



SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor

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: December 19, 2023

Re: **Docket No. 23-035-55**, Rocky Mountain Power's Notice of Intent to Use Export Credit Rate Input

Recommendation (No Action)

The Division of Public Utilities (Division) has reviewed Rocky Mountain Power's (RMP) Notice of Intent to Use Export Credit Rate Input, Workpaper A, and Confidential Workpaper B (Notice). The Division recommends the Public Service Commission of Utah (Commission) take no further action in advance of the January 31, 2024, Annual Update to Electric Service Schedule No. 137 — Net Billing Service Annual Update.

Issue

On December 1, 2023, RMP filed its Notice in accordance with the Commission's August 11, 2021, Order in Docket No. 17-035-61. On December 4, 2023, the Commission issued an action request asking the Division to review RMP's Notice and report its recommendations by January 2, 2024.¹

Background

On August 11, 2021, the Commission issued its final order in Docket No. 17-035-61 (Order), for the annual update timing, procedure, and scope of Electric Service Schedule No.137 —

¹ Docket No. 23-035-54, *Commission Action Request*, December 4, 2023, [23-035-55 DPU Action Request Response 1-2-2023.docx](#).

Net Billing Service. The record for Docket No. 17-035-61 is substantial and not repeated here for brevity.² The Commission approved, among other conclusions and findings, an annual update of Schedule No. 137 (ECR) to reflect current assumptions applied to the models used to determine a reasonable export credit rate for the succeeding year. The Commission's Order directed RMP to file by December 1st of each year to inform parties of the inputs that it intends to use for the annual ECR update at the end of January of the succeeding year.³

Discussion

The Notice contains a description of the various inputs RMP intends to use for its ECR update in its January 31, 2024, filing. RMP's Notice includes where each input can be found, and the inputs RMP intends to use for the update. Per Public Service Commission Rule R746-405-2(E), the annual review of tariff Schedule No. 137 requires an expedited review. 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.⁴ 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 in advance to allow stakeholders time to vet the inputs before the March 1st annual update.⁵ RMP's Notice, specifically Table 1, provides a 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.⁶

Annual Updates

The annually adjusted components used for ECR energy pricing, capacity contribution, and transmission capacity calculations consist of the 2023 Schedule No. 136 export profile

² Docket No. 17-035-61, *Commission Webpage*, <https://psc.utah.gov/2017/12/01/docket-no-17-035-61/>.

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

⁴ The study period runs from July 1st through June 30th of the prior year to the update.

⁵ Docket No. 21-035-61, *supra* note 3, p. 15, Section III, at ¶ 2.

⁶ Docket No. 23-035-55, *RMP Notice of Intent*, December 1, 2023, p. 2, Table 1, [23-035-55 DPU Action Request Response 1-2-2023.docx](#).

(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 RMP properly adjusted the UT136 Hourly data for daylight savings time on November 6, 2022, and March 12, 2023, respectively, RMP Workpapers A – UT ECR Input, UT136_Hourly Tab.

Most Recent General Rate Case (GRC) Updates

The ECR calculations for energy and capacity, which 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. 23-035-10). For this annual update, RMP relies on the forecasted solar integration cost for the calendar year 2023 from its 2021 IRP.⁷

Future Updates

Generation capacity and O&M costs, and distribution capacity costs, are not adjusted annually. The Commission set the carrying charges in its April 28, 2021, Order on Agency Rehearing.⁸

⁷ *Id.* at 3, Integration Costs.

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

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 1st, 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, 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 and requires no further action at this time. However, the Division may make future recommendations as needed for clarification of data or additional supporting information.

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