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: August 1, 2022

Re: **Docket No. 22-035-38,** Rocky Mountain Power's 2022 Net Metering, Customer Generation and Interconnection Report for the Period April 1, 2021, through March 31, 2022

Recommendation (Acknowledge with Recommendations)

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, 2022, 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 with the following recommendations. The Division recommends that RMP include the supporting documentation (Workpapers 1-3) for Section 6 of Attachment C in future reports. The Division also recommends that Sections 8 and 9 be removed from future reports.

Issue

On July 1, 2022, RMP filed its 2022 Net Metering Report and Attachments A, B, C, D and Workpapers 1-3 (Report) with the Commission. The Commission directed the Division to review the Report for compliance, make recommendations, and report back by August 1, 2022. On July 5, 2022, the Commission issued its Notice of Filing and Comment Period allowing any interested party to submit comments on or before August 1, 2022, with reply comments due on or before August 16, 2022.

Background

In its Order dated November 30, 2010, the Commission ordered:[1]

> 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.

[1] *See* Docket Nos. 10-035-58, 08-035-T04, and 08-035-78.

The Commission's September 24, 2015, Order in Docket No. 15-035-64, required future customer-owned generation and net metering reports to 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.[2]

In Docket No. 17-035-31, RMP agreed to several recommendations made by the parties. RMP has incorporated the changes to its report as well as those proposed by the Division and Office of Consumer Services (OCS) to encompass the transitional distributed generation relating to Docket No. 14-035-114 and include:

(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.[3] The Stipulation allows Schedule No. 135, Net Metering Service, customers to remain on Schedule No. 135 until December 31, 2035. Schedule No. 136, Transition Program for Customer Generators, is for customers who filed an application on or after November 15, 2017. Schedule No. 136 customers may remain on Schedule No. 136 until December 31, 2032.[4] The stipulation created a need to amend certain parts of the Net Metering Report to include both traditional net metering customers under Schedule No. 135 and transitional

[2] See Docket No. 15-035-64, Commission's Order, September 24, 2015, p. 5.
[3] See "Order Approving Settlement Stipulation," https://pscdocs.utah.gov/electric/14docs/14035114/29703614035114oass9-29-2017.pdf.
[4] The Transition Program for Customer Generators will end at the conclusion of Docket No. 17-035-61.

customers under Schedule No. 136. RMP met with interested parties to discuss changes to the report that would fulfill the reporting requirements established by the Commission.[5]

In Docket No. 18-035-28, RMP agreed to the DPU's recommendation to add 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 No. 136 customers at the end of the annualized billing period be treated similar to Schedule No. 135 credits, or for *another use as determined by the Commission*.[6]

In a letter dated August 30, 2018, the Commission approved the parties' recommendation to apply Schedule No. 136 surrendered excess export credits towards the Energy Balancing Account (EBA).[7] The Commission opened Docket No. 18-035-39 to consider alternative uses for the Schedule No. 135 surrendered excess export credits. The Commission issued its order on January 11, 2019, concluding that the current use of expired credits under Schedule No. 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. The Commission directed 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 No. 3 customers at the end of the April 2018 billing cycle.[8]

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

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

initiated Schedule No. 137, Net Billing Service.[9] The surrendered excess credits for Schedule No. 137 are treated the same as Schedule 136 and offset EBA net power costs.

Discussion

Sections 1 and 3 of Attachment C report the number of facilities and generation. For the reporting period of April 1, 2021, through March 31, 2022, RMP reports 7,345 new facilities composed of 500 Schedule No. 136 and 6,845 Schedule No. 137 customers.[10] These new additions compare to 7,166 new facilities reported during the same period in the prior year and are composed of Schedule No. 136 transition additions and a partial year of Schedule No. 137 customers. The new facilities under Schedule No. 136 (composed of 286 solar, and 214 solar and battery generators), are due to the interconnection timing of the closure to new customers of the Transition Schedule No. 136 tariff along with adjustments between Schedule Nos. 135 and 137. Schedule No. 135 remained nearly the same at 30,973 facilities slightly down from last year's report of 31,011 due to adjustments from customers moving to Schedule Nos. 136 and 137. The total facility count for Schedule Nos. 135, 136, and 137 is 57,097.[11] The Division notes that RMP reports two customers with original interconnection agreements under Schedule No. 135 that demolished and rebuilt their homes, each having identical system sizes to their original interconnection agreements, and therefore allowed to remain under Schedule No. 135.[12]

