



State of Utah
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Division of Public Utilities

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ACTION REQUEST RESPONSE

To: Utah Public Service Commission

From: Utah Division of Public Utilities
Chris Parker, Director
Artie Powell, Energy Section Manager
Bob Davis, Utility Analyst
Lori Foster, Utility Analyst

Date: July 1, 2016

Re: Docket No. 16-035-21 – RMP SOLAR PHOTOVOLTAIC INCENTIVE PROGRAM 2016 ANNUAL REPORT In the Matter of Rocky Mountain Power's Photovoltaic Incentive Program (Schedule 107) 2016 Annual Report.

RECOMMENDATION (ACKNOWLEDGE)

The Division of Public Utilities (Division) has reviewed Rocky Mountain Power's (RMP or Company) Utah Solar Photovoltaic Incentive Program Annual Report (Report) for the period ending December 31, 2015, and finds that it meets the Utah Public Service Commission's (Commission) reporting requirements for the data that were available for reporting.

ISSUE

On July 26, 2012, the Commission held a duly-noticed scheduling conference in Docket No. 11-035-104 to set a procedural schedule for processing an application for approval of a new Solar Incentive Program (Program). On August 10, 2012 Rocky Mountain Power filed its application of a Solar Incentive Program and proposed Electric Service Schedules 107 and 195 and requested an effective date of October 12, 2012. As outlined in the Scheduling Order in Docket No. 11-035-104 dated July 27, 2012, comments on the application were due August 29, 2012.

The Division filed comments on the application August 29, 2012. On September 12, 2012 the Commission held a hearing on the Application. The Commission issued its Report and Order in Docket No. 11-035-104 approving the Solar Incentive Program with an effective date of October 12, 2012. One of the requirements in the order was that the Company file an annual report of the Program. The Company filed with the Commission its Utah Solar Photovoltaic Incentive Program Annual Report for the 2015 program year on June 1, 2016. On June 1, 2016, the Commission issued an Action Request to the Division to review the Report for compliance and make recommendations. This memorandum is the Division's response to that request.

DISCUSSION

In its Order dated October 1, 2012 in Docket No. 11-035-104 the Commission ordered,

The Company will file an annual report for each Program year by June 1 of the following year. The Company may propose adjustments to Program parameters to account for, among other things, possible needed changes in the incentive structure and the effects of fluctuations in demand. The Application specifies that any Program adjustments will require Commission approval and will be announced by October 31, preceding the start of the Program.

The Order states that the Company's annual report "shall include but not be limited to: the number of applications, the number and size of completed installations, the total costs of all completed installations, generation data for large systems, and the number, if any, of surrendered deposits."¹ The Company will provide cumulative data and data from each program year in the annual report as the program progresses.

As a result of the Division's 2014 review, the Division requested that additional information be included in future reports. Since all projects may not be completed when the report is compiled the Division suggested that the data for previous programs year(s), current program year and cumulative totals be included for all sections of the report. For the System Specific Information (Attachment A) the Division requested the following additions: date deposit was received, date project was completed, date incentive was paid, subtotals for each sector, and grand totals.

¹ Docket No. 11-035-104, In the Matter of the Investigation into Extending and Expanding the Solar Incentive Program and Possible Development of an Ongoing Program. Issued October 1, 2012, page 10.

Program costs are tracked in a balancing account, the Division requested that summary entries and account balance be included in future annual reports. Upon conclusion of the Company's annual report for year ending 2014, the Commission accepted the Office of Consumer Service (OCS) suggestions that the Company should provide a line in the summary showing the expired deposits and a footnote or explanation of the variance between Exhibit A numbers for (kW_{CSI-AC}) and those contained in the report.²

These requests are included in the 2016 report, with the exception of the footnote in Exhibit A explaining the variance between Exhibit A (kW_{CSI-AC}) and the (kW_{CSI-AC}) in the report for each class over the program years. The Company created an additional column in Exhibit A (Incentivized Size kW_{CSI-AC}) to explain the variance. The difference occurs as a result of the report showing the (kW_{CSI-AC}) as applied for during the application process whereas Exhibit A shows the actual (kW_{CSI-AC}) after the completed installation. The Company pays the incentive based on the application amount. Column (Incentivized Size kW_{CSI-AC}) illustrates the amount that ties to the report.

The Company will use surrendered deposits as an offset to the administrative costs of the program. At the time the Company determines that all projects from a program year are either not being installed or not complete, the Company will transfer all surrendered deposits for the program year as a credit to the deferred account. The Division requested that the entry be shown as a separate line item in Table 12 of future reports, which shows as "Expired Credits" in this year's report.

The Company provided the total renewable energy certificates (RECs) obtained from projects affiliated with the program and provided both annual and cumulative totals. For ease of calculation, the Company will begin collecting RECs the first full month after the incentive has been paid to the participant. The calculation will be based on an assumption of 0.023 RECs per month per incentivized (kW_{CSI-AC}). Columns have been added to Attachment A with the

² See Docket No. 15-035-57, Commission Letter to Company dated August 24, 2015 at page 2 and OCS's recommendation comments dated July 1, 2015 at page 3.

incentive payment date, the assumed monthly REC total, and the total RECs assumed through May 2016.

CONCLUSION

The Company filed a revised Exhibit B to correct entry errors on some of the data for the large non-residential participants. The Division has reviewed the revisions and has no further issues at this time.

The Company included the additional information that was requested for annual reports. These items include prior year(s) as well as cumulative program data; dates, the amount of RECs obtained through the Program for that year and cumulatively to System Specific Information spreadsheet; an explanation of the variance between Exhibit A and the report; and the Program's balancing account summary entries and account balance including expired deposits.

The Division recommends that the Commission acknowledge the Company's Utah Solar Photovoltaic Incentive Program Annual Report that was filed on June 1, 2016.

CC Jeffrey K. Larsen, RMP
Bob Lively, RMP
Michele Beck, OCS