

-BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH-

-----  
In the Matter of the Consideration of the )  
Amendment of 16 U.S.C. Section 2621 - )  
Consideration and Determination Respecting )  
Certain Ratemaking Standards for Electric )  
Utilities by the Energy Policy Act of 2005 )  
)

DOCKET NO. 06-999-03

NOTICE OF TECHNICAL  
CONFERENCE

-----  
ISSUED: July 20, 2006

By the Commission:

Notice is hereby given that a technical conference in the above-entitled matter will be held on **Wednesday, August 30, 2006, 1:30 p.m. in the Fourth Floor Conference Room, #401**, Heber M. Wells State Office building, 160 East 300 South, Salt Lake City, Utah. The purpose of this technical conference, the agenda for which is provided in attached Appendix A, is to discuss the five new standards applicable to electric utilities enacted by the 2005 Energy Policy Act and the requirements for consideration and determination of these standards, to identify existing statutes and programs applicable electric utilities have in place which may potentially address the standards, and to set a further procedural schedule. During this conference, representatives of electric utilities should be prepared to respond to the discussion items/questions contained in attached Appendix B, providing numerical support wherever possible. Two documents summarizing background information and the requirements of this docket can be found on the Public Service Commission's website at:

<http://www.psc.utah.gov/misc/Indexes/0699903NDX.htm>

DOCKET NO. 06-999-03

-2-

If interested parties believe that additional issues related to this docket should be addressed during this conference, please contact the Commission at least five days in advance of the conference at the number listed below.

Individuals wishing to participate by telephone should contact the Public Service Commission two days in advance by calling (801) 530-6716 or call toll-free 1-866-PSC-UTAH (1-866-772-8824). Participants attending by telephone should then call the Public Service Commission five minutes prior to the hearing to ensure participation.

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during any hearing or conference in this matter should notify Julie Orchard, Commission Secretary, at 160 East 300 South, Salt Lake City, Utah, 84111, (801) 530-6713, at least three working days prior to the hearing.

DATED at Salt Lake City, Utah, this 20<sup>th</sup> day of July, 2006.

/s/ Julie Orchard  
Commission Secretary  
G#49787

## **Appendix A**

### **Docket 06-999-03**

#### **Technical Conference on the Consideration & Determination Respecting Certain Ratemaking Standards for Electric Utilities by the Energy Policy Act of 2005**

August 30, 2006, 1:30 p.m.  
Room #401 Heber Wells Building

#### **Agenda**

- I. To Which Electric Utilities Do the New Public Utility Regulatory Policies Act (PURPA) Standards Apply
- II. Overview: What Does PURPA Require of the Commission and Electric Utilities?
- III. Discussion of Each Standard

For each standard below, Commission Staff will provide a brief summary of the standard and how it applies to the purposes of PURPA followed by information presented by the electric utilities addressing the questions listed in Appendix B of the Technical Conference Notice. A brief discussion and question/answer period will follow.

- a. Net Metering
  - b. Time-Based Metering and Communications
  - c. Interconnection
  - d. Fuel Sources
  - e. Fossil Fuel Generation Efficiency
- IV. Next Procedural Steps

## **Appendix B -- Discussion Items and Questions for Electric Utilities**

### **Docket 06-999-03**

#### **Technical Conference on the Consideration and Determination Respecting Certain Ratemaking Standards for Electric Utilities by the Energy Policy Act of 2005**

During the technical conference, for each of the five standards enacted by the 2005 Energy Policy Act, the texts of which are included in each Section A below, electric utility company representatives should be prepared to respond to the discussion items/questions listed in each Section B below, providing numerical support wherever possible.

#### **I. Net Metering**

A. PURPA Net Metering Standard: Each electric utility shall make available upon request net metering service to any electric consumer that the electric utility serves. For purposes of this paragraph, the term “net metering service” means service to an electric consumer under which electric energy generated by that electric consumer from an eligible on-site generating facility and delivered to the local distribution facilities may be used to offset electric energy provided by the electric utility to the electric consumer during the applicable billing period.

#### **B. Discussion Items/Questions for Electric Utilities on Net Metering**

1. Please provide a description and brief history of your net metering program. To what rate schedules does net metering apply and how many customers are currently enrolled in net metering programs?
2. What are the types and cost of meter technology currently being used for net metering?
3. What is the current generating capacity in the net metering program and how is this determined?
4. Have any net-metering credits expired at the end of the year since the program’s inception?
5. Are there charges associated with meter installation and interconnection of net-metering facilities?
6. What is the term of the Interconnection Agreement Contract for net metering? Under what conditions are interconnection agreements required for net meter contracts?

#### **II. Time-Based Metering and Communications**

#### **A. PURPA Time-Based Metering and Communications Standard:**

(A) Not later than 18 months after the date of enactment each electric utility shall offer each of its customer classes, and provide individual customers upon customer request, a time-based rate schedule under which the rate charged by the electric utility varies during different

time periods and reflects the variance, if any, in the utility's cost of generating and purchasing electricity at the wholesale level. The time-based rate schedule shall enable the electric consumer to manage energy use and cost through advanced metering and communications technology.

