



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

July 25, 2017

RE: Docket No. 15-035-61 – In the Matter of Rocky Mountain Power’s Subscriber Solar Program Status Report (2017)

Dear Public Service Commission,

Background. On June 22, Rocky Mountain Power (Company) filed its Subscriber Solar Program Status Report (Report) with summary details regarding program operations from January 1, 2017 through May 31, 2017.

The Report contains information about Subscriber Solar Program (Program) project milestones, current subscription status, solar plant generation, revenues collected, program expenses, and planned outreach and engagement activities along. The Company has also provided an exhibit which illustrates the metrics described in the report. This Report is responsive to the Company’s commitment in the Settlement Stipulation filed October 8, 2016 which states that the Company will “file a report updating the Program subscription rate and other material program statistics six months after Program launch, and annually thereafter.”¹

On June 23, the Commission issued a notice of filing and comment period, with comments due July 25. Utah Clean Energy’s appreciates the opportunity to provide comments regarding the Subscriber Solar Program Status Report. Given the high levels of participation in the Solar Subscriber Program, Utah Clean Energy recommends that the Company expand the Program in the future to make subscriptions available to more customers. Our comments focus on opportunities to learn from and improve upon this pilot program. We suggest that the Company convene interested stakeholders early in the development of any future expanded Program offerings in order to discuss outcomes from this pilot and gather feedback for a future program.

¹ Docket No. 15-035-61, Amended Settlement Agreement, October 8 2016.
<https://pscdocs.utah.gov/electric/15docs/1503561/269827RMPAmendSettlementAgrmnt10-8-2015.pdf>. Page 8

Program Goals and Milestones.

Utah Clean Energy appreciates that the Company has completed all project milestones in advance of anticipated completion dates and that the initial launch of the Program was completed under budget. The Company notes that the current program reconciliation is in line with original expectations. Although the program is currently in a deficit position of \$1.47 million, this reconciliation was anticipated because initial program expenses were incurred up front but will be recovered in future years.² The Program balance is expected to reach a break-even point in the next two years.

Thus far, the Subscriber Solar program has realized higher levels of participation than anticipated. The Program subscription forecasts called for the Program to be 50% subscribed by the end of 2017, 75% subscribed by the end of 2018 and fully subscribed by the end of 2019; instead, the Program was fully subscribed by November 2, 2016, nearly two months before the plant went on-line. Cancellations and new enrollments have occurred since the Program was launched, and as a result the subscription rate has averaged 94.1% for the first five months of 2017. The high levels of participation in the Program illustrate demand for this sort of offering among the Company's customers, and we recommend the Company explore opportunities to expand this Program to more customers.

Program Revenues.

The Program was designed such that revenues collected from Program subscribers cover the entirety of Program costs. Given that the Company is realizing higher than anticipated levels of subscription, the Company has presumably collected higher than anticipated revenues from Program subscribers. According to the program costs model, the Company anticipated collecting \$1.486 million in revenue in 2017, \$2.229 million in 2018, and \$2.972 million in 2019.³ The Report notes that revenues collected thus far (from January to May 2017) total \$953,424.⁴ If participation remains at the same level through 2017, the Company can expect to collect \$2.288 million in 2017, approximately \$800,000 more than anticipated. As noted in Item 21 of the amended settlement stipulation "...revenue beyond Program costs will be assigned to class cost of service revenues or general Utah revenues."⁵ Thus it appears that at this point, the risk that

² Docket No. 15-035-61, Subscriber Solar Program Status Report.

<https://pscdocs.utah.gov/electric/15docs/1503561/294850RMPSubscribSolStatRep6-22-17.pdf>. Page 5.

³ Docket No. 15-035-61, Exhibit A – Program Costs Model. September 21, 2015.

<http://pscdocs.utah.gov/electric/15docs/1503561/269425ExASettlementAgrmnt9-21-2015.xlsm>. Cells H50, I50, J50.

⁴ Docket No. 15-035-61, Subscriber Solar Program Status Report.

