31,011 Schedule 135 customers with 10,905,472 kWh of expired credits equating to $206,670. This compares to last year's report of 30,999 customers with 11,021,901 kWh of expired credits equating to $286,569. 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.[15]

RMP reports and calculates the excess expired credits for Schedule 136 and Schedule 137 customers separately from Schedule 135 customers. RMP reports 17,834 Schedule 136 and 929 Schedule 137 customers in this year's Report with a value of $531,034 and $1,059,

[14] Id.
[15] Id., Section 5.

respectively.[16] The expired credit values for Schedule 136 customers vary by class from $0.092 (residential) to $.034 (non-residential). The average value for Schedule 136 expired credits is $0.0910 per kWh. The expired credit values for Schedule 137 customers do not vary and are based on stacked[17] avoided costs. The stacked value for Schedule 137 expired credits is $0.0564 per kWh.

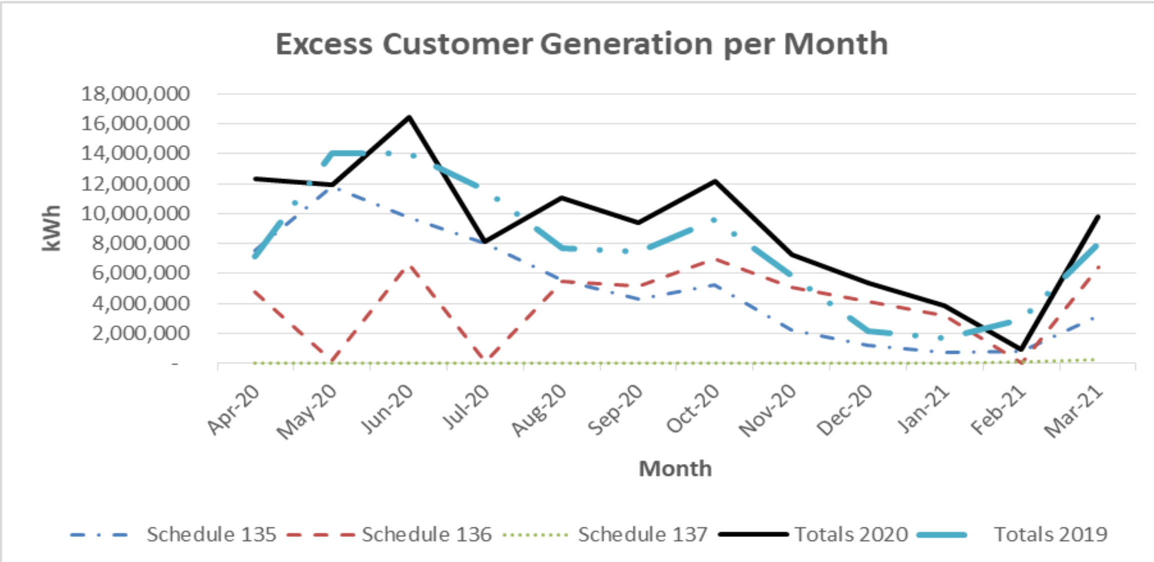
Section 8 illustrates a current enrolled capacity of 126.33 MW for Schedule 136, representing 74.3 percent of the 170 MW_{DC} program cap for residential and small business customers. The current enrolled capacity for large non-residential customers is 15.58 MW, representing 22.3 percent of the 70 MW_{DC} cap.[18] The Division notes that this metric may not change significantly going forward due to the closure of Schedule 136 to new customers.

This year's report has 44 relevant rate schedules consisting of Schedule 135, Schedule 136, and Schedule 137 customer classes. Schedule 136 has 19 different export rates across the customer classes while Schedule 135 is kWh for kWh for all classes and Schedule 137 uses the same export credit rate for all classes.

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 137 customers in addition to the Schedule 135 and Schedule 136 as requested in prior reports. The Division requests that RMP include the supporting documentation for Section 6 as an attachment in future reports. The data in Section 6 provides some sense of how well customer systems are sized to meet their loads. The Division notes that there are many variables that contribute to excess generation but concludes this to be a useful metric for distributed generation on RMP's system. Illustration 2 shows the excess generation profile for the 2020 reporting cycle.

[16] Id., the Division continues to analyze excess and expired credits to monitor system sizing.
[17] Stacked refers to one avoided value added to another for a final rate. In this case avoided energy is added to avoided generation capacity, avoided transmission capacity, and avoided distribution capacity which results in the final export credit rate.
[18] *Supra* n.9, Sections 8 and 9.

Illustration 2



In response to the Division's informal inquiry, RMP notes that the header in Attachment C should be Docket 21-035-46 instead of Docket 21-035-43 as reported.

CONCLUSION

The Division has reviewed RMP's 2021 Customer Generation Net Metering Report, and Attachments A, B, C, and D. The Division concludes that RMP's filing complies with the Commission's reporting requirements and recommends the Commission acknowledge RMP's 2021 Customer Generation Net Metering Report. The Division requests that RMP include the supporting documentation for Section 6 of Attachment C in future reports.

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