

January 28, 2022

VIA ELECTRONIC FILING

Utah Public Service Commission Heber M. Wells Building, 4th Floor 160 East 300 South Salt Lake City, UT 84114

Attention: Gary Widerburg Commission Administrator

RE: Docket No. 21-035-64 Rocky Mountain Power's Notice of Intent to Use ECR Input

Docket No. 22-035-T02 Rocky Mountain Power's Proposed Changes to Electric Service Schedule No. 137 – Net Billing Service for the Annual Update to the Exported Customer-Generated Energy Credit Rates

PacifiCorp, dba Rocky Mountain Power ("Company"), hereby respectfully submits its first annual compliance filing to update the exported customer-generated energy credit rates ("ECR") provided under Electric Service Schedule No. 137 – Net Billing Service ("Schedule 137").

In accordance with the Public Service Commission of Utah ("Commission") orders issued in Docket No. 17-035-61 on October 30, 2020, December 23, 2020, and August 11, 2021, Rocky Mountain Power is required to submit an annual filing to the Commission to update the ECR provided under Schedule 137, which is due 30 days before the target effective date. The following sections provide the information required in the Commission's order in Docket No. 17-035-61 on August 11, 2021 ("ECR Update Order")

I. Content and Scope

Per the ECR Update Order, Table 1 below contains the scope and content of the ECR Update. This table was also provided with the Company's December 1, 2021 Notice of Intent to use ECR Input ("ECR Notice"). The source data is based on the twelve months ended June 30, 2021. There were no changes to the inputs identified in the ECR Notice¹ and all updates are classified as routine as determined in the ECR Update Order. The Company includes two workpapers with this filing. Workpaper A contains the calculation of the ECR along with the export profile data and Energy Imbalance Market ("EIM") data. Confidential Workpaper B provides the hourly Utah load.

¹ On December 21, 2021, the Company provided a workpaper correcting the representation of the export profile in Pacific Prevailing Time, but the description and sources of inputs were otherwise unchanged from its December 1, 2021 ECR Notice.

TABLE 1

Annual Update Input	Element(s)	Update Frequency	Location of Information	
Export Profile	Energy / Capacity Contribution / Export Volume	Annual	Workpaper A	
EIM Prices	Energy	Annual	Workpaper A	
Line Losses	Energy / Capacity	Most recent GRC	Docket No. 20-035-04	
Integration Cost	Integration	Most recent IRP	Docket No. 21-035-09	
Hourly Utah Load	Capacity Contribution	Annual	Conf. Workpaper B	
Generation Capital Cost	Generation Capacity	Future Proceeding	Not Updated	
Generation Carrying Charge	Generation Capacity	Future Proceeding	Not Updated	
Generation Fixed O&M	Generation Capacity	Future Proceeding	Not Updated	
OATT Transmission Rate	Transmission Capacity	Annual	FERC Docket ER11-3643	
Distribution Capital Cost	Distribution Capacity	Future Proceeding	Not Updated	
Distribution Carrying Charge	Distribution Capacity	Future Proceeding	Not Updated	

The **Export Profile** reflects an average (arithmetic mean) value for each 15-minute interval over the twelve months ending June 2021 from all customers enrolled in Schedule 136.

Export volume per kW of installed capacity is calculated by dividing average annual export volumes by the average installed customer generation capacity at the midpoint of the historical period, stated in terms of alternating current ("AC") capacity, and reflects the same export profile described above and used to determine avoided energy costs and capacity contribution.

Energy Imbalance Market ("EIM") Prices reflect 15-minute PacifiCorp East EIM Load Aggregation Point values reported by the California Independent System Operation ("CAISO") for the twelve months ending June 2021.

Line Losses for energy, generation capacity, and transmission capacity costs, are calculated from generation input to the line transformer segment. For distribution capacity, line losses are calculated as the ratio of grossed up demand up to the line transformer segment to grossed up demand on the transmission system. Line loss values will be consistent with the line loss study used to develop the rates approved by the Commission in the Company's most recent general rate case (Docket No. 20-035-04).

Integration Costs reflect values identified for solar resources in the Company's most recently filed Integrated Resource Plan ("IRP"). The Company's 2021 IRP did not report an updated solar integration cost for calendar year 2022, but does identify a value of \$0.22/MWh from the 2019 IRP for that year, which the Company intends to apply in the Annual Update.²

² The Company's 2021 Integrated Resource Plan was filed in Docket No. 21-035-09 and is available online at: <u>https://pscdocs.utah.gov/electric/21docs/2103509/320289RMPErrata2021IRP9-15-2021.pdf</u> For solar integration cost values, please refer to Volume II, Appendix F: Flexible Reserve Study, Figure F.11.

