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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: Utah Public Service Commission

From: Office of Consumer Services
Michele Beck, Director
Cheryl Murray, Utility Analyst

Date: June 30, 2020

Re: In the Matter of Rocky Mountain Power's Solar Photovoltaic Incentive Program
(Schedule 107) 2020 Annual Report - Docket No. 20-035-26.

Background

On June 1, 2020, Rocky Mountain Power (RMP) filed its Solar Photovoltaic Incentive Program (Schedule 107 or Program) 2020 Annual Report (2020 Report) which presents Program results and account balances through April 30, 2020. On June 3, 2020, the Public Service Commission (the PSC) issued a notice of filing and comment period allowing interested parties to submit comments on RMP's 2020 Report on or before Wednesday, July 1, 2020, and reply comments no later than Thursday, July 16, 2020. Accordingly, the Office of Consumer Services (OCS) submits the following comments on the 2020 Report.

RMP notes that the 2020 Report is submitted in compliance with the PSC's October 1, 2012 Order (Docket No. 11-035-104)¹ providing authority for RMP to implement a Solar Incentive Pilot Program and requiring that RMP provide annual reports on the Program. This is RMP's seventh annual report on the Program.

As required the 2020 Report includes the following information:

- 1) Program total for interconnected projects
- 2) Production meter data for large non-residential projects (Attachment B)
- 3) Program account summary
- 4) Projected expenditures by year
- 5) Renewable energy certificates
- 6) System specific information (Attachment A)

¹ Reporting requirements for the USIP were modified in Docket No. 18-035-24 because the Program had stopped accepting new applications as of December 31, 2016.

RMP also provides a reconciliation to information presented in annual STEP reports.

Discussion

The 2020 Report includes summarized information from Program years 2013, 2014, 2015 and 2016. Pursuant to Section 54-7-12.8(4) of Senate Bill 115² the Program has ended and RMP stopped accepting new applications for the solar incentive program on December 31, 2016.

Goal of Program

Initially the five-year Program was intended to encourage the development of 60 Megawatts (MW) of distributed solar generation capacity. With the passage of Senate Bill 115, ending the Program on December 31, 2016, the Program life was reduced to four years. Therefore, the capacity target was reduced to 44.5 MWs. RMP reports that in total the Program provided incentives for the installation of 30.28 MWs.

Compliance with Commission Reporting Requirements

Program Totals for Interconnected Projects

The 2020 Report includes Table 1, below, showing completed projects by program year for 2013 through 2016.

Table 1. Completed Projects

Program Year	Residential	Small Non-Res	Large Non-Res	Total
2013	130	98	7	235
2014	140	90	11	241
2015	140	215	14	369
2016 ¹	141	202	19	362
Program Total	551	605	51	1,207

Total installed capacity kW csi-AC, is shown by year in Table 2 of the 2020 Report.

² Senate Bill 115 passed in the 2016 Utah state legislature.

Table 2. Installed Capacity kW CSI-AC

Program Year	Residential	Small Non-Res	Large Non-Res	Total
2013	358 kW	1,752 kW	2,383 kW	4,493 kW
2014	447 kW	1,565 kW	3,729 kW	5,741 kW
2015	516 kW	3,954 kW	4,212 kW	8,682 kW
2016 ¹	528 kW	4,135 kW	6,629 kW	11,292 kW
Program Total	1,849 kW	11,406 kW	16,953 kW	30,208 kW

Program total completed projects for all customer groups reached 1,207; resulting in a total installed capacity kW CSI-AC of 30,208 kW.³

Production Meter Data for Large Non-Residential Projects

Attachment B provides the Large Non-Residential Production Data by customer. This information is important because these large customers receive incentives based on actual production from their solar resource. The 2020 Report, contains several cells with yellow or blue highlights. Cells with yellow highlighting means “Data was modified between 2019 and 2020 reports” and blue indicates, “Final read affiliated with payments”. OCS appreciates the notations identifying these specific cells.

Program Account Summary

The Company provides an account summary of the program for years 2012 through 2020 in Table 4 on page 3.

Table 4. USIP Account Summary

Table 4. USIP Account Summary (With Electric Service Schedule 107 revenues only)											
Utah Solar Incentive Program Account - Through April 2020											
		Program Total	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program Revenue		(25,269,989)	(961,324)	(6,293,704)	(6,320,828)	(6,317,639)	(6,323,285)	(308,633)	-	227,376	1,028,048
Program Expenditures:											
Incentive		-	981,796	2,328,676	3,292,006	4,884,763	4,766,963	3,459,713	2,317,571	613,859	
Program Administration		-	253,665	322,664	173,248	412,866	94,788	27,098	13,807	679	
Marketing		55,905	35,744	25,995	14,515	336	-	-	-	-	
Program Development		30,748	99,140	577	-	-	-	-	-	-	
Expired Deposits		-	-	-	-	(103,963)	(99,568)	-	(157,638)	-	
Cool Keeper program		-	-	-	-	(200,000)	-	-	-	-	
Total Expenditures		23,645,952	86,653	1,370,345	2,677,912	3,479,769	4,994,002	4,762,183	3,486,811	2,173,740	614,538
Interest		(3,533,932)	(5,995)	(219,165)	(473,909)	(721,712)	(685,628)	(627,425)	(569,938)	(147,937)	(82,224)
USIP Account Balance (Sch. 107 only)		(5,157,970)									

³ The Program ended in 2016 therefore these numbers do not change in the annual reports.

