



State of Utah  
Department of Commerce  
Division of Public Utilities

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## Action Request Response

**To:** Public Service Commission of Utah

**From:** Utah Division of Public Utilities

Chris Parker, Director  
Artie Powell, Manager  
Doug Wheelwright, Utility Technical Consultant Supervisor  
Bob Davis, Utility Technical Consultant

**Date:** December 30, 2021

**Re:** **Docket No. 21-035-64**, Rocky Mountain Power's Notice of Intent to Use Export Credit Rate Input

### Recommendation: (Acknowledge)

The Division of Public Utilities (Division) recommends that the Public Service Commission (Commission) acknowledge Rocky Mountain Power's (RMP) Notice of Intent to Use Export Credit Input (Notice) in advance of the January 28, 2022 Annual Update to Electric Service Schedule No. 137 — Net Billing Service (Annual Update) and corrected public Workpaper A.<sup>1</sup> No further action is required at this time.

### Issue

In accordance with the Commission's order dated August 11, 2021, in Docket No. 17-035-61, RMP filed its Notice on December 1, 2021, and corrected Workpaper A on December 21, 2021. The Notice contains a description of the various inputs to the Schedule No. 137 export credit rate or ECR, where each input can be found, and the inputs RMP intends to update in its January 2022 filing. The Commission issued an action request in this Docket on December 2, 2021

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<sup>1</sup> See Rocky Mountain Power *Corrected Public Workpaper*, Docket No. 21-035-64, December 21, 2021, <https://pscdocs.utah.gov/electric/21docs/2103564/321396RMPCrctdPbleWpr12-21-2021.pdf>.

directing the Division to review RMP's Notice and report its recommendations by December 30, 2021.<sup>2</sup>

## **Background**

The Commission issued its final order for Docket No. 17-035-61 on August 11, 2021 (Order), for the annual update timing, procedure, and scope of Electric Service Schedule No.137 — Net Billing Service. For brevity, the record for Docket No. 17-035-61 will not be repeated here but is available on the Commission's webpage.<sup>3</sup> The Commission approved, among other conclusions and findings, an annual update of Schedule 137 to reflect current assumptions applied to the various models used to determine a reasonable export credit rate for the succeeding year. The Commission's Order directed RMP to file its Notice by December 1<sup>st</sup> of each year prior to the tariff update to make parties aware of the various inputs RMP intends to use to update the annual export credit rate (ECR) for Schedule No. 137.<sup>4</sup>

## **Discussion**

The Commission acknowledges that the annual review of tariff Schedule No. 137 requires an expedited review per Public Service Commission Rule R746-405-2(E). The Commission's Order indicates that gathering the inputs for the Schedule 137 annual update will require RMP to begin collecting data three to four months in advance of the proposed January filing deadline of each year.<sup>5</sup> RMP's Notice in this docket generally appears to follow the Commission's Order.

Because of the complexity of calculating the annual export credit rate and the need to meet tariff filing rules, updated inputs must be filed beforehand to allow stakeholders time to vet the inputs before the March 1<sup>st</sup> annual update.<sup>6</sup> RMP's Notice, specifically Table 1, provides a listing of the

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<sup>2</sup> See Commission Action Request, Docket No. 21-035-64, December 2, 2021, <https://pscdocs.utah.gov/electric/21docs/2103564/321391ActnRqstDec30202112-2-2021.pdf>.

<sup>3</sup> See Commission webpage, <https://psc.utah.gov/2017/12/01/docket-no-17-035-61/>.

<sup>4</sup> See Commission Order, Docket No. 17-035-61, August 11, 2021, page 10, at ii, <https://pscdocs.utah.gov/electric/17docs/1703561/3199401703561oaaecrup8-11-2021.pdf>.

<sup>5</sup> The study period runs from July 1<sup>st</sup> through June 30<sup>th</sup> of the prior year to the update.

