



August 27, 2015

VIA EMAIL AND HAND DELIVERY

UTAH PUBLIC SERVICE COMMISSION
Heber M. Wells Building
160 East 300 South, 4th Floor
Salt Lake City, Utah 84111

Re: Docket No. 15-035-61: In the Matter of the Application of Rocky Mountain Power for Approval of its Subscriber Solar Program (Schedule 73)

Introduction and Background

On June 16, 2015, Rocky Mountain Power (Company) filed an application for approval of its Subscriber Solar Program (Program). The Public Service Commission (Commission) held a technical conference on July 10 at which the Company presented additional details about the structure of its proposed Program. Thereafter, parties to the docket met on July 23 and 31, 2015, to discuss details of the Program and to determine if agreement could be reached to support the proposed Program. Utah Clean Energy participated in each of the July 10, 23 and 31 meetings.

On August 12 Utah Clean Energy, the Division of Public Utilities, the Office of Consumer Services, Salt Lake City, and the Utah Association of Energy Users filed initial comments on the Company's proposed program. The Company is expected to submit a supplemental filing on August 27 with additional program details. Utah Clean Energy hereby submits reply comments in response to the comments filed by the DPU on August 12.

Comments

In initial comments filed on August 12 the Division of Public Utilities expressed concern with the potential that the proposed program could be undersubscribed. However, the DPU also notes that at the anticipated resource price, "NPC of the facility would be comparable to other renewable generators either owned by the Company or through PPAs. Rates would not be

adversely impacted by NPC as a result.”¹ The DPU also notes that surveys conducted by the Company conclude that there is significant interest in a program such as the one outlined by the Company.

UCE recognizes that this Program represents a small risk to ratepayers if it is undersubscribed and the marketing and administration costs must be collected from non-participating rate payers. However, we believe that the risk of undersubscription is low and the magnitude of the impact is also quite low. The Company is facing a changing energy landscape. It is a challenge for utilities to keep pace with rapid technological change and respond to changing customer needs. Pilot programs are not entirely without risk, but to the extent that risks to ratepayers are kept relatively low, pilot programs give utilities the opportunity to test and evaluate new services, products, and technologies that could have significant benefits to customers.

Given that the net power costs are in line with other current contracts, the potential risk to ratepayers is limited to administration and marketing costs for unsubscribed capacity. Utah Clean Energy believes that given the pilot nature of this project and the likely high customer demand the potential value of this pilot program outweighs the risk.

In the Company’s initial filing the Company proposed dividing the initial capacity offering among three categories of customers (residential, small non-residential, and large non-residential). The Office recommends reallocating capacity among the three customer groups if the program is not fully subscribed after 6 months in order to manage the potential risk to non-participating customers. Utah Clean Energy agrees that this approach will give the Company flexibility to respond to customer demand for this Program and ensure that the Program is fully subscribed more quickly.

Furthermore, as described in UCE’s initial comments, the risk of undersubscription is reduced to the extent that marketing and administration costs are controlled to a reasonable level and the cost of participating in the program is kept relatively low.

Discussion of Potential Customer Demand

As previously noted by UCE, the popularity of the Blue Sky Program indicates that customers are interested in participating in programs that support renewable resources. Between January

¹ See Comments of DPU, P7.

1, 2014 and December 31, 2014, over 40,000 customers purchased a total of 1,592,245 blocks representing 100 kWh each at a price of \$1.95 for each block.² Residential customers alone purchased over 1 million blocks. Whereas the Blue Sky Program allows customers to purchase RECs and participate in the development of renewable energy resources, the proposed Program would allow Rocky Mountain Power customers to purchase blocks of electricity directly from an actual solar resource at a fixed price and receive a credit towards their utility bill. Blocks of electricity are expected to represent one kilowatt of capacity and Company expressed that the initial offering is expected to be a 15 megawatt resource.³ Based on the Company's description of energy blocks, a 15 megawatt resource will create 15,000 individual blocks representing 200 kWh/month each. Based on the tremendous demand for the Blue Sky program it is likely that this pilot Program will meet the Company's projected ramp rate and become fully subscribed.

Conclusion

Utah Clean Energy remains generally supportive of this pilot program in concept. We appreciate the Company's efforts to respond to customer demand. UCE intends to continue actively working with the Company and parties to ensure that Program components are reasonable, fair, and minimize risk. Utah Clean Energy supports customer choice and providing customers who wish to do so with the opportunity to make investments in renewable energy. Utah Clean Energy intends to provide additional comments following the Company's supplemental filing on August 27, 2015. It is our intent to continue to work with the Company and other parties to agree on a fully developed and workable Program.

Sincerely,



Kate Bowman
Solar Project Coordinator

² See Docket Number: 15-035-28 In the Matter of: Rocky Mountain Power's Blue Sky Program, "RMP – Blue Sky Program."

³ See Direct Testimony of Paul H. Clements, line 230.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by email this 27th day of August 2015 on the following:

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