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*Attorneys for Rocky Mountain Power*

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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In the Matter of the Application of Rocky	)	
Mountain Power for Approval of Subscriber	)	DOCKET NO. 15-035-___
Solar Program	)	
	)	<b>APPLICATION</b>
	)	
	)	
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**I. INTRODUCTION**

Pursuant to UTAH ADMIN. R. 746-405-1 *et seq.* of the Rules of the Public Service Commission of Utah (“Commission”) and to address a particular segment of the photovoltaic (“PV”) market which, to this point, appears to be of growing interest to Utah customers, Rocky Mountain Power (“Rocky Mountain Power” or “Company”) hereby submits its application (“Application”) to the Commission requesting approval to implement an optional subscriber solar pilot program under proposed Tariff Schedule No. 73 (“Subscriber Solar Program”).

Through the Subscriber Solar Program, the Company seeks to offer Utah customers, on a voluntary basis, the opportunity to buy kilowatt-hour blocks of electricity from Company solar resources at a fixed price and subsequently use that purchased energy to offset a portion of their own billed energy usage at their home or business. The Company proposes to acquire

approximately 15 megawatts (“MW”) of PV generating facilities in the state of Utah. In support of the Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is a division of PacifiCorp. PacifiCorp is an Oregon corporation that provides electric service to retail customers through its Rocky Mountain Power division in the states of Utah, Wyoming, and Idaho, and through its Pacific Power division in the states of Oregon, California, and Washington.

2. Rocky Mountain Power is a public utility in the state of Utah and is subject to the Commission’s jurisdiction with respect to its prices and terms of electric service to retail customers in Utah. The Company serves approximately 840,000 customers and has approximately 2,400 employees in Utah. Rocky Mountain Power’s principal place of business in Utah is 201 South Main Street, Suite 2300, Salt Lake City, Utah 84111.

3. Communications regarding this filing should be addressed to:

Bob Lively  
Utah Regulatory Affairs Manager  
Rocky Mountain Power  
201 South Main Street, Suite 2300  
Salt Lake City, Utah 84111  
E-mail: [bob.lively@pacificorp.com](mailto:bob.lively@pacificorp.com)

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[yvonne.hogle@pacificorp.com](mailto:yvonne.hogle@pacificorp.com)

In addition, Rocky Mountain Power requests that all data requests regarding this filing be sent in Microsoft Word or plain text format to the following:

By email (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

By regular mail: Data Request Response Center  
PacifiCorp  
825 NE Multnomah, Suite 2000  
Portland, Oregon 97232

Informal questions may be directed to Bob Lively, Utah Regulatory Affairs Manager at (801) 220-4052.

## **II. BACKGROUND**

4. Market research performed by the Company demonstrates that many Utah customers are interested in obtaining at least part of their electricity from renewable resources.

5. In an effort to meet customer interests and to support the development of solar resources in Utah, the Company has developed the Subscriber Solar Program which allows customers to subscribe to a utility scale solar resource to meet part of their electricity needs.

6. The Subscriber Solar Program will be available to residential, small non-residential and large non-residential customers. The Subscriber Solar Program is optional and is designed so that Program subscribers will pay all Program costs.

7. Program administration costs occur in three main categories: 1) administration, 2) marketing and 3) billing. Program costs will be borne by program participants and will be accounted for as set forth in the direct testimony filed in support of this Application.

8. The underlying solar resource used for the Subscriber Solar Program will be acquired through a Request for Proposals (“RFP”) process. The solar resource must be located in Utah and must either interconnect directly with the Company’s transmission or distribution system or be delivered into the Company’s service territory. The Company issued the 2015 Solar RFP May 27, 2015. The RFP documents can be found at the following web address: <http://www.pacificorp.com/sup/rfps/RFP2015s.html>. The issuance of the RFP at this time

was necessary to meet the construction schedule to take advantage of the 30 percent federal solar investment tax credit, effective through December 31, 2016.

a. The RFP schedule is set forth as follows:

<b>Event</b>	<b>Estimated Timeline</b>
RFP issued	May 27, 2015
Bidder meeting	June 3, 2015
Responses due	July 20, 2015
Shortlist selection	August 14, 2015
Shortlist submitted to Utah DPU	September 4, 2015
Best and final pricing update of Shortlist	September 11, 2015
Bidder negotiations completed	October 2, 2015
Final selection	October 16, 2015
Notice to Proceed (Pending approval of Program)	November 2, 2015
Project Commercial Operation Date	December 1, 2016

9. After December 31, 2016, under current law, the credit will drop to 10 percent. To be eligible for the credit, the project must be in service by the end of 2016. Thus, pending approval of the Program, the Company expects to issue a Notice to Proceed to the winning bid on or about November 2, 2015.

