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UTAH DEPARTMENT OF COMMERCE
Division of Public Utilities

MARGARET W. BUSSE
Executive Director

CHRIS PARKER
Division Director

Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Brenda Salter, Assistant Director
Doug Wheelwright, Utility Technical Consultant Supervisor
Bob Davis, Utility Technical Consultant

Date: August 4, 2023

Re: **Docket No. 23-035-32,** Rocky Mountain Power's 2023 Net Metering, Customer Generation and Interconnection Report for the Period April 1, 2022, through March 31, 2023

Recommendation (Acknowledge)

The Division of Public Utilities (Division) has reviewed Rocky Mountain Power's (RMP) 2023 Net Metering, Customer Generation, and Interconnection Report for the annualized billing period ending March 31, 2023, 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.

Issue

On June 30, 2023, RMP filed its 2023 Net Metering Report along with Attachments A, B, C, D, and Workpaper 1 (Report) with the Commission. The Commission issued an Action Request on the same day asking the Division to review the Report for compliance and make recommendations. The Commission asked the Division to report back by July 31, 2023. On July 6, 2023, the Commission issued its Notice of Filing and Comment Period allowing any interested person to submit comments on or before August 4, 2023.

Background

In Docket No. 10-035-58, the Commission ordered that:[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

[1] Docket No. 10-035-58, *Commission Report and Order* dated November 30, 2010, https://pscdocs.utah.gov/electric/10docs/1003558/698561003558ROmrr.pdf.

> dollar value that have expired at the end of each annualized billing period.
>
> 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 in 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.[3]

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.[4] 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,

[2] Docket No. 15-035-64, *Commission Order*, September 24, 2015, at 5, https://pscdocs.utah.gov/electric/15docs/1503564/2694861503564o.pdf.
[3] Docket No. 17-035-31, *Correspondence from Gary L. Widerburg*, November 28, 2017, https://pscdocs.utah.gov/electric/17docs/1703531/298130CorresWiderburg11-28-2017.pdf.
[4] Docket No. 14-035-114, *Order Approving Settlement Stipulation*, https://pscdocs.utah.gov/electric/14docs/14035114/297036140351140ass9-29-2017.pdf.

2032.[5] 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 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.[6]

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.[7]

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*.[8] The Commission opened Docket No. 18-035-39 to consider alternative uses for 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.[9]

In its 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).[10] In its Order for Docket No. 17-035-61, the Commission did not rule on the treatment of expired excess credits citing lack of evidence to do so and determined that

[5] The Transition Program for Customer Generators ended at the conclusion of Docket No. 17-035-61.
[6] Docket No. 17-035-31, *Supra* at note 3.
[7] Docket No. 18-035-28, *Rocky Mountain Power's Reply Comments* filed on August 16, 2018, https://pscdocs.utah.gov/electric/18docs/1803528/303989RepCommRMP8-16-2018.pdf.
[8] Docket No. 14-035-114, *Commission Order Approving Settlement Stipulation*, Supra note 3 at ¶ 21 and ¶ 39.
[9] Docket No. 18-035-39, *Order,* January 11, 2019, https://pscdocs.utah.gov/electric/18docs/1803539/306196180353901-11-2019.pdf.
[10] Docket No. 18-035-28, *Correspondence from Gary L. Widerburg* filed on August 30, 2018, https://pscdocs.utah.gov/electric/18docs/1803528/304191CorresWiderburg8-30-2018.pdf.

Schedule No. 137 should include the same language for expired excess credits as Schedule Nos. 135 and 136 until such time that the parties conclude another use for the expired excess credits.[11] In Docket No. 21-035-46, the Commission concluded that the best use of expired excess credits remains to offset the EBA.[12]

Discussion

Sections 1 and 3 of Attachment C report the number of facilities and generation. For the reporting period of April 1, 2022, through March 31, 2023, RMP reports 8,994 new facilities composed of 8 Schedule No. 136 and 8,986 Schedule No. 137 customers.[13] These additions compare to 7,345 new facilities reported during the same period last year for an overall increase of 22.45 percent. The new facilities under Schedule No. 136, (composed of 8 solar), were due to the timing of actual interconnection relating to system upgrades dependent upon various factors such as supply chain issues and installer issues.[14] Schedule No. 135 remained nearly the same at 30,904 facilities slightly down from last year's report of 30,973 due to adjustments from customers moving to Schedule No. 137, or for other reasons. Two customers were added to Schedule No. 135 due to their construction being completed after Schedule No. 135 had been closed to new customers. The total facility count for Schedule Nos. 135, 136, and 137 is 66,105.[15]

