

Rocky Mountain Power
Docket No. 20-035-04
Witness: Kyle T. Moore

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Rebuttal Testimony of Kyle T. Moore

October 2020

1 **Q. Please state your name, business address, and present position with PacifiCorp**
2 **d/b/a Rocky Mountain Power (“Rocky Mountain Power” or the “Company”).**

3 A. My name is Kyle T. Moore and my business address is 1407 West North Temple,
4 Suite 330, Salt Lake City, Utah 84116. I am a power market originator and have
5 maintained this position with the Company since the year 2015.

6 **I. QUALIFICATIONS AND PURPOSE**

7 **Q. Please describe your education and business experience.**

8 A. I have a B.A. in Finance and an M.B.A. from the University of Utah. In my current
9 role as power market originator, I am responsible for negotiating qualifying facility
10 contracts, negotiating interruptible retail special contracts, managing wholesale or
11 market-based energy and capacity contracts with other utilities and power marketers,
12 and negotiating contracts for and facilitating renewable energy procurement on behalf
13 of customers seeking service under the Company’s renewable energy tariffs. Prior to
14 my current role I worked at the Company from 2007 through 2015 in various finance,
15 planning, and structure and pricing roles. I also worked in the regulatory department
16 at Kern River Gas Transmission Company for approximately three years and as an
17 energy consultant at Energy Strategies in Salt Lake City for approximately five years.

18 **Q. Please state the purpose of your testimony.**

19 A. First, I adopt the direct testimony of Mr. William J. Comeau. Second, I offer rebuttal
20 testimony responsive to the Division of Public Utilities (“Division”) witness
21 Mr. Robert A. Davis, Office of Consumer Services (“OCS”) witnesses Ms. Alyson
22 Anderson and Ms. Donna Ramas, and Utah Clean Energy witness Ms. Sarah Wright
23 (collectively, the “Intervenor Witnesses”).

24 **Q. Please state your qualifications to adopt Mr. Comeau’s testimony.**

25 A. I am very familiar with the Company’s current Subscriber Solar Program under
26 Electric Service Schedule No. 73 (“Schedule 73”), previously approved in
27 Docket No. 15-035-61. I have this familiarity because I was involved in designing
28 Schedule 73, administered the Request for Proposals (“RFP”) through which the
29 resource was procured, and my work has been integral to the continuation of the
30 program. I was also involved in the design revisions to Schedule 73, as set forth in
31 Mr. Comeau’s testimony.

32 II. SUMMARY

33 **Q. Please summarize the Intervenor Witnesses’ testimony.**

34 A. Division witness Mr. Davis testified that the proposed Subscriber Solar Program is
35 reasonable and generally supports it.¹ Mr. Davis nonetheless expresses concerns
36 regarding interaction between the legacy and proposed Subscription Solar Program,
37 customer migration and mitigation of that migration, energy balancing account
38 (“EBA”) impacts, and subscription ramp rate.² Mr. Davis further suggests various
39 reporting requirements, and, after the review of information provided, the Division
40 reserved the right to make further recommendations.³

41 OCS witnesses Ms. Anderson and Ms. Ramas oppose the program on three
42 grounds, summarized as follows: (1) accounting concerns; (2) alleged lack of detail;
43 and (3) Subscriber Solar Program cost recovery.⁴

¹ Direct Testimony of Robert A. Davis at lines 85-91.

² *Id.* at lines 206-209.

³ *Id.* at lines 215-238.

⁴ Direct Testimony of Alyson Anderson at lines 102-115.

44 UCE witness Ms. Wright supports expansion of the Subscriber Solar Program,
45 while also raising concerns regarding Subscriber Solar Program cost recovery and
46 suggesting a carve-out for low-income customers.

47 **Q. How do you respond?**

48 A. My testimony is organized as follows:

- 49 • First, I provide additional support for the Company’s reasoning to expand the
50 Subscriber Solar Program.
- 51 • Second, I respond to concerns raised by the Intervenor Witnesses regarding
52 the operational overlap between the current Schedule 73 and proposed
53 changes thereto, including blending the programs and mitigating customer
54 migration.
- 55 • Third, I address concerns raised by the Intervenor Witnesses regarding
56 impacts of the Subscriber Solar Program on the EBA and subscription ramp
57 rate.
- 58 • Finally, I respond to the request from Mr. Davis to provide detailed reporting
59 on the Subscriber Solar Program, offer a solution to Ms. Ramas’ accounting
60 concerns, and address Ms. Wright’s proposal on low-income customer
61 involvement.

62 **III. SUBSCRIBER SOLAR PROGRAM EXPANSION**

63 **Q. Please provide additional detail regarding the requested updates to the**
64 **Subscriber Solar Program.**

65 A. As noted on page 4 of Mr. Comeau’s direct testimony, the Company is responding to
66 strong customer interest for the Subscriber Solar Program.

