

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of PacifiCorp (U 901-E), an Oregon
Company, for Approval of its Proposed Net Billing
Tariff to Compensate Eligible Customers.

Application No. 19-04-013
(Filed April 19, 2019)

**COMMENTS OF PACIFICORP IN RESPONSE TO THE PROPOSED DECISION
ISSUED IN RESPONSE TO ITS APPLICATION FOR APPROVAL OF ITS PROPOSED
TARIFF TO COMPENSATE ELIGIBLE DISTRIBUTED GENERATION CUSTOMERS**

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January 2, 2020

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I. Introduction

In accordance with California Public Utilities Commission's (Commission) rules of practice and procedure, PacifiCorp d/b/a Pacific Power (PacifiCorp) respectfully submits these comments in response to the proposed decision issued on December 13, 2019 regarding the company's April 19, 2019 application for approval of its proposed Net Billing Program (Application). PacifiCorp's Net Billing Program is designed to encourage the growth of renewable distributed generation in PacifiCorp's service territory following the upcoming closure of existing PacifiCorp's Net Energy Metering (NEM) Program.

II. Background

The December 13, 2019 proposed decision (Proposed Decision or PD) would approve the company's Application subject to certain modifications. PacifiCorp is appreciative of the Commission's thoughtful review and consideration of its proposal; the company is especially appreciative of the Commission's efforts to accommodate the proposed timeline for closure of the existing NEM program and implementation of the proposed Net Billing Program. In response to the limited modifications set forth in the PD, PacifiCorp offers the following

comments. The company's comments are intended to facilitate implementation in a manner that will reduce confusion for customers and incentivize participation.

As set forth in its initial Application, PacifiCorp proposed a Net Billing Program that is designed to provide for the growth of renewable distributed generation in PacifiCorp's service territory by appropriately compensating customers for excess generation that is supplied to PacifiCorp's system. At the same time, the Net Billing Program is structured to ensure that other customers of PacifiCorp not participating in the Net Billing Program are not harmed. To ensure customers are appropriately compensated for excess generation that is supplied to PacifiCorp's system, while seeking to ensure that the Net Billing Program costs approximate the program benefits and therefore does not prejudice other customers, the Net Billing Program is designed to provide compensation based on costs that PacifiCorp would otherwise expend to obtain electricity.

The Proposed Decision confirms that the company is under no statutory obligation to continue offering its existing NEM program and that it is therefore appropriate to consider this voluntary Net Billing tariff.¹ The Proposed Decision also confirms that the impacts of the Net Billing program on non-participating customers is reasonable.²

The Proposed Decision approves the company's proposal as set forth in its Application subject to the following modifications:

- The first application of the company's export credit methodology will be updated pursuant to a Tier 2 advice letter (instead of the Tier 1 advice letter as proposed)

¹ Proposed Decision at 10-11.

² Proposed Decision at 29.

by PacifiCorp) with subsequent updates filed as Tier 1 advice letters on November 1 of each year;³

- PacifiCorp is required to file a Tier 2 advice letter within thirty (30) days of issuance of a final decision in PacifiCorp's next general rate case if such decision approves peak and off-peak hours that differ from the definition of peak and off-peak hours set forth in the company's Application;⁴
- PacifiCorp is required to offer the Net Billing tariff to customers for period of at least twenty (20) years from the date of their interconnection;⁵
- As proposed in its Reply Comments, PacifiCorp will modify the proposed Net Billing tariff to clarify that customers are eligible for service under the tariff if they own, operate, lease or purchase the output of the renewable electricity generation facility;⁶
- The company's existing NEM program will expire on March 1, 2040 with no customers receiving compensation under the terms of the NEM program after such date, regardless of their date of interconnection;⁷

³ Proposed Decision at 18.

⁴ Proposed Decision at 19.

⁵ The Proposed Decision makes clear that this term requirement would not apply to any NEM customers that may be transferred to the Net Billing program (*i.e.*, a customer that is transferred from the NEM program to the Net Billing Program is not entitled to twenty years of Net Billing service because these customers will be transferred to Net Billing during the required twenty year term of the Net Billing tariff). *See* Proposed Decision at 23. The Proposed Decision also affirms that this twenty (20) year term does not apply to any other aspect of a customer's bill, including the basic service charge because Commission precedent has established that customers do not have any entitlement to the continuation of any particular rate design or rate. *Id.* Based on these clarifications, the twenty (20) year term entitles customers only to continued participation in the Net Billing program but subject to any updates to its rates or rate designs as may be approved by the Commission.

⁶ Proposed Decision at 23.

⁷ Proposed Decision at 24-25.

- The existing NEM program will close to new applications effective March 1, 2020 instead of January 1, 2020 in order to provide adequate notice to customers;⁸
- Customers will be afforded service pursuant to the terms of the NEM program if their application is filed with the company by March 1, 2020 regardless of when actual interconnection is completed;⁹
- PacifiCorp is encouraged to contact the Commission’s Energy Division to obtain the latest version of consumer protection materials developed in the context of NEM for distribution;¹⁰
- The company is encouraged to verify that net billing customers have received and read the consumer protection materials developed by the Commission regarding NEM (*i.e.*, the Solar Energy Disclosure Document and California Solar Consumer Protection Guide);¹¹ and
- Consistent with the company’s Reply Comments, PacifiCorp will collect data on the installation of energy storage by net billing customers and provide this data as part of its November 1 export credit update together with a recommendation regarding whether a cap should be implemented for energy storage installations.¹²

As detailed below, the company appreciates the Commission’s thoughtful modifications to its Application and raises limited concerns. Specifically, PacifiCorp seeks clarification regarding certain modifications proposed for the closure of the NEM program and

⁸ Proposed Decision at 25.

