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# 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  
Tamra Dayley, Utility Analyst

**Date:** December 30, 2022

**Re:** **Docket No. 22-035-54**, Rocky Mountain Power's Notice of Intent to Use Export Credit Rate Input

## Recommendation (No Action)

The Division of Public Utilities (Division) recommends the Public Service Commission (Commission) take no action on Rocky Mountain Power's (RMP) Notice of Intent to Use Export Credit Input (Notice) in advance of the January 30, 2023, Annual Update to Electric Service Schedule No. 137 — Net Billing Service (Annual Update), Workpaper A, and Confidential Workpaper B. This filing is to notify interested parties of the inputs used for the actual ECR value tariff update to be filed at a later date. 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 along with Workpaper A and Confidential Workpaper B on December 1, 2022. 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 30, 2023, filing. The Commission issued an action request

Division of Public Utilities

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in this docket on December 1, 2022, directing the Division to review RMP's Notice and report its recommendations by December 30, 2022.<sup>1</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>2</sup> The Commission approved, among other conclusions and findings, an annual update of Schedule No. 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 by December 1<sup>st</sup> of each year in order to make parties aware of the various inputs RMP intends to use to update the annual ECR for Schedule No. 137.<sup>3</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 No. 137 annual update requires RMP to begin collecting data three to four months in advance of the proposed January filing deadline.<sup>4</sup> RMP's Notice in this docket appears to follow the Commission's Order.

The complexity of calculating the annual export credit rate and the need to meet tariff filing rules requires that updated inputs be filed beforehand to allow stakeholders time to vet the inputs before the March 1<sup>st</sup> annual update.<sup>5</sup> RMP's Notice, specifically Table 1, provides a

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<sup>1</sup> See Commission Action Request, Docket No. 22-035-54, December 1, 2021, <https://pscdocs.utah.gov/electric/22docs/2203554/326308ActnRqstDec30202212-1-2022.pdf>.

<sup>2</sup> See Commission webpage, <https://psc.utah.gov/2017/12/01/docket-no-17-035-61/>.

<sup>3</sup> See Commission Order, Docket No. 17-035-61, August 11, 2021, p. 10, at ii, <https://pscdocs.utah.gov/electric/17docs/1703561/3199401703561oaaecrup8-11-2021.pdf>.

<sup>4</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>5</sup> Commission Order, *supra* note 3 at page 15, Section III, ¶ 2.

listing of the 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>6</sup>

#### *Annual Updates*

The annually adjusted components used for ECR energy pricing, capacity contribution, and transmission capacity calculations consist of the 2022 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 work papers, or reference to another public state or federal forum for the annually adjusted components. The Division may periodically request supporting materials for Schedule No. 136 customer export volume and capacity similar to the data provided in Docket No. 17-035-61 Utah Parties-LRS Data Request 1.

The Division notes that the UT136 Hourly data was properly adjusted for the end of daylight savings time on November 7, 2021 (RMP Workpapers A – UT ECR Input, UT136\_Hourly, Cell I 2956), however, the data was labeled as being adjusted on November 1, 2021.

#### *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 regularly. 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). For this annual update, RMP relies on the forecasted solar integration cost for the

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<sup>6</sup> See RMP Notice of Intent, Docket No. 22-035-54, December 1, 2022, p. 2, tbl. 1, <https://pscdocs.utah.gov/electric/22docs/2203554/326305RMPNtclntntUseECRInput12-1-2022.pdf>.

calendar year 2023 from its 2021 IRP.<sup>7</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>8</sup> These components will be updated in future proceedings.

## **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 annual filing of its Notice of Intent to Use Export Credit Rate Inputs including workpapers and references filed by December 1<sup>st</sup> 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 No. 137.

The Division has reviewed RMP's filing, component explanations, and accompanying Workpaper A, and Confidential Workpaper B. 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.

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 No. 137 ECR. 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 may be dated. The Division may make additional recommendations as the ECR annual update process proceeds.

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<sup>7</sup> *Id.* at 3, Integration Costs.

<sup>8</sup> See Commission Order on Agency Rehearing, Docket No. 17-035-61, April 28, 2021, pp. 13-14, <https://pscdocs.utah.gov/electric/17docs/1703561/3184591703561ooar4-28-2021.pdf>.

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