<https://pscdocs.utah.gov/electric/15docs/1503561/294850RMPSubscribSolStatRep6-22-17.pdf>. Page 4.

⁵ Docket No. 15-035-61, Amended Settlement Agreement, October 8 2016.

<https://pscdocs.utah.gov/electric/15docs/1503561/269827RMPAmendSettlementAgrmnt10-8-2015.pdf>. Page 8

program revenues will not adequately cover program costs is low; in fact the opposite is true and program revenues are exceeding costs.

Commercial, Residential, and Industrial Participation.

The Subscriber Solar Program was designed to allocate subscriptions among residential customers (30%), commercial customers (30%), and industrial customers (40%).⁶ Although residential customers account for 34.4% of subscriptions, no industrial customers have subscribed to the program and the remaining subscriptions (65.7%) are attributable to commercial customers.⁷ Given the non-existent participation in the Program among the industrial class, we recommend that the Company continue to allow industrial customers to subscribe to future offerings but refrain from reserving shares for industrial customers or marketing explicitly to industrial customers.

Planned engagement activities in development.

The Company plans to engage customers through a variety of outreach strategies, the objectives of which are to:

- 1) Recognize and retain customers currently subscribed on the program;
- 2) Attract new customers to the program through promotional/marketing activities that engage and recognize current subscribers;
- 3) Build a waitlist of customers that are interested in the program, gathering a minimum of 500 reservations to enable the company to explore building another offering; and
- 4) Demonstrate the Company's commitment to the development of renewable energy solutions.

The Program has been nearly fully subscribed in its entirety thus far, so there is a low need to expend resources to attract new customers to the program through continued promotional and marketing activities. We recommend that the Company focus engagement on identified objectives 1 and 3 in order to ensure that the costs of the program continue to be covered by an adequate number of subscriptions and create a pool of customers who are interested in joining the program. When developing recognition materials and SWAG, we recommend that the Company focus on inexpensive materials that will increase awareness of the Subscriber Solar program (for example window clings, bumper stickers, or yard signs) and avoid expenditures on materials that do not meet the objectives of retaining customers currently subscribed on the

⁶ Docket No. 15-035-61, Amended Settlement Agreement, October 8 2016.

<https://pscdocs.utah.gov/electric/15docs/1503561/269827RMPAmendSettlementAgrmnt10-8-2015.pdf>. Page 3

⁷ Docket No. 15-035-61, Subscriber Solar Program Status Report.

<https://pscdocs.utah.gov/electric/15docs/1503561/294850RMPSubscribSolStatRep6-22-17.pdf>. Page 2.

program and building a waitlist of customers who are interested in the program to ensure continued full enrollment.

Recommendations for future offerings.

When considering future offerings of the Subscriber Solar program, we recommend the Company work with stakeholders to evaluate community solar programs around the country that include service to low income customers and consider ways to include low-income customers in Utah. Many states and utilities have incorporated low-income components into their community solar offerings. For example, Colorado requires at least 5% of community solar projects to be reserved for low-income customers,⁸ and the Colorado Energy Office is developing 5 – 12 community solar projects that are expected to deliver 1 MW of solar power to at least 300 low-income subscribers.⁹ If the Company decides to expand the Subscriber Solar Program, we recommend that the Company convene interested stakeholders to explore ways to ensure that low-income customers have cost-effective opportunities to access power generated from solar energy.

Utah Clean Energy appreciates the information the Company has provided in this report and the opportunity to provide these comments. We hope to have the opportunity to work with the Company on the development of additional Subscriber Solar offerings in the future.

With best regards,

Kate Bowman, Solar Project Coordinator
Utah Clean Energy

⁸ Colorado PUC Docket No. 10R-674E. COPUC Decision. July 25, 2011.

<https://www.sos.state.co.us/CCR/Upload/AGORequest/BasisandPurposeAttachment2011-00029.PDF>. Page 6

⁹ Colorado Energy Office. Community Solar. <https://www.colorado.gov/pacific/energyoffice/community-solar>.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by email this 25th day of July, 2017, on the following:

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/s/ Kate Bowman