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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: Utah Public Service Commission

From: Office of Consumer Services
Michele Beck, Director
Cheryl Murray, Utility Analyst

Date: July 7, 2014

Re: In the Matter of Rocky Mountain Power's Annual Report of the Results from the 2013 Program Year for the Solar Photovoltaic Incentive Program Offered through Schedule 107 - Docket No. 14-035-71

Background

On June 5, 2014 Rocky Mountain Power (Company) filed its Solar Photovoltaic Incentive Program (Schedule 107 or Program) Annual Report for Program Year 2013 (2013 Report). On June 10, 2014 the Commission issued a notice of filing and comment period stating "Any interested party may submit comments on PacifiCorp's request on or before Monday, July 7, 2014, and reply comments may be submitted on or before Friday, August 1, 2014" Accordingly, the Office submits the following comments on the 2013 Report.

The 2013 Report is submitted in compliance with the Public Service Commission's (Commission) October 1, 2012 Order providing authority for the Company to implement a Solar Incentive Pilot Program and requiring that the Company provide annual reports on the Program.

Annual reports are to include but not be limited to: the number of applicants, the number and size of completed installations, the total installed costs of all completed installations, generation data for large systems, and the number, if any, of surrendered deposits.

Discussion

Completeness of Report Compliance with Commission Reporting Requirements

In the Executive Summary the Company states, "Due to the structure of the program, this report will not provide all of the information requested by the Commission".¹

¹ Page 1 of the 2013 Report.

No further information is provided as to what “requested” information is not provided or how the structure of the program prevents the Company from providing that information. This may be a problem limited to the first annual report. However, the Office asserts that the Company should specifically identify any requested or required information that will not be provided and describe the reasons for omissions.

Number of Applications

Under Summary of 2013 Results, as of May 20, 2014, the Company indicates there was significant interest in the Program, with 1,359 total applications submitted during the two week enrollment window. However, in Table 1 the total applications received is identified as 1,433. Additionally, the total residential capacity is identified as 4,192 kW but Table 2 shows 4,173 kW of residential capacity. The Office has requested that the Company reconcile these numbers.

Regarding Tables 1 and 2, there are categories labeled “Offered Capacity” and “Offered Capacity- Did Not Pay Deposit”. The Office suggests that the Company consider a different terminology to clarify that it is not the applicant offering (or being offered) capacity but the Company accepting the applicant’s application to receive an incentive. In the Tariff the Company uses “Capacity Reservation” to mean Company acceptance of an application. The Office proposes that the category should be labeled in the report with a more descriptive label that a reasonably knowledgeable person would be more likely to immediately understand. Some suggestions would include: “Applications Accepted” or “Incentives Offered.”

Generation Data for Large Systems

The 2013 Report identifies two completed systems in the category of large non-residential. The incentives for larger customers are performance based and are to be paid in five annual installments. Attachment A shows that these two participants, one in Salt Lake City and one in Redmond, received initial payments of \$86,915.57 and \$41,390.29, respectively. In the body of the 2013 Report the Company states that problems with the production meters were identified and that the Company is working with both projects to ensure that moving forward data is collected correctly.

Since incentives in the large non-residential category are to be paid based on performance the ability to accurately collect data is essential. It is not clear if the production meter problem is limited to these two meters or if it is more widespread. If the Company is uncertain regarding the ability of the production meters to provide appropriate data the Office recommends that no further incentives be offered in the large non-residential category until the problems can be corrected.² The Company should provide an update on the status of production meter corrections.

² Those large non-residential customers that currently have capacity reservations and have paid deposits should be allowed to continue with their projects as scheduled.

Surrendered Deposits

A total of 95 customers have paid deposits and then failed to complete their projects resulting in forfeited deposits of \$24,316.14.³

The 2013 Report provides no indication of what happens to forfeited funds. The Office recommends that future reports include that information.

Renewable Energy Certificates (RECs)

In its October 1, 2012 Order the Commission determined that RECs will be split proportionally between the system owner and Rocky Mountain Power ratepayers that are providing the incentive. For simplicity the Commission decided that Rocky Mountain Power will be credited a fixed REC contribution equal to 0.28 MWh per incentivized kW per year for 20 years.⁴

The Office recommends that in future annual reports the Company include a statement as to the amount of RECs obtained from the incentive Program.

Recommendations

The Office recommends that prior to acknowledgement of the Company's 2013 Report the Commission require the Company to identify what requested information is not being provided and the reason(s) for the omission(s).

The Office also recommends that no further capacity reservations should be provided in the large non-residential sector until the problems with the production meters are resolved and the Company provides an affirmative statement to that effect.

Finally, future annual reports should be modified as follows:

- 1) Any missing information should be identified and the reason for omission provided.
- 2) For clarity, in Tables 1, 2, 6 and 7, a more descriptive label should be applied to the categories "Offered Capacity" and "Offered Capacity- Did Not Pay Deposit".
- 3) The disposition of surrendered deposits should be identified.
- 4) The amount of RECs obtained through the incentive Program for that year and cumulative should be included.

CC: Chris Parker, Division of Public Utilities
Jeffrey K. Larsen, Rocky Mountain Power

³ 36 residential and 59 small non-residential customers forfeited deposits.

⁴ Page 4, October 1, 2012 Report and Order, Docket 11-035-104.