As of March 31, 2022, RMP reports 464,033 kW of combined total generation. This is composed of 250,967 kW for Schedule No. 135, 148,452 kW for Schedule No. 136, and 64,614 kW for Schedule No. 137. The combined generation represents a 15.97 percent increase from last year's 400,126 kW combined generation capacity. The combined generation year-over-year increase from 2020 to 2021 was 18.28 percent. The 2022 Report illustrates a combined total *solar only* generation capacity at March 31, 2022, of 442,133

[9] See Commission Order, Docket No. 17-035-61, October 30, 2020, page 4, Section 3, https://psc.utah.gov/2017/12/01/docket-no-17-035-61/.
[10] 2022 Customer Generation Report, Section 1, Attachment C, Number of Customer Generation Systems, p. 1, https://psc.utah.gov/2022/07/01/docket-no-22-035-38/.
[11] Id.
[12] *See* RMP's 2022 Net Metering, Customer Generation and Interconnection Report, August 6, 2021, Attachment D, https://psc.utah.gov/2022/07/01/docket-no-22-035-38/.

kW[13] composed of Schedule Nos. 135, 136, and 137. RMP reported combined *solar only* generation of 392,767 kW in 2021. This represents a steady increase of 567.6 percent over the seven-year period or an average year-over-year change of 43 percent.[14] Solar represents 95.28 percent of total generation. Illustration 1 shows the year-over-year *solar only* change.

Illustration 1

Solar Only Generation Total		
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%
2022	442,133	12.6%
% Change	**567.6%**	
Avg. Change		**43.0%**

RMP reported no changes to the Non-Net Metering customers from last year's count of 55. These numbers represent 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.[15]

Section 5 of Attachment C reports the expired credits. The historical Excess Energy Value per kWh used to calculate the value of expired credits from 2015 to the present Report for Schedule No. 135 customers is $0.026, $0.0183, $0.0207, $0.0221, $0.026, $0.019, and $0.0237, respectively, or an average of $0.0223 per kWh. The 2022 report lists 30,973 Schedule No. 135 customers with 13,525,688 kWh of expired credits equating to $320,226.

[13] The Division assumes this number still includes 1,200.7 kW of solar/battery facilities under Schedule 135 reported in prior years.
[14] *Supra* n.10*,* 2022 Customer Generation Report, Section 3, Total kW Combined Capacity, p. 3 of 6.
[15] Id.

This compares to last year's report of 31,011 customers with 10,905,472 kWh of expired credits equating to $206,670.[16]

RMP reports and calculates the excess expired credits for Schedule Nos. 135, 136, and 137 separately. In addition to the Schedule No. 135 customers, RMP reports 18,313 Schedule No. 136, and 7,811 Schedule No. 137 customers in this year's Report with a value of $624,210, and $31,185, respectively.[17] The expired credit values for Schedule No. 136 customers vary by class from $0.092 (residential) to $.034 (non-residential). The average value for Schedule No. 136 expired credits is $0.0913 per kWh. The expired credit values for Schedule No. 137 customers do not vary and are based on stacked[18] avoided costs calculated annually. The average value for Schedule No. 137 expired credits is $0.0472 per kWh.[19]

This year's report has 47 relevant rate schedules composed of Schedule Nos. 135, 136, and 137 customer classes. Schedule No. 135 is kWh for kWh for all classes. Schedule No. 136 has 6 export rates across the various customer classes. Schedule No. 137 uses the same export credit rate for all classes.[20]

Section 6, Excess Net Metering Generation, illustrates the total excess export in kWh for each month for Schedule Nos. 135, 136, and 137 customers. 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 and concludes that this is a useful metric for distributed generation on RMP's system. The