67 **Q. Please expand on Mr. Comeau’s testimony.**

68 A. Two examples are worth noting regarding the strong interest the Company has
69 witnessed for the Subscriber Solar Program. First, when the Company opened up the
70 availability for the Full Coverage Option in July 2020, it had 307 subscribers request
71 to change over to the Full Coverage Option almost immediately. And these requests
72 were not generated through any marketing, other than advising subscribers that the
73 Full Coverage Option was available. In fact, 169 of those 307 subscribers requested
74 the change before the Full Coverage Option was available. Second, the Company
75 currently has 5,134,557 annual kilowatt-hours (“kWh”) on its waiting list from large
76 customers for a new resource.

77 **Q. Why is this data important?**

78 A. Because it underscores the existing demand for expansion of the Subscriber Solar
79 Program before any steps are taken to procure a new solar resource, including the
80 marketing of that new resource. In other words, assuming the Subscriber Solar
81 Program expansion is approved as proposed, the Company already has over
82 10 percent of the contemplated next resource subscribed by large customers. I will
83 address concerns regarding the ramp rate for the remaining 90 percent in my
84 testimony below.

85 **IV. SUBSCRIBER SOLAR PROGRAM OVERLAP**

86 **Q. Have solar costs declined since inception of the Subscriber Solar Program?**

87 A. Yes, which Mr. Davis notes in his testimony, but this shouldn’t result in significant
88 customer program migration as Mr. Davis implies.⁵ This is true, as Mr. Davis later

⁵ Direct Testimony of Robert A. Davis at lines 114-116.

89 notes, because the new billing methodology is nearly identical in results.⁶

90 **Q. Does the Company have a plan for mitigating the impacts of migration, should**
91 **migration become an issue?**

92 A. Yes. The Company has set up the rate design for the Subscriber Solar Program
93 expansion such that there should be relative cost parity across the two programs. As
94 shown in the Exhibit RMP___(KTM-1R), Subscriber Solar Expansion – Cost Model,
95 both the cost of the proposed expansion resource and the current program resource,
96 Pavant III Solar, result in substantially similar rates under the proposed rate structure,
97 approximately 1.2 cents per kWh. This rate is also substantially similar to the cost of
98 the current program, as pointed out by Mr. Davis. Should the Company acquire a
99 resource with an anticipated renewable adder substantially lower than the currently
100 expected value, the Company will seek, through a Commission filing, to average the
101 rates across the two pricing methodologies to maintain pricing parity between the
102 programs and thus mitigate the impacts of migration.

103 Additionally, to help manage program migration, the Company proposes to
104 update the proposed tariff language to note the rates/changes to the Solar Delivery
105 Charge should remain in effect for a period of time beyond January 1, 2021, to
106 account for departures and new customers before the new resource is online. The
107 Company also plans to implement additional measures to further manage program
108 migration. For example, six months before the expansion resource goes into
109 operation, the Company proposes to stop accepting new entrants to the original
110 program and transition to the new pricing. Also, assuming the Subscriber Solar
111 expansion is approved, if, prior to the expansion project going into operation, a

⁶ *Id.* at line 166-167.

112 customer wants to sign up for subscription amounts that exceed the amount then
113 available, then the Company would inform the customer that it may sign up for future
114 subscriptions under the anticipated expansion project.

115 **V. SUBSCRIBER SOLAR PROGRAM COST RECOVERY**

116 **Q. Has the Company been successful in its efforts to ensure the Subscriber Solar**
117 **Program did not burden non-participants with the costs of the program?**

118 A. Yes. As conceded by OCS witness Alyson Anderson, the costs associated with the
119 Subscriber Solar Program that flow through the EBA to non-participants and included
120 in the test year are “negligible.”⁷ Table 1 below details the historical Subscriber Solar
121 EBA costs as a percentage of overall EBA costs and underscores this point.

122 **Table 1: Subscriber Solar EBA Costs**

	Subscriber Solar Generation	Subscriber Solar Sold**	Subscriber Solar Un-Sold	EBA Impact, \$ millions	% of EBA
2017*	48,146,997	43,417,636	4,729,361	\$257,691	0.036%
2018	50,511,859	47,704,730	2,807,129	\$148,216	0.021%
2019	48,133,302	47,749,442	383,860	\$20,268	0.003%

**January 2017 was not sold due to billing implementation, generation was 1,360,547 January 2017*

***The program is managed to sell 48,000,000 kWh per year based on the size and annual forecast of the resource*

123 **Q. Is it reasonable to assess a negligible amount of costs associated with the**
124 **Subscriber Solar Program to non-subscribers?**

125 A. Yes. The risk and cost is small as shown from the experience with the current
126 program and as shown later in my testimony for the proposed expansion program.
127 However, the Company believes that offering customers this option to support

⁷ Direct Testimony of Alyson Anderson at line 80.