As of March 31, 2023, RMP reports 551,687 kW of combined total generation. This is composed of 254,360 kW for Schedule No. 135, 154,481 kW for Schedule No. 136, and 142,846 kW for Schedule No. 137. The combined generation represents an 18.89 percent increase from last year's 464,033 kW combined generation capacity. The combined generation year-over-year increase from 2021 to 2022 was 15.97 percent. The 2023 Report illustrates a combined total *solar only* generation capacity as of March 31, 2023, of 508,840

[11] Docket No. 17-035-61, *Order*, October 30, 2020, at page 20, https://pscdocs.utah.gov/electric/17docs/1703561/316191170356 1o10-30-2020.pdf.
[12] Docket No. 21-035-46, *Correspondence from Gary L. Widerburg* filed on October 5, 2021, https://pscdocs.utah.gov/electric/21docs/2103546/320598AckLtrfromPSC10-5-2021.pdf.
[13] Docket No. 23-035-32, *RMP 2023 Customer Generation Report*, June 30, 2023, Section 1, Attachment C – Section 1, https://pscdocs.utah.gov/electric/23docs/2303532/328671RMP2023NtMtrngCGIntrcnctnRprt6-30-2023.pdf.
[14] *Id*., Attachment D.
[15] Docket No. 23-035-32, *Supra* at note 13.

kW[16] composed of Schedule Nos. 135, 136, and 137 compared to 442,133 kW in 2022. This represents a steady increase over the eight-year period or a constant average growth rate (CAGR) of 13 percent.[17] Illustration 1 shows the year-over-year *solar only* change.

Illustration 1

Solar Only Generation Total Schedules 135 - 136 - 137		
Reporting Year	**kW**	**Year/Year Change**
2019	275,412	
2020	337,647	22.6%
2021	392,767	16.3%
2022	442,133	12.6%
2023	508,840	15.1%
Total Change	**84.8%**	
CAGR		**13.1%**
Avgerage Year/Year Change		**16.6%**
Median Year/Year Change		**15.7%**

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 2022 remains at 134.35 MW.[18]

Section 5 of Attachment C reports the expired credits at the end of the annualization period. 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, $0.0237, and $0.0407 respectively, or an average of $0.0246 per kWh. The 2023 report lists 30,904 Schedule No. 135 customers with 8,917,179 kWh of expired credits equating to $362,548. This compares to last year's report of 30,973 customers with 13,525,688 kWh of expired credits equating to $320,226.[19]

[16] The Division assumes this number still includes 1,200.7 kW of solar/battery facilities under Schedule 135 reported in prior years.
[17] Docket No. 23-035-32, *Supra* at note 13*,* Section 3, 2019 to present.
[18] *Id*.
[19] *Id.,* Section 5.

RMP reports and calculates the excess expired credits for Schedule Nos. 136 and 137 differently than those for Schedule No. 135. RMP does not calculate a value per kWh for Schedule No. 136 customers because the expired credit rates paid for excess generation vary by customer class from $0.092 (residential) to $.034 (non-residential). Deriving a precise value for Schedule No. 136 expired generation from this is challenging because the expiring credits are an aggregation of numerous customer classes and generation amounts. In addition to the Schedule No. 135 customers, RMP reports 18,307 Schedule No. 136 customers with 4,245,173[20] kWh (corrected), and 16,894 Schedule No. 137 customers with 1,256,816 kWh with a value of $388,646, and $59,152, respectively.[21] For comparison to rates paid to customers for excess generation, the Division calculates the average value per kWh for Schedule No. 136 expired credits by dividing the total value of $388,646 by the 4,245,173 kWh, resulting in $0.0916 per kWh. The Division notes that this average value is not indicative of the rate classes as customers with higher usage classes or higher rates may have the majority of excess credits. The Division tracks this metric as part of its analysis of excess credits as a comparison to actual value per kWh to the average rate for Schedule No. 136 customers. The expired credit values for Schedule No. 137 customers do not vary and are based on stacked avoided costs calculated annually. [22] The average value for Schedule No. 137 expired credits is $0.0470 per kWh.[23]

