



## Sustainability Division

Utah Public Service Commission  
Heber M. Wells Building  
160 East 300 South  
Salt Lake City, UT 84114

January 26, 2015

**RE: Docket No. 14-035-T04: In the Matter of Rocky Mountain Power's Proposed Revisions to Electric Service Schedule No. 37, Avoided Cost Purchases from Qualifying Facilities**

Dear Commissioners:

Salt Lake City Corporation (the "City") thanks you for the opportunity to comment in this docket regarding schedule 37 and compensation for small-scale Qualifying Facilities (QFs). The City has a desire to develop clean energy to offset impacts of the sizable electricity consumption required for municipal operations. This ambition has led us to explore a variety of options for developing renewable energy in Utah, including leveraging Rate Schedule 37 to invest in Qualifying Facilities.

In addition to net metering opportunities, the City recognizes a need to pursue other avenues for project development in order to develop renewable energy capacity at the scale of our significant electricity demands. The City has tracked the development of Rate Schedule 32 through docket 14-035-T02 as a potential mechanism for this development but, for reasons detailed in our December 5, 2014 comments<sup>1</sup> in that docket, we may need to rely on QF pathways in order to deploy feasible projects.

The City has been in discussions with PacifiCorp since mid-2014 regarding a potential renewable energy project that would leverage Schedule 37. It is with this project in mind, along with other future opportunities, that we request careful Commission review and endorsement of Schedule 37 pricing that is fair for renewable energy and does not stifle clean energy development in Utah.

The City understands that there are multiple technical elements under consideration in this docket that will determine pricing and all require careful Commission review. These comments primarily address the capacity and energy compensation rates and related methodology that will largely determine the viability of renewable energy projects. We ask that the Commission support pricing that is fair to project developers and reflects the range of benefits that renewable energy projects provide to electric infrastructure and ratepayers. The preexisting methodology for capacity and

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<sup>1</sup> Salt Lake City Division of Sustainability [Comments on Docket No. 14-035-T02](#) regarding Rate Schedule 32

energy payments accomplished this goal and the resulting projects will help diversify our electricity portfolio. In order to sustain this positive momentum, we ask that the Commission deny the Company's motion as contrary to the public interest.

Schedule 37 was devised in part to allow for smaller-scale renewable energy development and to encourage the deployment of such resources in Utah. The 25 megawatt cap was included as a way to achieve this ambition while mitigating ratepayer impacts. The City is concerned that the currently proposed reductions in compensation will significantly deter smaller-scale renewable energy projects from moving forward. It is with this concern, coupled with a desire for third-party energy development access in Utah, that we ask the Commission to support reasonable compensation for renewable energy through Schedule 37.

We commend the Commission for taking the time and effort to revisit the outcomes of this important docket and thank you again for the opportunity to provide Public Comment.

Sincerely,

Vicki Bennett  
Sustainability Director