⁹ Proposed Decision at 24-25.

¹⁰ Proposed Decision at 30.

¹¹ Proposed Decision at 30.

¹² Proposed Decision at 31.

proposes limited revisions to the Commission's suggestion.

III. Eligibility for the Existing NEM Program should Require Interconnection within a Limited Time Period

The company's Application proposed closure of the existing NEM program to applications effective January 1, 2020 with successful interconnection required by January 1, 2021. The Proposed Decision moves the application date to March 1, 2020 to accommodate the procedural schedule in this proceeding pursuant to which a final decision will not be issued by January 1, 2020. This delay ensures that customers have notice and certainty that the existing NEM program will be ending and that a new Net Billing program with different terms will be going into effect. The company has no concerns with this new March 1, 2020 date as the deadline for applications to the NEM program. However, the company does have concerns with the Commission's suggestion that interconnection for NEM program applications can occur at any time between March 1, 2020 and February 29, 2040.¹³

The Commission's proposal to allow interconnection under the NEM program to occur at any time up until the closure of the program on February 29, 2040 is offered in response to SEIA's opening comments. In their opening comments, SEIA stated that a better standard than "successful interconnection" for determining eligibility under the NEM program would be for a system to be "mechanically complete" by January 1, 2021. In response, PacifiCorp reiterated its proposal that the requirement be successful interconnection due to the vagueness of "mechanically complete." Under both the company and SEIA's proposals, a customer would have to achieve the proposed measurement of operation by January 1, 2021.

In the Proposed Decision the Commission offers a third option whereby a customer could interconnect at any time and be afforded service under the existing NEM program so long as they

¹³ See Proposed Decision at 24.

satisfy the first prong of the company's proposal and file their application by March 1, 2020.

While the company is appreciative of the Commission's attempt to define a parameter that eliminates the need for PacifiCorp to make a determination regarding the "readiness" of a customer's facility, the company is concerned that allowing interconnection at any time during the remaining twenty (20) years of the NEM program could lead to unintended complications.

By closing the NEM program to interconnections after March 1, 2021, there is a level of certainty for both the company and customers. Customers that are able to achieve interconnection by March 1, 2021 will receive service under the NEM program tariff until March 1, 2040. By requiring the company to allow interconnection at any time until the closure of the program on March 1, 2040 the company could be required to provide service to a customer under the NEM program for just days or months before that customer is required to transition to the Net Billing program. For example, a customer could apply for the NEM program by March 1, 2020 but not achieve interconnection until January 15, 2040. This customer would therefore receive NEM program service from January 15, 2040 through February 29, 2040 and then be transitioning to the Net Billing tariff effective March 1, 2040. While this scenario might seem farfetched, it would be permissible under the Proposed Decision and could lend itself to customer confusion because customers will receive service under two tariffs within a short time period.

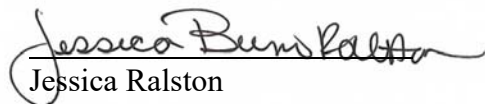
In addition to customer confusion, this proposal requires the company to continue processing applications under both programs for a prolonged period of time. It is not clear that the administrative burdens will be justified by any benefits to customers. Instead, the company suggests that either the time period to achieve interconnection following the filing of an application (by March 1, 2020) be extended through March 1, 2023 or that customers be required to achieved "mechanical completion" as suggested by SEIA. While PacifiCorp continues to

assert that “successful interconnection” is a more precise determination for it to make, the company finds that any requirement that provides a greater limit on the timeframe for interconnection to its system would be preferable to allowing interconnection at any time prior to March 1, 2040. Further, extending the allowable timeframe for successful interconnection from one year to two years alleviates the concern raised by SEIA in its comments (*i.e.*, that successful interconnection is not entirely within the control of the customer seeking interconnection¹⁴). If SEIA’s concern was that a one year period may not provide sufficient time for a customer to achieve interconnection due to perceived delays on the part of the company, extending the interconnection time should resolve this issue.

IV. Conclusion

PacifiCorp respectfully requests that the Commission incorporate its limited suggestions into the final decision issued in this proceeding. The company reiterates its appreciation for the Commission’s expeditious and thoughtful review of the Application. With the limited suggestions detailed above, the company is confident that the Net Billing Program will facilitate customer generation in a manner that is more equitable for all customers.

Respectfully submitted,



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¹⁴ See SEIA Comments at 11.

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served, the following document in A.19-04-013, **COMMENTS OF PACIFICORP IN RESPONSE TO THE PROPOSED DECISION ISSUED IN RESPONSE TO ITS APPLICATION FOR APPROVAL OF ITS PROPOSED TARIFF TO COMPENSATE ELIGIBLE DISTRIBUTED GENERATION CUSTOMERS** on all known parties to the attached service list by transmitting an e-mail message with the document attached to each person named in the official service list.

A paper copy is also being provided via FedEx to the following recipient:

ALJ Patrick Doherty
California Public Utilities Commission
Division of Administrative Law Judges
Room 5044
505 Van Ness Avenue
San Francisco, California 94102

(See the attached Service List A.19-04-013)

Executed on January 2, 2020, at Portland, Oregon.



Katie Savarin
Coordinator, Regulatory Operations



California
Public Utilities
Commission



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CALIFORNIA PUBLIC UTILITIES COMMISSION

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