

Rocky Mountain Power Renewables Opinion Leader Research

Background

During the 2014 Utah legislative session, Rocky Mountain Power witnessed significant activity related to customers seeking access to more renewable generation and having greater customer choice. The Company (Rocky Mountain Power) began an effort to focus specifically on ways to provide Utah customers with more renewable generation. In order to effectively meet the needs of Utah Rocky Mountain Power customers, the Company met individually with thirty-two Utah opinion leaders to hear what they thought regarding potential renewable program offerings. Below summarizes the outcome of these discussions.

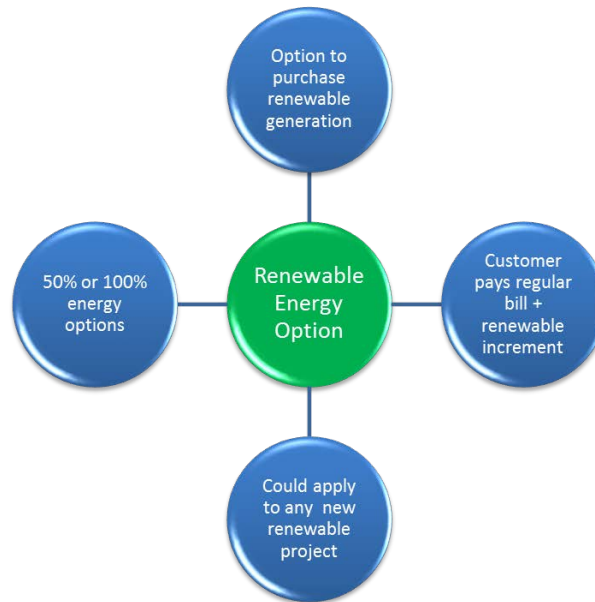
The interviews were conducted from May through July 2014 and were designed to gather feedback and input from key stakeholders about two concepts under consideration by the Company. Questions were posed related to each concept and which ultimately would be most preferable.

The first concept is Subscriber Solar, which enables customers to lease or buy a portion of a Company-owned solar project at a fixed monthly fee. Customers would receive a monthly generation credit, based on a solar model curve.



The second concept is a renewable energy tariff, which would not be a REC-based program, but rather a mechanism for customers to pay the actual above-market cost of solar to support future company projects/power purchase agreements. This option would give customers the ability to be 50% or 100% “green,” however they would not receive a generation credit.

As part of some of the discussions, the notion of all Utah customers paying towards reducing the cost of solar was reviewed.



Opinion Leader Research Outcome- Questions discussed

1. Is developing a renewable energy program the right thing to do?

Nearly all participants agreed that offering customers a choice to either support or participate in obtaining renewable energy makes sense and is desirable. In addition, some opinion leaders agreed that if Rocky Mountain Power doesn't provide an option they will like be forced to at some point.

2. Explain your understanding of the Blue Sky Program and your community's interest in it.

Many of the opinion leaders were familiar with the program and grateful for the benefits derived from the program. However, the thought of the program evolving to meet the needs of changing customer desires is important. In addition, the whole valuation and discussion of the program being REC based can be confusing.

3. Please share your thoughts on the Renewable Energy Tariff (RET) concept.

Opinions were mixed related to this program. It would provide customers the opportunity to pay a premium to support physical projects. There were thoughts that the program is not tangible

enough, however it provides customers the option of 50% to 100% renewable and certain customers may want this. In addition, the concern of lowering the cost of solar to a reasonable level would be a key to ensuring that this program is a success for customers and Rocky Mountain Power.

4. Please share your thoughts on the Subscriber Solar concept.

Even though electrons cannot be tagged, this program was more widely accepted due to the tangibility of a solar resource to which a customer can point and say “I get my solar energy from that.” A minimum term commitment was acceptable and the need for potential savings (hedge against future power costs) from the program should be provided to subscribing customers. Opinion leaders felt that this option would be good for customers who for one reason or another cannot or will not install roof-top solar but want to buy renewable energy. In order for this to be a true alternative to net metering, opinion leaders felt the cost benefits must line up. It was also brought up that Subscriber Solar could be set up like a power purchase agreement between the customer and the utility. In addition, it was emphasized to make sure the lag time from when customers subscribe to when it is actually available is as short as possible. A few more points raised through interviews include, it is important to hold non-participating Utah customers cost neutral on the program, in addition the notion of a proposed solar curve as the basis for determining the value of kilowatt hours that are used made sense. Regarding this as true-up to actual production seemed important. Making sure customers “feel” the generation when it matters most, like in the summer months is also an important variable to consider. Receiving a generation credit seemed to be an appealing factor as well.

5. When comparing the RET to the Subscriber Solar concept, which do you believe would most likely be adopted?

More than half of the opinion leaders that were interviewed supported the Subscriber Solar concept over a Renewable Energy Tariff.

6. What would you do differently related to this program (RMP renewable programs)?

Opinion leaders felt that having a program that is accessible to everyone and that makes financial sense is important.

7. What hurdles or concerns do you see/have related to these concepts?

Some of the takeaways include: 1) without a hedge against power costs, the Renewable Energy Tariff will be difficult to sale as a benefit to customers, 2) it will be important to not confuse customers and to make them wait too long and 3) how RECs will be treated is an important item to work through.

Summary

Rocky Mountain Power should roll out a program, with a Subscriber Solar structure being the preferred model, that makes financial sense and provides customers with a choice to purchase renewable generation (i.e. solar). The program should be rolled out in a timely fashion.