Capacity Contribution is calculated as the average of the customer generation export profile during hours in the top 10% of Utah load for the same historical period (12 months ending June 2021). The Commission adopted the same method for generation, transmission, and distribution, so they will all use the same capacity contribution value in the Annual Update.

Generation capacity cost is calculated from six inputs and the Company is not proposing any changes to generation cost inputs (items 1-3) as part of the Annual Update. Items 4-6 will be updated as previously described.

- 1. Generation capital cost,
- 2. Generation carrying charge,
- 3. Generation fixed operations and maintenance ("O&M") cost,
- 4. Avoided line losses (cumulative losses from generation to the line transformer segment),
- 5. Generation capacity contribution, and
- 6. Export volume per kilowatt "(kW") of installed capacity.

Transmission capacity cost is calculated from four inputs, all of which will be updated as part of the Annual Update. The transmission cost input (item 1) is described below, while Items 2-4 will be updated as previously described.

- 1. Open Access Transmission Tariff ("OATT") rate,
- 2. Avoided line losses (cumulative losses from generation to the line transformer segment),
- 3. Transmission capacity contribution, and
- 4. Export volume per kW of installed capacity.

The **OATT transmission rate** is updated annually, in accordance with a Federal Energy Regulatory Commission ("FERC") approved formula established in docket ER11-3643. The projected rate effective on June 1, 2021 is \$37.45/kilowatt-year.³

Distribution capacity cost is calculated from five inputs and the Company is not proposing any changes to distribution cost inputs (items 1-2) as part of the Annual Update. Items 3-5 will be updated as previously described.

- 1. Distribution capital cost,
- 2. Distribution carrying charge,
- 3. Avoided line losses (the ratio of grossed up demand up to the line transformer segment to grossed up demand on the transmission system),
- 4. Distribution capacity contribution, and
- 5. Export volume per kilowatt (kW) of installed capacity.

II. Schedule

The ECR Update Order also determined that for routine updates, the Annual Update schedule would include a target effective date of March 1, 2022, with a comment deadline of 15 calendar days after the filing. Also, Rocky Mountain Power is required to submit an annual notice of intent to use any calculation, input, or workpaper not publicly available in

³ Details on the annual transmission rate update are available online at: <u>www.oatioasis.com/ppw/</u>. From the sidebar, select PacifiCorp OASIS Tariff/Company Information >> OATT Pricing >> 2021 Transmission Formula Annual Update.

a federal or state forum no later than December 1 before any Annual Update where the Company uses the calculation, input, or workpaper to determine the ECR. The required Notice of Intent was filed and acknowledged by the Commission on January 10, 2022. The Company also held a workgroup meeting on December 20, 2021 in compliance with the ECR Update Order.

III. New ECR Rates

Based on the inputs described above, the new ECR rates have been calculated and provided in the attached workpaper A. A summary of the impact to the various inputs is provided in Table 2 below.

	Season	Updated	Ordered	% Change	
Export Profile					
Volume (kWh per kW)	Annual	936	896	4%	
Capacity Contribution (%)	Annual	16.19%	21.99%	-26%	
 Value by Element (cents/kWh)					
Energy	Summer	2.758	2.439	13%	
Including integration &	Winter	2.060	2.109	-2%	
losses	Annual (i)	2.322	2.233	4%	
Generation Capacity	Annual	1.544	2.253 (ii)	-31%	
Transmission Capacity	Annual	0.687	0.876	-22%	
Distribution Capacity	Annual	0.172	0.249	-31%	
	Summer	5.160	5.817	-11%	
Total	Winter	4.462	5.487	-19%	
	Annual (i)	4.724	5.611	-16%	

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(i) Annual values for information only and reflect seasonal weighting from 12 months ending June 2021.(ii) Varies from ordered value due to rounding

The updated export credit rate is 11% lower in the summer months (June through September) and 19% lower in the winter (October through May). This change is primarily a result of a lower capacity contribution, as exports declined during the highest Utah load hours which are primarily in the summer. The updated capacity contribution is reflected in generation, transmission, and distribution capacity values. The capacity contribution impact is partially offset by higher summertime energy values, based on the most recent Energy Imbalance Market prices, and higher transmission capacity values, based on the Company's most recent OATT rate.

IV. Tariff Changes

Enclosed for filing by PacifiCorp, d.b.a. Rocky Mountain Power, is a tariff sheet associated with Tariff P. S. C. No. 51 applicable to electric service in the state of Utah. Pursuant to the requirement of Rule R746-405-2(D), the Company states that the proposed tariff sheet does not constitute a violation of state law or Commission rule. The tariff sheet attached herein

contains the ECR Updates presented in this filing and reflect a proposed effective date of March 1, 2022.

