



State of Utah

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July 21, 2022

Ms. Jana Saba
Rocky Mountain Power
1407 West North Temple, Suite 330
Salt Lake City, UT 84116

Data Request Response Center
PacifiCorp
825 NE Multnomah St., Suite 2000
Portland, OR 97232

Re: *Rocky Mountain Power's Fifth Annual Sustainable Transportation and Energy Plan Act Program Status Report*; Docket No. 22-035-13

Dear Ms. Saba:

The Public Service Commission (PSC) reviewed Rocky Mountain Power's (RMP) April 29, 2022 filing of its Fifth Annual Sustainable Transportation and Energy Plan Act ("STEP") Program Status Report ("Report"). RMP filed the Report pursuant to the PSC's orders in Docket Nos. 16-035-36 and 18-035-16.¹ The Report explains calendar year 2021 was the final year of the five-year STEP pilot program period. RMP reports that all STEP projects have been completed, pending a few final program activities such as final invoice payment and other close-out activities. Final project reports that were not previously provided in prior annual STEP reports are also included with this filing for the individual STEP projects as applicable. RMP explains that it intends to convene one or more stakeholder input meetings to discuss the final close-out of the STEP pilot program, proposing to discuss:

- Identification of STEP projects with final invoicing and payment activity in calendar year 2022;
- Appropriate use of surplus STEP funds and Utah Solar Incentive Program ("USIP") funds;
- Treatment of any ongoing costs associated with STEP projects;
- Timing of tariff filings for tariffs that are specific to STEP projects (such as Electric Service Regulation No. 13 – Commercial Line Extension Pilot Program); and,
- Any regulatory filings necessary to implement and inform the PSC of the final close-out plans discussed. RMP requests the PSC issue a public notice for this stakeholder input meeting.

¹ *In the Matter of Rocky Mountain Power's Sustainable Transportation and Energy Plan Act Initiatives*, Docket No. 16-035-36; and *Rocky Mountain Power's First Annual Sustainable Transportation and Energy Plan Act Program Status Report*, Docket No. 18-035-16.

The PSC also reviewed the May 31, 2022 comments filed by the Division of Public Utilities (DPU) and the Office of Consumer Services (OCS), and RMP's June 14, 2022 reply comments.

DPU provides a summary of the PSC's orders in Docket No. 16-035-36 as well as extensive accounting and implementation information for each project. DPU summarizes each project's status, budgeted funds, and actual funds spent for the five-year pilot including invoicing commitments in 2022 as the STEP program closes out. DPU states RMP has complied with the PSC's orders related to STEP reporting and therefore recommends the PSC acknowledge the Report. DPU states it supports RMP's recommendation for the PSC to issue a notice of a meeting for interested parties to discuss how to disburse the remaining program balance and the program's accounting.

OCS recommends the PSC acknowledge the Report and require RMP to provide updated STEP accounting data, including ongoing costs, before the next STEP meeting with stakeholders. OCS also recommends the PSC require RMP to explain how the investment tax credit-imposed charging restriction impacts the level of benefits provided by the Panguitch Solar + Storage Project and whether ratepayers benefit from the project.

In its reply comments, RMP commits to provide the updated information OCS requests before its intended stakeholder meeting. RMP responds that IRS normalization rules require, for regulatory reporting and ratemaking purposes, that the investment tax credit (for the Panguitch Solar + Storage Project) be amortized over the book life of the asset with customers benefiting in the form of a rate base deduction equal to the balance of the unamortized ITC, hence RMP asserts the benefit is shared with customers. Further, RMP states the photovoltaic system is expected to be capable of adequately charging the battery energy storage system to levels that would allow the battery to maintain sufficient charge for anticipated load shaving necessary to stabilize the voltage at the Panguitch substation.

Based on the PSC's review of the Report, DPU's and OCS's comments and recommendations, and RMP's reply comments and reporting commitment, the PSC acknowledges the Report as complying with the PSC's relevant STEP reporting requirements. A stakeholder meeting to discuss the final close-out of the STEP pilot program will be held Tuesday, August 2, 2022. Interested parties may contact Jana Saba at her email address at jana.saba@pacificorp.com by July 29, 2022 to find out the time and location of the meeting. The PSC directs RMP to inform the PSC of the time and location of the meeting so the PSC may issue a public notice of the meeting.

Sincerely,

/s/ Gary L. Widerburg
PSC Secretary
DW#324933