

Intent to File a General Rate Case on or about January 3, 2014.

DATE: July 17, 2014

Dear Commissioners:

We, the undersigned local and national businesses, associations and local governments represent a diverse group of Utah interests that are concerned about the proposal of Rocky Mountain Power (RMP) regarding a net metering fee in Docket No. 13-035-184. We urge the Utah Public Service Commission (the Commission) to decline the requested proposal at this time and conduct an analysis, with opportunity for stakeholder input, of the costs and benefits of rooftop solar, as directed by the Utah State Legislature in SB 208. Such a review is necessary in order to resolve this issue fairly. We thank you for the opportunity to provide input and be engaged on this and other critical energy decisions.

While we represent diverse backgrounds and sectors, we share a commonality in our support for renewable distributed generation. We recognize that Utah has made strides to increase the adoption of distributed renewable energy, and we commend the efforts of the utilities, regulators, policymakers, businesses and organizations that continue to expand opportunities for renewable energy for all Utahns. Nevertheless, we are concerned about RMP's proposal that presents a new barrier to renewable

distributed generation adoption.

In its 2014 General Rate Case, RMP proposed a \$4.65 monthly fee for all residential net metering customers. RMP claims that this fee is necessary because these customers are consuming less electricity, in turn paying fewer rates, and therefore not paying their share for their use of the electricity system. However, despite the statutory requirement under Senate Bill 208 mandating analysis of the costs *and benefits* of net metered solar generation, RMP does not address the benefits of distributed solar generation in its proposal. Additionally, RMP's analysis of the costs of reduced consumption associated with distributed solar does not justify the proposed fee on solar customers.

Rate design decisions, such as a net metering fee, have a direct impact on the adoption and installation of distributed solar generation. We support increased adoption and installation of distributed solar generation because the benefits associated with this technology allow us to meet growing energy demand in a sustainable fashion. In contrast to traditional energy generation resources, renewable distributed generation allows the utility to offset the need to build new fossil fueled generation facilities and additional capacity on long distance transmission lines. Renewable distributed generation provides hedging against fuel price volatility; protection against national and cyber security threats, emissions reductions and important environmental benefits; reduced water consumption; decreased land use, economic development (such as local jobs); and increased property values (and in turn, increased assessed property taxes).

Furthermore, all ratepayers benefit from individual customers' personal investments in rooftop solar. Even RMP's Integrated Resource Planning indicates that distributed solar is a least cost and least risk resource. Nearly 300 MW of additional rooftop solar is part of every single portfolio in RMP's long term plan. Due to these benefits, we see distributed renewable energy generation as a critical component of both Utah's and the nation's energy future. Implementing an additional fee for solar customers creates another barrier to the economic viability of this valuable technology. Individuals should not be penalized for making personal investments in valuable resources that benefit all ratepayers. To the extent the Commission is able to prevent unnecessary barriers to this valuable distributed resource, we strongly encourage you to do so.

The benefits of distributed rooftop solar are numerous and we, like the Utah State Legislature, support a full analysis of the costs and benefits of Utah's net metering program before the Commission implements any rate changes that impact this important policy. The implications of establishing fees for customers based on incomplete analysis (allocations of costs with no accounting for benefits) is extremely troubling and sets very problematic ratemaking policy, contrary to clear legislative direction for full analysis of costs *and benefits*.

We thank the Commissioners and the Commission staff for their continued hard work and attention on numerous important energy-related matters, and we are grateful to have the opportunity to weigh in on these issues. Thanks for your consideration of our comments.

Sincerely,

The undersigned businesses and local governments.

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