



State of Utah  
Department of Commerce  
Division of Public Utilities

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## ACTION REQUEST RESPONSE

To: Public Service Commission of Utah

From: Division of Public Utilities  
Chris Parker, Director  
Energy Section  
Artie Powell, Manager  
Brenda Salter, Technical Consultant  
Carolyn Roll, Utility Analyst

Date: April 22, 2013

Re: **Recommendation—Acknowledgement, RMP Solar Photovoltaic Incentive Program (Schedule No. 107) Annual Report for Program Year 2012.**

Docket No. 07-035-T14, Rocky Mountain Power's Solar Photovoltaic Incentive Program (Schedule No. 107) Annual Report for Program Year 2012, DPU's Review and Recommendation - Acknowledgement

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### RECOMMENDATION (ACKNOWLEDGEMENT)

The Division of Public Utilities (Division) recommends that the Utah Public Service Commission (Commission) acknowledge the annual report for the 2012 program year for the Solar Photovoltaic Incentive Program offered through Schedule 107. The annual report for the 2012 program year meets the Commission's reporting requirement for the program.

### ISSUE

In its August 3, 2007 Order in Docket No. 07-035-T14, the Commission ordered Rocky Mountain Power (Company) to provide an annual report of the Utah Solar Photovoltaic Incentive Program (Schedule 107). The Commission directed that this report shall present information on completed projects, program expenditures, and recommendations for the following year.

In compliance with the Commission's Order in Docket No. 07-035-T14, on March 29, 2013 the Company filed its 2012 Solar Photovoltaic Incentive Program Annual Report. On April 1, 2013 the Commission issued an Action Request to the Division for a review of the Utah Solar Incentive Program 2012 Annual Report. This memorandum is in response to the Commission's Action Request.

## **DISCUSSION**

The 2012 Annual Report presents information on: 1) the program goal; 2) important dates, data, and activities of the 2012 program; 3) a summary of 2012 program results; 4) key findings from 2012; and 5) the cost-effectiveness results for the proposed Utah Solar Incentive Program conducted by The Cadmus Group. It also includes a discussion of changes incorporated in program year 2012. An appendix lists detailed 2012 program project data, including both 2012 program residential and non-residential participants as well as residential withdrawn and waiting list participants.

The program goal is to gather market-based information on the viability of a Utah solar incentive program funded by the Company. The intent has been to provide an assessment of both benefits and costs of solar photovoltaic systems in Utah, to gain experience with program administration, and to acquire customer acceptance information. The application acceptance dates were March 1, 2012 through March 14, 2012<sup>1</sup>, with an installation completion date of December 31, 2012. The 2012 program also used a waiting list. As a result of 2011 project cancellations, 6.475 kW of residential capacity and 3.817 kW of non-residential capacity were carried over to the 2012 program. A summary table lists the program installed capacity and expenditures, with administrative costs shown separately.<sup>2</sup>

Key findings are presented for installed system costs; contractor/self-installation information; participant location; marketing; and equipment availability. A critical focus of the program is to assess the benefits of solar photovoltaic installations to the Company's system, and in particular,

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<sup>1</sup> The enrollment process changed from a first come, first served process to a lottery system.

<sup>2</sup> On page 4 of the report the year 2011 is referenced, it should have been the year 2012, the data in the table is correct and is data for program year 2012.

its contribution to peak demand. Prior Program annual reports have outlined the challenges of having customers provide output data from their system inverters. In 2011 Program participants were required to install generation meter sockets and the company installed 15 minute interval production meters at all Program sites. Interval data from this pool of installed meters will be used to correlate/validate PV Watts data for systems. The actual data will be used in place of PV Watts estimates where available. The 2011 Annual Report presented graphical data for a comparison of photovoltaic system production of total system load. Solar generation output is derived from actual metered data and peaks earlier in the afternoon than the system peak, which is later in the day around 6 pm. South facing solar panels produce more energy at mid-day and less energy during the typical evening system peak hour.

During discussions concerning extension of the Program into 2012, there was significant dialogue regarding the cost of installing 15 minute interval meters at all Program sites. In response to these discussions, in the 2012 Program year, participants were required to install a production meter base, but instead of installing a 15 minute interval meter, Rocky Mountain Power installed a standard radio frequency meter. This did not provide the same granularity of production data, but still provided overall production information for participants in the Program. This reduced the administrative costs of Program.

Changes incorporated in program year 2012 are also described in detail. On December 21, 2011 the Commission issued an Order in Docket No. 11-035-104 that extended the program for one additional year beyond its initial five years. For this one-year extended program the incentive remains at \$1.55/watt, but the program kW capacity was doubled. The Company submitted a letter to the Commission on January 31, 2012 that outlined modifications for the 2012 program year. The intent of the program changes was to minimize administrative expenses. The Division noted that the Commission, in its December 21, 2011 Order in Docket No. 11-035-104, directed that program administrative costs should be in the 10-15 percent range. With nine months for approved projects to be constructed, changes in customer's available funding throughout the year precluded all of the available capacity and incentives from being fully utilized in the prescribed time frames. As a result the administrative costs were slightly above the targeted 15%, at 16.6%.

Program changes incorporated for 2012 include metering changes, the enrollment and inspection process changes.

Rocky Mountain Power did not conduct a separate cost effectiveness analysis of program year 2012. During the process of evaluating the expansion of the Utah Solar Incentive Program in Docket 11-034-104, a thorough cost effectiveness study was conducted by a third party consultant. This analysis was completed in August of 2012. The Company believes that the administrative cost of conducting a similar analysis, with the less complete monthly production data collected in 2012, outweighs any benefit gained from an additional study. The Company included the August 2012 Cost Effectiveness study relied on for the expansion of the Utah Solar Incentive Program. The Division believes this is a reasonable approach.

The Commission, in its December 21, 2011 Order in Docket No. 11-035-104 directed the Division to work with interested parties to investigate extending and expanding the Solar Incentive Program. The workgroup reached a consensus and on August 10, 2012 the Company filed its application of a Solar Incentive Program and requested an effective date of October 12, 2012. On August 29, 2012 the Division recommended that the Commission approve the Company's application. The Commission issued their order on October 1, 2012 approving the Application, the Program, and proposed Schedules 107 and 195 as filed, with an effective October 12, 2012.

## **CONCLUSION**

The Division recommends that the Commission acknowledge the annual report for the 2012 program year for the Solar Photovoltaic Incentive Program (offered through Schedule 107), meets the Commission's reporting requirement for the program.

CC: Dave Taylor, RMP  
Michele Beck, OCS  
Service List