

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

RECEIVED
JUL 30 2015
MONT. P.S. COMMISSION

IN THE MATTER of the Application of Montana-Dakota)
Utilities Co. for Authority to Establish Increased rates for) UTILITY DIVISION
Electric Service in the State of Montana) DOCKET NO. D2015.6.51

MOTION TO INTERVENE OF THE
ALLIANCE FOR SOLAR CHOICE

INTRODUCTION

The Alliance For Solar Choice (TASC) hereby moves to intervene in the above-captioned proceeding.

Movant

1) The Alliance for Solar Choice (TASC) is an organization founded by the largest solar rooftop companies in the nation. It seeks to establish and maintain successful distributed solar-energy policies throughout the United States. TASC represents the largest rooftop solar companies. Its members include Demeter Power, Geostellar, Inc., Silveo, SolarCity, Solar Universe, Sunrun, Verengo, and ZEP Solar. These companies are important stakeholders on solar policy at both the state and national levels, and they are responsible for tens of thousands of residential, school, government and commercial solar installations across the United States. TASC has participated in dozens of proceedings involving proposals to apply special charges to customers owning net-metered solar systems. This experience will help build a complete record and a just and reasonable result in this proceeding.

2) TASC members or their affiliate dealers have existing customers in the State of Montana and expect to serve new customers in the Montana-Dakota Utilities service territory. Sunrun's subsidiary AEE has sold solar energy equipment to 18 Montana renewable energy businesses, including the following: Baker Light Industries in Butte, MT, Mountain Pass Wind Company in White Sulphur Springs, MT, Onsite Energy in Bozeman, MT, Solar Montana in Helena, MT, and Zapp Works in Dillon, MT. While their presence in Montana is in its beginning stages, TASC's members are active in Montana and hope to significantly expand within the State. Their ability to do so is affected by rate structures, charges and other policies affecting solar energy investment.

3) TASC and its members have a direct, immediate, substantial and distinct interest in the MDU general base rate filing for electric operations. MDU has proposed to impose new demand charges on customers who own net metered solar systems. These new demand charges would reduce the economic benefit of investment in customer-sited solar generation and battery storage, and will tend to reduce the market for such systems. TASC has participated in numerous public utility commission proceedings on the subject of charges applied to customers owning solar systems in other states, including proceedings before the utility commissions in Arizona, California, Pennsylvania, Washington, Hawaii, Wisconsin, Nevada, New Mexico, Utah and Virginia.

Interests and Position

4) TASC has preliminarily reviewed the MDU rate filing and intends to examine in this proceeding whether the request to impose new demand charges on customers will result in unjust and unreasonable rates for such customers. TASC plans to challenge

aspects of the cost basis for the new demand charges and its impact on customer-sited renewable energy development and associated storage technologies.

5) TASC is concerned that the new demand charges could undermine the market for customer-sited storage and renewable generation investment. Additional demand charges will likely lengthen the pay-back for renewable energy investment, by reducing the cost savings that can be achieved through an investment in onsite renewable generation. This could substantially impact the market for TASC's members in the MDU service territory and could devalue substantial investments already made by self-generating customers.

6) Solar PV, storage, energy efficiency and other forms of distributed renewable energy resources provide a wide range of benefits both to individual customers (reduced electric bills), to the electric system as a whole (e.g. reduced distribution, generation and transmission costs) and to the general public (reduced air pollution emissions, water use and greenhouse gas emissions). Increases in demand charges will tend to suppress investment in these technologies leading, in the long term, to higher costs for all customers. This impact could run counter to clean energy policies of this Commission, and the State of Montana.

7) These charges may also violate federal law and regulations governing treatment of customers that use on-site distributed generation to meet part of their electric power supply. PURPA also prohibits electric utilities, which includes Montana Dakota Utilities, from discriminating in electric utility rates charged to customers with on-site solar generators that meet Federal Energy Regulatory Commission ("FERC") eligibility requirements for QFs. 18 C.F.R. § 292.303(c). QF status automatically applies to on-site

solar generators up to 1 MW. 18 C.F.R. § 292.203(d) (exempting facilities with net power production capacity up to 1 MW from certification requirement). FERC's regulations require that rates charged to QFs for energy and capacity must "be just and reasonable and in the public interest," and "not discriminate against any qualifying facility in comparison to rates for sales to other customers served by the electric utility."¹ To fulfill this requirement, retail rates charged to customers with on-site QF generators must be based on accurate utility data and make use of consistent costing principles.² Rates do not discriminate against any QF to the extent that such rates apply to the utility's other customers with similar load or other cost-related characteristics. 18 C.F.R. § 292.305(a)(2). Montana Dakota Utilities proposes to treat certain customers differently with regard to tariff choices simply because they have installed QF generators, and has not provided utility data, cost-of-service study, or any basis to justify its proposal.