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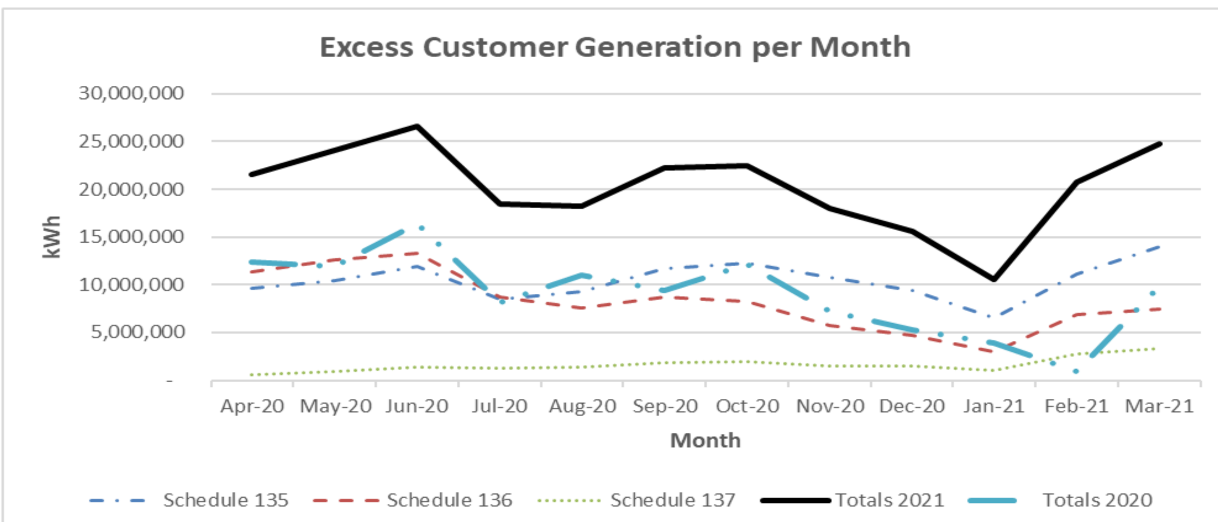
[16] Id., Section 5.
[17] Id., the Division continues to analyze excess and expired credits to monitor system sizing.
[18] Stacked refers to one avoided value added to another for a final rate. In this case avoided energy is added to avoided generation capacity, avoided transmission capacity, and avoided distribution capacity which results in the final export credit rate.
[19] RMP's response to DPU Data Request 2.2, Docket No. 22-035-38 - The 660,134 kWh reported in Attachment C (Customer Generation Summary Report), Section 5 (Total Value of Expired Credits (as reported on June 22, 2022)) is the kWh equivalent figure for Schedule 137 based on the current average rate of 4.724 cents per kWh (Docket No. 22-035-T02). The calculation in Attachment A (Detail for each Interconnected Customer-Owned Generation, Including Expired Credit), tab "137 – Appendix A2" was based off the original export credit rate of 5.611 cents per kWh. If column I is updated to 4.724, the kWh equivalent will tie to the 660,134 kWh. Updating the rate used does not change the expired credit amount since that amount reflects what was calculated by the Company's billing system.
[20] *See* RMP's 2022 Net Metering, Customer Generation and Interconnection Report, August 6, 2021, Attachment A, Tab Rate Glossary, https://psc.utah.gov/2022/07/01/docket-no-22-035-38/.

Division requests that RMP include the supporting documentation (Workpapers 1-3) for Section 6 as an attachment in future reports. The data illustrates a combined excess of 243,337,085 kWh or a 124 percent increase across all three schedules year-over-year. The total is composed of Schedule No. 135 increase of 109 percent, Schedule No. 136 increase of 105 percent, and Schedule No. 137 increase of 6300 percent based on an increase in customers of 740 percent over last year's partial year. The Division concludes that based on the current data and year-over-year trends that excess energy going to the grid continues to increase for various reasons. The Division also concludes that the introduction of the export credit rate (ECR), Net Billing, does not appear to impact distributed generation uptake to the extent predicted. Illustration 2 demonstrates the excess generation profile for the 2022 reporting cycle.

Illustration 2



Section 8 illustrates a current enrolled capacity of 131.04 MW for Schedule No. 136, representing 77.1 percent of the 170 MWDC program cap for residential and small business customers. Section 9 illustrates the current enrolled capacity for large non-residential Schedule No. 136 customers of 17.41 MW, representing 24.9 percent of the 70 MWDC cap.[21] The Division notes that this metric may not change significantly going forward due to

[21] *Supra* n.10, Sections 8 and 9.

the closure of Schedule No. 136 to new customers and recommends Sections 8 and 9 be removed from the report as the information is not useful anymore.

Conclusion

The Division has reviewed RMP's 2022 Customer Generation Net Metering Report, and Attachments A, B, C, D and Workpapers 1-3. The Division concludes that RMP's filing complies with the Commission's reporting requirements and recommends the Commission acknowledge RMP's 2022 Customer Generation Net Metering Report. The Division recommends that RMP include the supporting documentation (Workpapers 1-3) for Section 6 of Attachment C in future reports. The Division also recommends that Sections 8 and 9 be removed from future reports.

cc: Joelle Steward, RMP
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Service List