



Public Workshop

Rocky Mountain Power
Application to Close Net Metering and
Implement Net Billing
Case No. PAC-E-19-08

Idaho Public Utilities Commission Staff

June 18, 2020



Introductions

- Stacey Donohue – Technical Analysis Manager
- Adam Rush – Public Information Officer
- Mike Morrison – Engineer
- Ed Jewell – Deputy Attorney General
- Rachelle Farnsworth – Utility Analyst
- Kevin Keyt – Utility Analyst
- Joe Terry – Auditor
- Chris Hecht – Consumer Assistance

Participation

- Online:
 - Type questions and comments in the chat box. Please direct questions to the panelist.
 - To speak, click the hand in the lower right corner.
- On the phone:
 - *3 is the command to raise and lower your hand. You'll hear two beeps when you are unmuted.
- We will present the slides first, take questions/comments on specific topic areas next, and then ask for additional feedback on any other issues at the end.

This workshop is being recorded.

Workshop Purpose

- Explain case process and timeline.
- Explain how to submit comments for the case record.
- Outline Rocky Mountain's Application.
- Explain Staff's preliminary comments filed May 26.
- **Solicit Feedback on Staff's preliminary comments.**
- **Solicit ideas for additional issues to be considered in the study design phase.**

The Idaho Public Utilities Commission

- Established in 1913.
- The IPUC regulates Idaho's investor-owned utilities, ensuring adequate service and reasonable rates.
- The Commission is made up of three appointed commissioners. They make the decisions.
- The Commission Staff is conducting this workshop. We are one of the parties in the case presenting evidence to the commissioners to help establish the case record.

Case Process

- Rocky Mountain Power will conduct a comprehensive study analyzing the costs and benefits of net metering.
- The Commission will base decisions about program changes on the case record and the study.
 - Phase 1: Study Design & Grandfathering
 - Customers & parties comment on issues to be studied and if grandfathering is appropriate.
 - Commission issues order directing Rocky Mountain Power on the scope and methods of the study and possibly grandfathering.
 - Rocky Mountain conducts the study and submits it for review.
 - Phase 2: Study Review
 - Customers & parties comment on whether the study addressed their concerns and share opinions on the study results.

Phase 1 Timeline

- May 26: Staff and intervenors filed preliminary comments on study design
- June 16: Rocky Mountain Power workshop
- June 18: Staff workshop
- **June 22: Public hearing with Commissioners**
- July 2: Revised comments on study design & grandfathering due
- **July 16: Customer and reply comments on study design & grandfathering due**

Important Note

- This workshop is not part of the official case record.
- To have comments included in the official record:
 - Testify at the Commission's public hearing (telephonic) on June 22, 2020 at 3pm:
 - call 1-800-920-7487 and enter passcode 6674832#
 - File written comments on the study design and grandfathering by July 16, 2020
 - Submit written comments on the Commission home page at www.puc.idaho.gov. Under "Consumers," click "Case Comment Form," and use Case No. PAC-E-19-o8.
 - Or email comments to secretary@puc.idaho.gov

Rocky Mountain Power's Application (1 of 3)

- RMP states that net metering customers are being subsidized by non-net metering customers for energy exported to the grid.
- Close Schedule 135 (Net Metering) to new customers on July 31, 2020.
 - New customers must apply for service under Schedule 135 by August 1, and then have one year to interconnect.
- Existing net metering customers stay on Schedule 135 until July 31, 2030 (10-year grandfathering period).

Rocky Mountain Power's Application (2 of 3)

- Open Schedule 136 (Net Billing) on September 1, 2020.
 - **Sch. 136 customers would get Export Credit Rate (ECR) instead of the retail rate for exported energy.**
 - ECR would be set at the retail rate until a change is approved by the Commission, based on the comprehensive study and the record in this case.
- \$85 application fee for new customer-generators.
- Unused Export Credits would expire annually.

Rocky Mountain Power's Export Credit Rate Proposal (3 of 3)

- Avoided energy: 1.9 cents/kWh
 - Based on SAR method with on/off peak pricing
 - Includes 85% valuation for non-firm energy
- Avoided line losses: 0.33 cents/kWh
 - Based on RMP's system losses study
- Integration costs: <0.025 cents/kWh>
 - Based on RMP's Flexible Resource Study (2019 IRP)
- **Total ECR: 2.23 cents/kWh**
 - Updated annually
 - ECRs funded by all customers through an annual rate mechanism (ECAM)

Staff's Preliminary Comments

(1 of 3)

- Quantify the subsidy from non-net metering customers to net metering customers under a range of ECR values and grandfathering terms.
- Grandfather existing Sch. 135 customers for 25 years at the customer site.
 - aligns with Commission order for Idaho Power customers
- Consider a transition period from retail rate to ECR for new customers in addition to grandfathering.

Staff's Preliminary Comments

(2 of 3)

- Verify costs included in the \$85 application fee.
- Some concern about basing ECR on modeled data.
- More fully explain pre-AMI billing system.
- Calculate value of annual unused export credit expiration.
- Study bi-annual energy credit updates.
- Study RMP's Utah smart inverter policy for use in Idaho.

Staff's Preliminary Comments

(3 of 3)

- Export Credit Rate study should analyze:
 - Avoided energy value using IRP energy assumptions
 - Provide evidence supporting 85% non-firm valuation
 - Avoided capacity value
 - Study using LOLP or measure exports during peak events
 - Avoided line losses
 - RMP's method appears reasonable
 - Integration costs
 - Study based on residential net metering
 - Set at zero until Sch. 135/236 export data is available
 - Avoided transmission and distribution costs
 - Avoided environmental costs

What Do You Think?

- Quantify the subsidy from non-net metering customers to net metering customers under a range of ECR values and grandfathering terms.

What Do You Think?

- Grandfather existing Sch. 135 customers for 25 years at the customer site.

What Do You Think?

- A transition period from retail rate to ECR for new net metering customers in addition to grandfathering for existing customers.

What Do You Think?

- Study costs included in the \$85 application fee.
- Basing the ECR on modeled data.
- More fully explain pre-AMI billing system.
- Calculate value of annual unused export credit expiration.
- Study bi-annual energy credit updates.
- Study RMP's Utah smart inverter policy for use in Idaho.

What Do You Think?

- Export Credit Rate study should analyze:
 - Avoided energy value using IRP energy assumptions
 - Provide evidence supporting 85% non-firm valuation
 - Avoided capacity value
 - Study using LOLP or measure exports during peak events
 - Avoided line losses
 - Integration costs
 - Study based on residential net metering.
 - Set at zero until Sch. 135/236 export data is available.
 - Avoided transmission and distribution costs
 - Avoided environmental costs

What Do You Think?

- What else should be included in the comprehensive study of net metering costs and benefits?

Comments for the Official Record

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Thank You

Idaho Public Utilities Commission

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