<sup>6</sup> *Supra* n4 at page 15, Section III, ¶ 2.

inputs as either Annual, Most Recent GRC, Most Recent IRP, or Future, and the component of the ECR value calculation where the inputs are applied.<sup>7</sup>

#### *Annual Updates*

The annually adjusted components used for ECR energy pricing, capacity contribution, and transmission capacity calculations, consist of the Schedule No. 136 export profile (customer export volume and installed customer nameplate capacity), California Independent System Operator (CAISO) EIM pricing for the ELAP\_PACE-APND Node, Utah Hourly Load, and Open Access Transmission Tariff (OATT) Transmission Rate (FERC Docket No. ER11-3643).

The Division concludes that RMP provides the various input data, information, and applicable references either by workpapers, or reference to another public state or federal forum for the annually adjusted components. The Division may periodically request supporting materials for Schedule 136 customer export volume and capacity similar to the data provided in Docket No. 17-035-61 Utah Parties-LRS Data Request 1.

#### *Most Recent General Rate Case (GRC) Updates*

The ECR calculations for energy and capacity that are not adjusted annually include line loss components determined in the most recent GRC, Docket No. 20-035-04. The Division understands that line loss studies take time and are not performed on a regular basis. However, the Division has concerns that the current line loss study used in the recent GRC may be dated. The Division will continue to monitor this data in-between GRCs.

#### *Most Recent Integrated Resource Plan (IRP) Updates*

The ECR calculations include integration costs from the most recent IRP (Docket No. 21-035-09, currently under review). The Division has concerns with this component of the ECR calculation as RMP claims in its filing that the 2021 IRP does not report an updated solar integration cost for calendar year 2022 and relies on a value forecasted from the 2019 IRP for

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<sup>7</sup> See RMP Notice of Intent, Docket No. 21-035-64, December 1, 2021, page 2, Table 1, <https://pscdocs.utah.gov/electric/21docs/2103564/321387Notice12-1-2021.pdf>.

2022.<sup>8</sup> The Division may monitor the integration cost in comparison to other filings or resources in addition to RMP's IRP cycles.

### *Future Updates*

Future updates that are not adjusted annually include generation and distribution capacity costs and the carrying charges set by the Commission in its Order on Agency Rehearing dated April 28, 2021.<sup>9</sup> These components will be updated in future proceedings.

The Division has reviewed RMP's filing, component explanations, and accompanying Workpaper A, and Confidential Workpaper B. Given the nature of the first-time annual update process for the ECR, the Division concludes that RMP's Notice of Intent fulfills the requirements set forth in the Commission's Order. However, the Division may make future recommendations as needed for clarification of data or additional supporting information.

## **Conclusion**

The annual review of Schedule No. 137 requires a timely review of numerous components sufficient to calculate the annual ECR. The models used to determine the ECR avoided energy cost, avoided generation, transmission, and distribution capacity cost components for winter and summer are mechanical and depend on these inputs. RMP's Notice of Intent to Use Export Credit Rate Inputs including workpapers and references filed by December 1<sup>st</sup> of each year is essential to allow adequate time for stakeholders to vet the input components, and therefore, lessen the time burden during the annual review and update of Schedule 137.

The Division concludes that RMP has adequately fulfilled the Commission's intent in its Order to provide stakeholders with the necessary input updates to determine the annual Schedule 137 ECR. The Division recommends the Commission acknowledge RMP's Notice of Intent to Use Export Credit Rate Inputs as filed. No further action is required at this time. The Division will monitor line loss information between GRCs due to a concern that the current line loss study

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<sup>8</sup> *Id.*, page 3, *Integration Costs*.

<sup>9</sup> See Commission Order on Agency Rehearing, Docket No. 17-035-61, April 28, 2021, pages 13-14, <https://pscdocs.utah.gov/electric/17docs/1703561/3184591703561o0ar4-28-2021.pdf>.

may be dated. The Division may make additional recommendations as the ECR annual update process proceeds.

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