(B) The types of time-based rate schedules that may be offered under the schedule referred to above include, among others –

- i) time-of-use pricing whereby electricity prices are set for a specific time period on an advance or forward basis, typically not changing more often than twice a year, based on the utility's cost of generating and/or purchasing such electricity at the wholesale level for the benefit of the consumer. Prices paid for energy consumed during these periods shall be pre-established and known to consumers in advance of such consumption, allowing them to vary their demand and usage in response to such prices and manage their energy costs by shifting usage to a lower cost period or reducing their consumption overall;
- ii) critical peak pricing whereby time-of-use prices are in effect except for certain peak days, when prices may reflect the costs of generating and/or purchasing electricity at the wholesale level and when consumers may receive additional discounts for reducing peak period energy consumption;
- iii) real-time pricing whereby electricity prices are set for a specific time period on an advanced or forward basis, reflecting the utility's cost of generating and/or purchasing electricity at the wholesale level, and may change as often as hourly; and
- iv) credits for consumers with large loads who enter into pre-established peak load reduction agreements that reduce a utility's planned capacity obligations.

(C) Each Electric utility subject to subparagraph (A) shall provide each customer requesting a time-based rate with time-based meter capable of enabling the utility and customer to offer and receive such rate, respectively.

(D) For purposes of implementing this paragraph, any reference contained in this section to the date of enactment of the Public Utility Regulatory Policies Act of 1978 shall be deemed to be a reference to the date of enactment of this paragraph.

**B. Discussion Items/Questions for Electric Utilities on Time-Based Metering and Communications**

1. Please provide a description of your time-based rate program with respect to (B)(i),(ii), (iii) and (iv) above and discuss the types of rate schedules and customers to which these apply.
2. How often does your company replace or upgrade meters for the various customer classes?
3. What type of technology exists to implement smart metering with communications to the various customer classes and what would be the capital cost to install such metering? Please discuss cost differences among metering equipment required to implement time-based rate schedules.

4. Does your company have meters with smart metering capabilities in place? If so, please describe.
5. Has your company conducted any studies in Utah to determine if time-based metering programs affect customer behavior and/or if your company's current programs are sending accurate price signals?

### **III. Interconnection**

A. PURPA Interconnection Standard: Each electric utility shall make available, upon request, interconnection service to any electric consumer that the electric utility serves. For purposes of this paragraph, "interconnection service" means service to an electric consumer under which an on-site generating facility on the consumer's premises shall be connected to the local distribution facilities. Interconnection services shall be offered based upon the standards developed by the Institute of Electronics Engineer; IEEE Standard 1547 for Interconnecting Distributed Resources with Electric Power Systems, as they may be amended from time to time. In addition, agreements and procedures shall be established whereby the services are offered shall promote current best practices of interconnection for distributed generation, including but not limited to practices stipulated in model codes adopted by associations of state regulatory agencies. All such agreements and procedures shall be just and reasonable, and not unduly discriminatory or preferential.

B. Discussion Items/Questions for Electric Utilities on Interconnection

- 1) Please describe your current interconnection procedures and agreements for distributed generation.
- 2) What is the average cost of interconnection for the various customer classes and are there any additional insurance requirements specified in the interconnection agreements?
- 3) Are applicable IEEE standards specifically spelled out in your interconnection agreement(s) or procedures?
- 4) For any studies required by the various interconnection agreements who must pay the cost of studies?
- 5) Do your company's interconnection agreements comply with the model code adopted by NARUC?

### **IV. Fuel Sources**

A. PURPA Fuel Sources Standard: Each electric utility shall develop a plan to minimize dependence on one fuel source and to ensure that the electric energy it sells to consumers is generated using a diverse range of fuels and technologies, including renewable technologies.

B. Discussion Items/Questions for Electric Utilities on Fuel Sources

- 1) Please provide a description of the megawatt capacity and fuel sources of your company's current generation and power purchase portfolio.
- 2) What changes to this portfolio are anticipated in the next five years?

- 3) What efforts has your company taken in the past five years to encourage renewable technologies?

## **V. Fossil Fuel Generation Efficiency**

A. PURPA Fossil Fuel Generation Efficiency Standard: Each electric utility shall develop and implement a 10-year plan to increase the efficiency of its fossil fuel generation.

### **B. Discussion Items/Questions for Electric Utilities on Fossil Fuel Generation Efficiency**

- 1) Does your company currently have a strategic plan for increasing fossil fuel generation efficiency? If so, what is the plan?
- 2) What sort of measures has your company implemented to track generation efficiency?
- 3) If a strategic plan for increasing generation efficiency and measures to track generation efficiency both exist, how are they incorporated into the budget process?