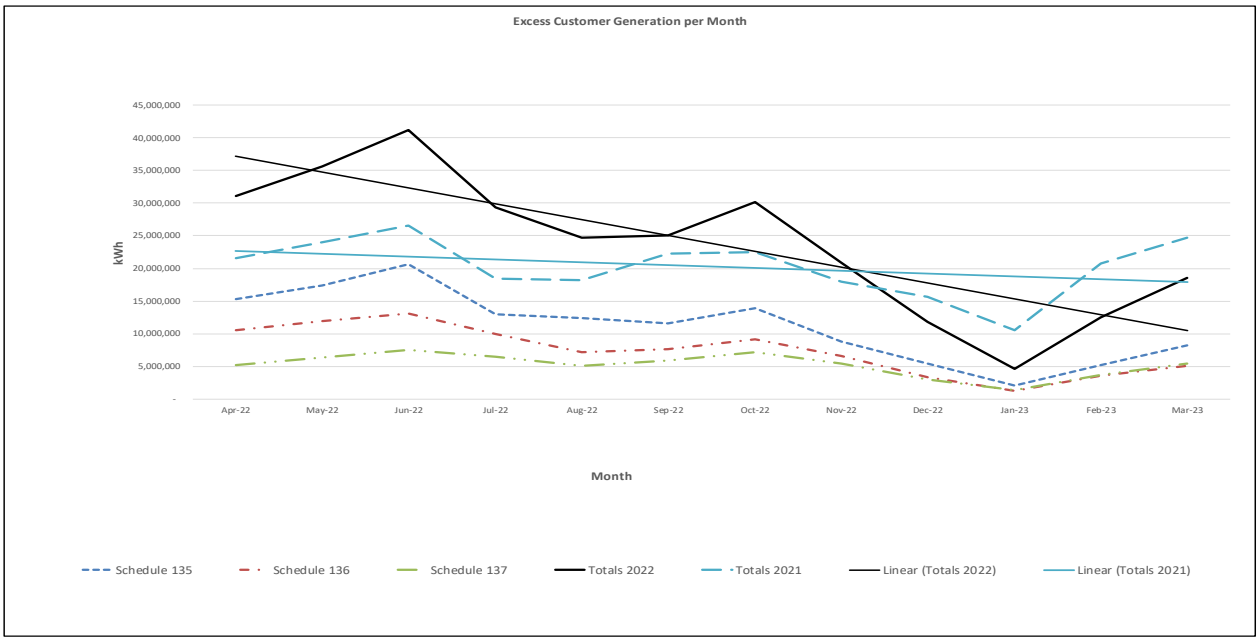
This year's report has 47 relevant rate schedules composed of Schedule Nos. 135, 136, and 137 customer classes. Schedule No. 135 is kWh for kWh for all classes. Schedule No.

[20] The Division identified a mistake on RMP Attachment A, Tab 136-Appendix A, cell N18309 summation that did not catch the entire column. RMP has corrected its spreadsheet.
[21] Docket No. 23-035-32, *Supra* at note 17*,* the Division continues to analyze excess and expired credits to monitor system sizing.
[22] Stacked avoided cost 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.
[23] For example, 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.

136 has 6 export rates across the various customer classes. Schedule No. 137 uses the same export credit rate for all classes.[24]

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 data illustrates a combined excess of 285,561,122 kWh or a 174.4 percent increase across all three schedules year-over-year. The total is composed of Schedule No. 135 increase of 6.6 percent, Schedule No. 136 decrease of 10 percent, and Schedule No. 137 increase of 223 percent based on an increase in Schedule No. 137 customers of 116 percent from last year. Based on the current data and year-over-year trends, excess energy going to the grid is decreasing for unidentifiable reasons. Illustration 2 demonstrates the excess generation profile for the 2023 reporting cycle.[25]

Illustration 2



[24] Docket No. 23-035-32, *Supra* at Note 12, Attachment A, Tab Rate Glossary.
[25] Docket No. 23-035-32, *Supra* at note 13, Attachment C, Section 6.

The Division also concludes that the introduction of Schedule No. 137 has not eliminated distributed generation uptake as customer numbers and generation continue to grow at a manageable rate.

The Division concluded in last year's report, and the Commission approved, that Sections 8 and 9 no longer provided useful information. They were removed from the report.[26]

Conclusion

The Division has reviewed RMP's Report and concludes that RMP's filing complies with the Commission's reporting requirements and recommends the Commission acknowledge RMP's 2023 Customer Generation Net Metering Report.

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

[26] Docket No. 22-035-38, *Acknowledgment Letter from the Public Service Commission*, August 26, 2022, https://pscdocs.utah.gov/electric/22docs/2203538/325214AckLtrfromPSC8-26-2022.pdf.