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January 31, 2012

***VIA ELECTRONIC FILING
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Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84111

Attn: Gary Widerburg
Commission Secretary

RE: Docket No. 11-035-104 – Schedule 107 Solar Incentive Program

On December 21, 2011, the Utah Public Service Commission ordered a one year continuation and expansion of the current Utah Solar Incentive Program in Docket 11-035-104. The decision expanded the program from 107 kW per year to 214 kW per year. It left the incentive at \$1.55 per installed Watt and the maximum per system incentive of 3 kW for residential and 15 kW for commercial. The decision also approved a \$385,000 budget to cover the incentives and a 15% maximum administrative budget. Rocky Mountain Power takes this opportunity to inform the Commission of some minor changes to the operation of the program to improve the customer experience and to lower the administrative cost of the program. Each of the program modification is in harmony with the approved tariff and will become effective immediately. Rocky Mountain Power does not believe any Commission action on these changes is required.

Program Administration: Rocky Mountain Power plans to manage the program internally for the final year. For the first five years the program was successfully managed by the subcontractor, ECOS Consulting. The decision to use an independent contractor was appropriate at the program outset because the company had little experience with solar incentives and relied on the outside expertise for development of the program. During the first years of this Utah program, the Company has developed internal expertise through development of solar incentives programs in other states in which we operate. Thus the added administrative expense of using a subcontractor to manage this small program externally is not warranted.

Enrollment Date: The enrollment date for the current year of the program will be March 1, 2012.

Enrollment Process: The capacity enrollment process will change from a pure first come, first served process to a lottery system. Historically, this program has been fully subscribed and had a sufficient waiting list within minutes of opening the enrollment window. This has caused customer dissatisfaction in this program and other programs with a similar enrollment model as technical glitches and busy phone lines thwarted customer's attempts to participate in the

programs. In response to customer concerns, the company successfully implemented a modified enrollment process in a different state that worked without flaw. In the modified process, the enrollment window is opened for 14 days to allow all interested parties sufficient time to submit reservation applications. Queue positions for all applicants are determined through a randomization process. After we develop the queue we notify the participants who secured a reservation in order of queue number. This also allows the development of waiting list in order of queue position in case an initial capacity recipient does not move forward with their project. Should available capacity remain after this initial queue development we open the enrollment to additional participants on a first come, first served basis.

The process for determining the order is quite straightforward. Applications will be entered into either a residential or non residential spreadsheet. A randomization formula will be used to assign each application a number between 0 and 1. The applications will then be sorted low to high, and the capacity will be allotted starting with the lowest number and moving through the sorted list.

Inspection Process Changes: In order to lower administrative cost, Rocky Mountain Power will modify the site inspection process. Previously, the program administrator did two site inspections, one at the time of the reservation and a second prior to payment of the incentive to ensure that the project was installed as represented in the application. Projects will now be inspected only after installation before the incentive payment. We believe that the information gathered through the application and the knowledge of participating contractors in the requirements of the program make this initial inspection redundant, and as such not cost effective. There are few blatant issues such as unanticipated shading that cannot be identified through the application process, and if the application does not conform to the installation, reductions can be made to the incentive to conform to the actual expected output.

Metering Changes: There has been significant discussion during comments and the workshop that the installation of 15 minute interval meters at all sites participating in the incentive program was unnecessary and too large of an added administrative expense. In response, participants will still be required to install a production meter base, but instead of installing a 15 minute interval meter Rocky Mountain Power will install a standard RF meter. This will not provide the same granularity of production data, but it will give us overall production information for participants in the program. This will reduce the administrative costs of program by approximately \$50,000 and allow the gathering of valuable information while remaining within the approved budget.

Marketing Proposal: Rocky Mountain Power will provide updated information available on its website by February 1, 2012. The updated information for this solar incentive program will contain a summary of the program changes and copies of any modified documentation that would be required for participation. Rocky Mountain Power will also communicate the changes directly through email to known solar vendors that are operating in Utah and other interested parties. We have already begun fielding inbound calls about this program continuation, educating potential participants on how to keep informed on process changes once they are finalized.

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Informal inquiries may be directed to Dave Taylor at (801) 220-2923.

Very truly yours,

Jeffrey K. Larsen

Vice President, Regulation

cc: Division of Public Utilities
Office of Consumer Services
Utah Clean Energy