Second	Revision	of	Sheet	No.	Schedule 137	Net Billing Service
137.3						

Informal questions may be directed to Jana Saba, Regulatory Manager at (801) 220-2823.

Sincerely,

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Joelle Steward Senior Vice President, Regulation

CC: Service List - Docket No. 21-035-64



P.S.C.U. No. 51	Canceling Original First Revision
<u>of</u> Sheet No. 137.3	

MONTHLY BILL: Energy charges for electricity consumption shall be computed in accordance with a Customer's applicable standard service tariff. Credits for Exported Customer-Generated Energy, if any, shall be computed at the following rates. Regardless of whether the Customer exports net generation during the month, the Customer shall be billed the minimum monthly amount from the applicable standard service tariff. All other charges shall be calculated in accordance with the Customer's applicable standard service tariff.

Exported Customer-Generated Energy Credit Rates: Billing Months – June through September inclusive 5.160817¢ per kWh for all exported kWh

> **Billing Months** – October through May inclusive 4.4625.487¢ per kWh for all exported kWh

SPECIAL CONDITIONS:

- 1. Applications for service under this schedule will be subject to the following fees, in addition to any other applicable charges in Public Service Commission Rule R746-312-13:
 - a) Interconnection review request (non-refundable):
 - Level 1 \$60 per application
 - Level 2 \$75 per application plus \$1.50 per kilowatt of installed capacity
 - Level 3 \$150 per application plus \$3.00 per kilowatt of installed capacity
- 2. Energy Charges in the applicable standard service tariff shall be computed from the total purchased Energy for the billing period.
- 3. The credit value in dollars computed for the Exported Customer-Generated Energy will be applied against the Power and Energy Charges on the Customer's monthly bill. Excess credits will carry-over to the next monthly bill during the Annualized Billing Period.
- 4. All unused credits accumulated by the customer-generator shall expire with the regularly scheduled meter reading at the conclusion of the Annualized Billing Period.
- 5. The customer-generator shall provide at the customer's expense all equipment necessary to meet applicable local and national standards regarding electrical and fire safety, power quality, and interconnection requirements established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories.

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Issued by authority of Report and Order of the Public Service Commission of Utah in Docket No. 17-035-6122-035-T02



P.S.C.U. No. 51 of Sheet No. 137.3 <u>Second</u>First Revision of Sheet No. 137.3 Canceling <u>Original First Revision</u>

(continued)

Issued by authority of Report and Order of the Public Service Commission of Utah in Docket No. 17-035-6122-035-T02

FILED: April 29, 2021 January 28, 2022 EFFECTIVE: May 1, 2021 March 1, 2022



Second Revision of Sheet No. 137.3 Canceling First Revision of Sheet No. 137.3

P.S.C.U. No. 51

MONTHLY BILL: Energy charges for electricity consumption shall be computed in accordance with a Customer's applicable standard service tariff. Credits for Exported Customer-Generated Energy, if any, shall be computed at the following rates. Regardless of whether the Customer exports net generation during the month, the Customer shall be billed the minimum monthly amount from the applicable standard service tariff. All other charges shall be calculated in accordance with the Customer's applicable standard service tariff.

Exported Customer-Generated Energy Credit Rates: Billing Months – June through September inclusive 5.160¢ per kWh for all exported kWh

Billing Months – October through May inclusive 4.462¢ per kWh for all exported kWh

SPECIAL CONDITIONS:

- 1. Applications for service under this schedule will be subject to the following fees, in addition to any other applicable charges in Public Service Commission Rule R746-312-13:
 - a) Interconnection review request (non-refundable):

Level 1 - \$60 per application

Level 2 - \$75 per application plus \$1.50 per kilowatt of installed capacity

Level 3 - \$150 per application plus \$3.00 per kilowatt of installed capacity

- 2. Energy Charges in the applicable standard service tariff shall be computed from the total purchased Energy for the billing period.
- 3. The credit value in dollars computed for the Exported Customer-Generated Energy will be applied against the Power and Energy Charges on the Customer's monthly bill. Excess credits will carry-over to the next monthly bill during the Annualized Billing Period.
- 4. All unused credits accumulated by the customer-generator shall expire with the regularly scheduled meter reading at the conclusion of the Annualized Billing Period.
- 5. The customer-generator shall provide at the customer's expense all equipment necessary to meet applicable local and national standards regarding electrical and fire safety, power quality, and interconnection requirements established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories.

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Issued by authority of Report and Order of the Public Service Commission of Utah in Docket No. 22-035-T02

CERTIFICATE OF SERVICE

Docket No. 21-035-64

I hereby certify that on January 28, 2022, a true and correct copy of the foregoing was served by electronic mail to the following:

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