10. The Company proposes to offer the Subscriber Solar Program as a pilot program. The Company is seeking approval to make a one-time acquisition of a solar resource and to implement the Program to allow subscriptions to that resource. After implementation, the Company intends to review the program to assess its viability and will make future filings with the Commission to determine whether the Program should expand to include additional solar resource acquisitions (and subsequent subscriptions) or whether it should be limited to the initial solar resource with no additional solar resources. The Company will also assess the program design to determine if modifications should be made to future subscriptions.

### III.SUMMARY OF APPLICATION

The Application requests the Commission to:

1. Approve the Subscriber Solar Program and authorize the Company to acquire a solar resource through the 2015 Solar RFP, by November 1, 2015 in order to meet the federal solar tax credit deadline.
2. Approve the proposed Schedule 73 as described in the direct testimony supporting the Application, with specific resource costs and details to be included in a supplemental filing in August 2015.
3. Find that the Subscriber Solar Program is in the public interest.

The Application is supported by two Rocky Mountain Power witnesses: Paul H. Clements, Senior Originator/Power Marketer; and Loren (“Lucky”) P. Morse, Director of Customer and Community Management for the states of Utah and Idaho. The witnesses’ prepared direct testimony is filed concurrently herewith, incorporated in the Application by reference, and summarized below.

#### **A. Paul H. Clements**

Rocky Mountain Power witness Mr. Paul H. Clements provides a detailed description of the Subscriber Solar Program including a discussion about program eligibility and the Program’s basic design. He explains that the Program is available to residential, small non-residential and large non-residential customers. Mr. Clements notes that the Subscriber Solar Program is completely voluntary so that only those who participate will pay *all* Program costs. He indicates that the Program was developed in response to customer requests and their interest in a “green tariff” or as a way for customers to meet their electricity needs with specific renewable resources.

He explains the reasons and the need for the Subscriber Solar Program, as well as the objectives and benefits of the Program. Mr. Clements explains that the Company has received

numerous informal inquiries from large industrial customers and from several municipalities regarding options for customers to purchase part or all of their electricity needs from renewable resources, even if such purchases were made at a premium to regular tariff rates. He states that the informal inquiries led the Company to perform more detailed market research to better understand the level of customer interest and how the Company could best meet the needs and desires of its customers.

Next, Mr. Clements describes how the Company will acquire the solar resources that will be used for the Program. He explains that they will be acquired through a RFP. He describes the several types of structures that can be bid into the 2015 Solar RFP process and provides key dates related to the RFP. He sets forth one of the reasons for launching the Program at this time is in order to take advantage of the 30 percent federal solar tax incentive before it expires at the end of 2016. Mr. Clements further explains the pricing structure of the Subscriber Solar Program and testifies regarding the regulatory accounting treatment of the Program.

**B. Lucky P. Morse**

Rocky Mountain Power witness Mr. Lucky P. Morse provides an overview of the administration costs and the customer billing procedures associated with the proposed Subscriber Solar Program. Mr. Morse describes that the three main costs categories of the Program include 1) administration; 2) marketing and 3) billing. He provides that the projected Program administration costs will average approximately \$600k per year. Mr. Morse also includes an example of how the Subscriber Solar Program will impact customers' bills and addresses how unused subscriber solar energy can be banked.

#### **IV. RELIEF REQUESTED**

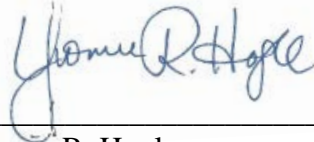
For the reasons set forth in this Application and accompanying testimony, Rocky Mountain Power respectfully requests the Commission to:

- 1) Consider this Application and grant all relief requested herein, and
- 2) Grant such other relief as the Commission may deem necessary.

DATED this 16<sup>th</sup> day of June, 2015.

Respectfully submitted,

ROCKY MOUNTAIN POWER

A handwritten signature in blue ink that reads "Yvonne R. Hogle". The signature is written in a cursive style with a large initial "Y".

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Yvonne R. Hogle  
Attorney for Rocky Mountain Power