8) The MDU service territory enjoys very strong solar and wind energy potential. Montana has an average solar energy density of 4.5 to 5.5 kilowatt-hours per square meter per day. <http://www.nrdc.org/energy/renewables/montana.asp>. Although there are currently relatively few distributed generation customers in the Montana Dakota Utilities territory, its proposal may nonetheless have a chilling effect on future expansion of distributed solar generation in Montana by shifting more utility cost recovery into billing determinants that customers with distributed generation would not be able to avoid. TASC regularly intervenes in proceedings across the nation involving issues with direct implications on the rooftop solar market, consistent with TASC's stated

¹ 18 C.F.R. § 292.305(a)(1).

² Burns, Robert E., Rose, Kenneth, *PURPA Title II Compliance Manual*, Sponsored by the American Public Power Association, Edison Electric Institute, National Association of Regulatory Utility Commissioners, National Rural Electric Cooperative Association, page 48, March 2014.

organizational purpose to create and defend opportunities for consumers to install rooftop solar systems. Here, the proposed tariff by Montana Dakota Utilities will adversely impact the several distributed generation solar customers, but also every other customer in its service territory who is a potential distributed generation solar customer.

9) While TASC is principally interested in the proposal to impose new demand charges on electric customers who own or lease net metered solar energy systems, TASC continues to study the MDU proposal and may wish to engage on other issues as well.

10) Movants have a long-standing interest and expertise in these issues and are entitled to intervene so as to protect this interest. As a representative of for-profit solar energy businesses TASC's interests are unique and cannot be adequately represented by the participation of any other party in this proceeding. The proprietary interests of TASC members in serving their customers through their business models are distinct from the interests of the general public.

Movants will not delay the proceeding or prejudice any party through their intervention, nor will they seek to broaden the issues presented in this docket.

Service of Documents

10) Petitioner requests that all documents in this proceeding be served on its counsel of record:

Charles Magraw
501 8th Ave
Helena, MT 59601
406-461-3696
c.magraw@bresnan.net

and on

David R. Wooley, Of Counsel

Keyes, Fox & Wiedman, LLP
436 14th Street Suite 1305
Oakland, CA 94612
510-314-8207
dwooley@kfwlaw.com

Kelly Crandall
Keyes, Fox & Wiedman, LLP
1400 16th St.
16 Market Square, Suite 400
Denver, CO 80202
kcrandall@kfwlaw.com
720-315-5184

Conclusion

For the foregoing reasons, movants request the Commission to grant this motion to intervene.

Respectfully submitted,



Charles E. Magraw
501 8th Ave.
Helena, MT 59601
406-461-3696
c.magraw@bresnan.net

David Wooley³
Of Counsel
Keyes, Fox & Wiedman LLP
436 14th Street, Suite 1305
Oakland, CA 94612
415-271-1135
dwooley@kfwlaw.com

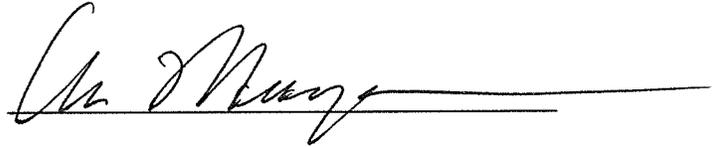
Attorneys for The Alliance for Solar choice

July 30, 2015

³ David Wooley, a member of the bar of the States of New York and New Jersey, is presently completing an application to the Montana State Bar that seeks permission to appear *Pro Hac Vice*.

CERTIFICATE OF SERVICE

I hereby certify that I have, this 30th day of July, 2015, served the foregoing Motion to Intervene on Montana-Dakota Utilities and the Montana Consumer Counsel by first-class and electronic mail.

A handwritten signature in black ink, appearing to read "Ch. Magraw", is written over a solid horizontal line.

Charles Magraw