UTAH CLEAN ENERGY

September 8, 2021

VIA ELECTRONIC FILING

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, Utah 84111

Re: Docket 21-035-46 – Rocky Mountain Power's 2021 Net Metering and Interconnection Report

On August 6, 2021, Rocky Mountain Power ("RMP") filed its Net Metering, Customer Generation, and Interconnection Report ("Annual Report") for the period April 1, 2021 through March 31, 2021. The Public Service Commission ("PSC") invited comments on the report on or before September 8, 2021.

UCE appreciates the opportunity to review the Annual Report and provide comments. The Annual Report represents the best available information about the deployment of distributed customer generation resources in Utah, which now includes nearly 50,000 utility customers who are enrolled in three different customer generation rate schedules and represent seven standard utility service rate schedules.

The purpose of our comments is to (1) respond to RMP's proposal that the value of excess credits from Schedule 137 be credited to the Energy Balancing Account ("EBA"), and (2) provide feedback on the format and presentation of the Annual Report and its supplementary information to make this report more comprehensible and useful to stakeholders in the future. We hope that these recommended changes can be incorporated into an updated version of the 2021 Annual Report if RMP files revisions in Docket No. 21-035-46, or else into the 2022 Net Metering and Interconnection Report when filed in July 2022.

Recommendation to Credit Excess Schedule 137 Credits to the EBA

As of March 31, 2021, more than 900 Schedule 137 customers had exported 18,786 excess kilowatt-hours to the grid at a total value of $1,059.36. RMP proposes to credit this value to the EBA because doing so "is consistent with the treatment of Schedule 136, which applies the credits to the EBA to offset EBA charges."[1] UCE opposes this treatment of excess Schedule 137 credits and instead recommends that the value of excess credits is either returned to Schedule 137 customers through a bill credit or credited to the HELP program as incremental value, consistent with treatment of expired credits under Schedule 135.

[1] Docket 21-035-46, Rocky Mountain Power's 2021 Net Metering, Customer Generation, and Interconnection Report, August 6 2021. Page 2

Whereas Schedule 137 was determined by the PSC following a lengthy evidential hearing in Docket 17-035-61, Schedule 136 resulted from agreements reached through a Settlement Stipulation in Docket No 14-035-114. Parties to the Settlement Stipulation agreed that its provisions were just and reasonable if considered as an integrated whole, and the Stipulation specifies that no single provision of the Settlement should be considered precedential in determination of the Export Credit Rate ("ECR").[2] The treatment of expired credits from Schedule 136 customers was determined in the context of the Settlement Stipulation as a whole, and is not reasonable in the context of Schedule 137.

The basis for determining the value of the Transition Export Credit Rate differs from the basis for determining the Schedule 137 Export Credit Rate. While the Transition Export Credit Rate was approved as a temporary rate schedule for use by a limited capacity of installations completed within a defined time period, the Schedule 137 Export Credit Rate is intended to represent a more permanent and full accounting of the costs and benefits of customer generated exported energy. The PSC considered substantial evidence regarding the appropriate categories and values of costs and benefits that should be included in the Schedule 137 Export Credit Rate. The PSC's October 30, 2020 Order approving Schedule 137 expressed the intent to ensure that the Export Credit Rate reflects the costs and benefits that have a direct and quantifiable benefit on RMP's customers in their capacity as ratepayers and is an accurate representation of the value of exported energy in the context of changing market conditions.[3] As a result, any instance in which non-Schedule 137 customers receive benefits from energy exported to the grid without compensation to Schedule 137 customers represents a cost shift between these customer groups. Crediting the value of excess Schedule 137 credits to the EBA will result in a subsidy to all customers that is paid for by a subset of solar customers.

To avoid this cost shift, UCE recommends that the value of excess credits be returned to Schedule 137 customers as a bill credit. The Commission has considered this issue in the past, when parties proposed eliminating the expiration of excess credits in testimony during Docket 17-035-61. The PSC identified the question of whether excess credits should or should not expire at the end of an annual billing cycle as a "legitimate policy issue" but declined to eliminate expiration of excess credits, citing concern that "if we were to eliminate annual expiration of accrued credits at this time, we would do so without any experience with how the ECR will influence the size of future CG systems."[4] Following the filing of the 2021 Net Metering, Customer Generation, and Interconnection Report, it is apparent that Schedule 137 is not resulting in significant changes to customer system size. The average size of a Schedule 137 system is 7.4 kW, compared to an average of 7.7 kW for Schedule 136 customers who installed in 2020. Schedule 137 customers are also less likely to generate excess credits. According to the 2021 Annual Report, Schedule 135 and 136 customers forfeited an average of 43 and 41 kilowatt-hours per kilowatt of installed capacity, respectively, whereas Schedule 137 customers forfeited 2.7 kilowatt-hours per kilowatt of installed capacity.

This indicates that the structure of Schedule 137 – which incentivizes customers to use energy generated by their rooftop solar in real time rather than export it to the grid – results in

[2] Docket No 14-035-114, Rocky Mountain Power's Settlement Stipulation, August 28 2017, paragraphs 45 and 41.
[3] Docket No 17-035-61 PSC Order, October 30 2020, pages 6 and 8.
[4] Docket No 17-035-61 PSC Order, October 30 2020, page 20.

systems that are sized appropriately to offset a customer's own usage. As such, we recommend that the expiration of excess Schedule 137 credits be eliminated, and that the value of the credits be returned to the Schedule 137 customers who generated the electricity resulting in the credit.

If the PSC declines to eliminate the expiration of excess credits, we recommend that the value of excess credits be contributed to the HELP program as incremental value. This ensures that the value generated by excess credits does not result in a cost-shift that benefits all ratepayers at the expense of solar customers, but instead provides additional assistance to those who are most in need.

Clarification and Additional Information for Future Annual Reports

UCE appreciates the detailed information provided about customers on each rate schedule through this report and the enhancements made in the 2021 Annual Report. We recommend the following changes to "Appendix A" to help stakeholders more easily understand the information contained within this report:

- Amend the Rate Glossary tab to clearly specify whether each rate schedule code applies to Schedule 135, 136, or 137 customers and whether it is a commercial, irrigation, or residential schedule. Ideally, this information would be provided in two separate columns. For example, "08GNSV008M" is described as "Utah Gen Service, Manual, Dist Voltage, Time of Use, KW > 100." We assume this rate schedule references a customer who is on General Service Schedule 8, but it is not clear whether this customer rate applies to a Net Metering customer, a Transition Program customer, or an Export Credit Rate customer.
- Three rate schedules are included in individual customer records in Appendix A, but not included in the "Rate Glossary." Those rate schedules are 08RNM6A135, 08CGM6A136, and 08CGR02137. Please include these in the Rate Glossary in future reports.
- The tab labeled "135-Appendix A" includes the Resource Type "239 Inactive Accounts with Expired Credits in 2020." Please explain this designation.
- For facilities that have a mixed Resource Type (e.g. "solar & battery" or "solar & wind,") please clarify whether the kilowatt capacity indicated in Appendix A represents the capacity of the solar, the capacity of the secondary resource, the combined capacity of both, or something else.
- Appendix A includes a tab titled "Non-RMP Customers." Please explain which customers are included in this tab and why they are represented in RMP's Annual Report.

Respectfully submitted,

/s/ Kate Bowman
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Utah Clean Energy

CERTIFICATE OF SERVICE
Docket No. 21-035-46

I hereby certify that a true and correct copy of the foregoing was served by email this 8th day of September 2021, on the following:

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