128 renewable energy through more cost-effective large-scale resources rather than
129 potentially from behind the meter generation is beneficial for all customers because
130 these participants will continue to contribute to fixed cost recovery, which helps
131 maintain lower rates for all customers. The Company views the subscriber solar
132 program as another viable option for customers, similar to the Company's programs
133 for customer generators, which also have some potential risk and cost to other
134 customers.

135 To address concerns regarding how well the Company is marketing the
136 program to support full subscription in order to mitigate any potential costs to non-
137 participants in the EBA, parties can evaluate through the EBA each year whether,
138 through the Company's actions (or inactions), the cost has reached an unjustifiably
139 large amount and should be disallowed in rates.

140 **Q. What is the Company's plan to address concerns regarding ramp rate for**
141 **subscriptions to the proposed new solar resource?**

142 A. A communications and marketing plan will be used, similar to what was put together
143 for the legacy Subscriber Solar program. The new resource will be marketed under
144 the Blue Sky program umbrella so that it is easily recognizable as a renewable
145 program option. The Company will create broad, easy-to-understand, awareness to
146 reach customers directly at events, through targeted communications, online
147 advertising, and statement communications.

148 Communications and marketing around the new resource will commence soon
149 after the Company gets approval for the new rate design and obtains a power
150 purchase agreement for a resource. The Company will create a waiting list for

151 customers expressing early interest and will contact those customers directly when
 152 the program is approved. Given the Company’s success with filling subscriptions for
 153 the existing Subscriber Solar Program, it has a high degree of confidence that this
 154 strategy will be successful.

155 **Q. If the ramp rate takes longer than the Company currently anticipates, how**
 156 **much of an impact will that have on the EBA and non-participating customers?**

157 A. Based on the performance of the original program it is the Company’s reasonable
 158 expectation that the resource will be fully subscribed by the time the facility reaches
 159 its commercial operation date. However, if the ramp rate to full subscription takes
 160 longer than anticipated the potential dollar impact of the program can be determined
 161 by multiplying the expected renewable adder revenue by the reduction in program
 162 participation megawatt hours purchased. Below, Table 2 provides various examples
 163 of reduced subscription rates and the impact that reduction has in terms of overall
 164 impact to EBA costs:

Table 2: Potential Impact of Reduced Subscriptions

Subscription Rate	Potential Annual Adder Impact	EBA, 2019 Total UT NPC \$ before wheeling revenue	% of EBA
50%	\$288,029	\$716,029,809	0.040%
75%	\$144,014	\$716,029,809	0.020%
90%	\$57,606	\$716,029,809	0.008%

Table 2 Assumptions
Anticipated 100%
Total Anticipated MWh 48,000
Anticipated Renewable \$12.00 \$/MWh

165 **VI. REPORTING REQUIREMENTS AND STAKEHOLDER ENGAGEMENT**

166 **Q. How does the Company respond to Mr. Davis’ reporting requests?**

167 A. The Company will continue its reporting obligations and is willing to address any

168 additional stated concerns of the Division, including the naming of the two programs
169 so customers can easily distinguish between them.

170 **Q. How does the Company respond to concerns raised by Ms. Ramas regarding**
171 **various accounting issues?**

172 A. The Company has two responses. First, concerns from Ms. Ramas relate to the
173 current structure of the Solar Subscriber Program, to which she is not recommending
174 any changes.⁸ Second, the Company commits to hold a stakeholder meeting in order
175 to provide the Company the opportunity to present and explain amortization expense
176 associated with the “liability account,” which would allow for real-time questions and
177 answers.

178 **Q. How does the Company respond to Ms. Wright’s request for a low-income**
179 **carve-out for the Subscriber Solar Program?**

180 A. The Company does not support a low-income carve-out because the Subscriber Solar
181 program operates as a premium on customers’ bills for an optional service. Creating a
182 low-income carve-out for this optional service would necessarily increase the
183 premium paid by program participants to subsidize the carve-out, which could further
184 implicate the migration and subscription concerns raised by other parties.
185 Furthermore, as Ms. Wright notes, the Company’s recent 2019 IRP already identifies
186 solar resources to be a significant part of the Company’s least-cost, least-risk
187 portfolio. The Company believes that continuing to provide customers low-cost
188 energy, which will include a growing level of renewable energy when it is cost-
189 effectively feasible, will better serve low-income customers than a premium program
190 offering.

⁸ Direct Testimony of Donna Ramas at lines 1668-1673.

191 However, if the Commission is interested in a low-income subscriber solar
192 carve-out, it is important to consider that the current program is not structured to
193 account for such a carve-out so any consideration of this proposal would be better
194 addressed in the context of potential future expansions.

195 **Q. Does this conclude your rebuttal testimony?**

196 **A. Yes.**

Rocky Mountain Power
Exhibit RMP__ (KTM-1R)
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Exhibit Accompanying Rebuttal Testimony of Kyle T. Moore

Subscriber Solar Expansion – Cost Model

October 2020