Expired Deposits (Surrendered Deposits)

The expired deposits in Table 4 above reflect the timing of when they were surrendered and transferred to the USIP account. The date of surrender does not precisely match the timing of transfer to the USIP account. Table 3 (Surrendered Deposits) in the 2020 Report identifies the total amount of surrendered deposits as \$397,990.35, whereas the total expired deposits amount on Table 4 is \$361,169. In order to understand the discrepancy OCS issued the following data request:

OCS Data Request 1.4

Please refer to Table 3. Total Surrendered Deposits are \$397,990.35. Table 4 shows total Expired Deposits of \$361,169. Are the differences solely timing issues? If so, at what point does RMP anticipate that the totals will match?

RMP Response to OCS Data Request 1.4

The correct total of surrendered deposits is \$396,990.35 contained in Table 3. Table 4 unintentionally omitted \$36,821 of surrendered deposits from 2015. This amount has been included in previous years in the report. The Company will submit a report with a corrected Table 4 in reply comments.

Projected Expenditures by Year

Table 5 provides the USIP projected expenditures from May – Dec of 2020 through 2023, by which time all program costs should be finalized.

Table 5. USIP Projected Expenditures

	May- Dec 2020				Program Totals
	Total	2021 Total	2022 Total	2023 Total	
Administration	\$ 5,100.00	\$ 15,900.00	\$ 15,900.00	\$ 14,300.00	\$ 51,200.00
Incentive Payouts	\$ 1,362,687.48	\$ 1,184,331.85	\$ 668,101.91	\$ -	\$ 3,215,121.23
Total Program Costs	\$ 1,367,787.48	\$ 1,200,231.85	\$ 684,001.91	\$ 14,300.00	\$ 3,266,321.23

Renewable Energy Certificates

Table 6, on page 3 of the 2020 Report shows the proportional share of RECs from program inception through May 2020, generated by systems that receive an incentive through this Program. Thus, 33,074 RECs are designated to be used to benefit all RMP Utah ratepayers. RMP states that due to the complexity and expense of registering the small

generation facilities through Western Renewable Energy Generation Information System, the program is not currently creating RECs that can be transferred or retired.

OCS recognizes the complexity and expense that may be required to certify and retire RECs from the Program. Potentially, at some future point the benefit may outweigh the expense. Until such time we understand RMP's reluctance to incur the expense involved with registration and retirement of these RECs.

System Specific Information

Attachment A contains system specific information for each project. The data is presented for years 2013 through May 2020. For each system the following information is provided, where applicable: Application number; host customer sector; initial payment; one-time payment; incentive amount; total system cost; nameplate rating; CSI rating; incentivized size; city; county; zip code; incentive payment date; assumed RECs per month; and assumed RECs for various years. Attachment A provides a good overview of Program participant details.

Reconciliation to the Annual STEP Report

RMP is required to provide a reconciliation of the USIP account and information presented in the annual STEP reports. RMP notes that the information in Table 4 was also provided As Table 1 on page 19.0 of RMP's most recent annual STEP report for calendar year 2019 in Docket No. 20-035-21. RMP explains the tables in the reports are consistent except that this Report provides information for January through April of 2020. OCS has verified that the information on the referenced tables do match with the exception noted by RMP.

USIP Program Revenue Surplus Refund

On August 20, 2019, the PSC approved a refund of surplus revenue previously collected through Electric Service Schedule 107 to fund the USIP program. (Docket No. 19-035-T12) Using Electric Service Schedule 196 (Sustainable Transportation and Energy Plan cost adjustment pilot program), RMP is to refund \$3.06 million over one year beginning November 1, 2019. As of April 20, 2020 customers have received \$1,255,424 of the \$3.06 million refund.

Concluding Comments

OCS believes that the 2020 Report complies with current PSC reporting requirements for the Solar Photovoltaic Incentive Program Annual Report. OCS found the level of detail and explanation provided in the Report to be useful and we appreciate RMP's efforts in providing the information.

Recommendation

OCS recommends that the PSC acknowledge RMP's 2020 Report as meeting the PSC's reporting requirements.

CC: Artie Powell, Division of Public Utilities
Jana Saba, Rocky Mountain Power