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Division of Public Utilities

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MEMORANDUM

To: Public Service Commission

From: Phil Powlick, Director
Artie Powell, Energy Section Manager

Date: October 7, 2010

Re: 07-035-T14 – Three Year Assessment of the Solar Incentive Program

RECOMMENDATION

The Division recommends that the Commission notice a technical conference for the afternoon of November 4, 2010. The technical conference would allow parties an opportunity to gather information in preparation for filing comments as requested by the Commission on the Solar Incentive Program report and it would provide a forum for Rocky Mountain Power (“Company”) to explain in greater detail its storage demonstration project.

ISSUE

On September 30, 2010, the Company filed its three year assessment of the Solar Incentive Program (“Program”) with the Commission. In its report, the Company concludes that the Program has met the objectives of providing experience with solar technology, as well as the market viability and cost and benefit information for photovoltaic resources. Based on its conclusions and other findings reported on, the Company recommends that the Program continue through the end of the year at which time the Program (i.e., the incentives) would terminate. The Company also recommends that the funding levels currently in rates continue through 2012 in order to fund an energy storage demonstration project (“Storage Project”). On October 6, 2010, the Commission issued a Request for Comments on the Company’s three-year assessment due no later than November 30, 2010.

DISCUSSION AND RECOMMENDATION

The Company's three-year assessment of its Program provides some detailed information on Program participation including installed capacity, load profiles or contributions to peak demand, and cost effectiveness of small distributed solar installations. The Company's Program assessment also addresses additional issues raised by the Commission in its order dated September 15, 2010, in Docket No. 07-035-T14. Finally, the Company recommends that the Program be terminated but that the funding currently in rates be used to support an energy storage demonstration project based on electro-mechanical battery technology.

While some detailed information on the Program is provided in the assessment, little information is provided on the battery storage technology, how the demonstration project would work, or its objectives. Additionally, the Division anticipates that the Company's assessment and recommendations will illicit strong interest from various parties. Therefore, the Division recommends that the Commission notice a technical conference for November 4, 2010, to allow parties to further explore the Company's assessment and recommendations regarding the Program and demonstration project.

CC Dave Taylor, Rocky Mountain Power
Michele Beck, Office of Consumer Services