



We Partner to Build the New Clean Energy Economy

July 1, 2016

VIA HAND DELIVERY

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

Re: Docket No. 16-035-21—In the Matter of Rocky Mountain Power's Solar Photovoltaic Incentive Program Annual Report 2016

Dear Public Service Commission,

On June 1, 2016 Rocky Mountain Power (“the Company”) filed *its Annual Report of the updated results of the Solar Photovoltaic Incentive Program*, including complete information from the 2013 Program Year and updates on the 2014, 2015 and 2016 Program Years. On June 2, 2016 the Commission issued a notice of filing and comment period inviting interested parties to submit comments on the Annual Report by July 1, 2016 (and reply comments by July 15). Utah Clean Energy appreciates the opportunity to comment on Rocky Mountain Power’s Solar Incentive Program 2016 Annual Report and submits the following comments and recommendations regarding the solar incentive program.

As required by the Commission’s October 1, 2012 Order in Docket No. 11-035-104, the Annual Report contains information about the number of applications, the number and size of completed installations, the total installed costs of all completed installations, generation data for large systems, and the number of surrendered deposits. Following the publication of the 2015 Solar Incentive Program Annual Report, the Utah Office of Consumer Services (“the Office”) made a request in comments dated July 1, 2015, in Docket No. 15-035-57 that Rocky Mountain Power add a line to the Program Account Summary indicating that surrendered deposits have been applied as a credit to the Program Account. The 2016 Annual Report includes this update and indicates that \$180,884 in surrendered deposits were credited to the Program Account Summary in 2016. Utah Clean Energy would like to thank Rocky Mountain Power for providing this summary of the Solar Incentive Program and continuing to provide updates on the results of previous years of the program.

As noted by Rocky Mountain Power in the 2016 Annual Report, the Solar Incentive Program has been canceled pursuant to Section 54-7-12.8(4) of Senate Bill 115, passed in the 2016 Utah state legislature, and therefore the Company will not be accepting future applications for the Utah

Solar Incentive Program. The Utah Solar Incentive Program was approved by the Commission for a period of five years (2013 – 2017), at a total cost of \$50 million, and was designed to incent the development of 60 megawatts of solar PV. To date, according to the Annual Report, the Solar Incentive Program has resulted in the development of 34 megawatts of solar PV (including all completed projects, applications from 2014 listed as “currently active,” and projects awarded capacity in 2016 that have received the incentive and paid a deposit.)

The Commission’s October 1, 2012, order approving the Utah Solar Incentive Program notes that the Program was cost effective and was supported by the Company as well as by all other participants in the docket. The Division of Public Utilities testified that based on The Cadmus Group’s Utility Cost Test, the Utah Solar Incentive Program compared very favorably to demand side management and energy efficiency programs and that the benefit to cost ratio of the Solar Incentive Program was 1.75. The Commission further noted that “The allocation and recovery of Program costs is just and reasonable, and reflective of the system wide benefits the Program is expected to generate.”¹

Although the Solar Incentive Program was canceled by Senate Bill 115 in order to pay for a suite of new, not necessarily cost effective, programs, the legislation allows the Commission to approve the collection of additional funds for cost effective programs. Senate Bill 115 states that Commission may authorize the Company to establish funding, outside of STEP, for “a conservation, efficiency, or new technology program” if the program is cost effective and in the public interest.² Given that the Solar Incentive Program was so cost-effective, we believe that it will be in ratepayers’ best interest to consider whether the creation of a new incentive program for distributed energy resources is worthwhile. Utah Clean Energy is not proposing such an investigation or new program at this time. However, we believe that the statute clearly allows the Commission to consider a new incentive program at any time.

The cost of solar PV has fallen since the Solar Incentive Program’s pilot inception in 2007 and continuation in 2012, and Utah Clean Energy believes a new incentive program could be structured to incent continued development of distributed energy resources such that a new program is even more cost effective. Original rebate incentive levels were selected based on feedback from, and research about, the solar industry and participants, and it may be appropriate to use a similar process to gather feedback about appropriately incenting continued distributed resource development through lower incentive levels or an incentive for specific categories of customers. For example, a new incentive program could specifically target commercial and

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,” Page 8.

² 54-20-105(3).



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industrial customers or incorporate new technologies, such as battery storage, that enhance the system wide benefits of solar PV.

Utah Clean Energy appreciates the opportunity to review the results of the Utah Solar Incentive Program and learn from the Company's experience administering the program. Thank you for the opportunity to provide comments on the Utah Solar Incentive Program.

Sincerely,

A handwritten signature in cursive script that reads "Kate Bowman".

Kate Bowman,
Solar Project Coordinator
UTAH CLEAN ENERGY



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CERTIFICATE OF SERVICE

Docket No. 16-035-21

I CERTIFY that on the 1st of July, 2016, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Electronic-Mail:

Rocky Mountain Power:

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Utah Clean Energy

/s/ Kate Bowman

Kate Bowman