

Energy

UTAH PUBLIC
SERVICE COMMISSION

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Utah Public Service Commission
Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84114

Subject: Comments on Docket 07-035-T14 – In the Matter of the Approval of Rocky Mountain Power's Tariff P.S.C.U. No. 47, Re. Schedule 107 - Solar Incentive Program: Request for Comments

Dear Utah Public Service Commission:

In response to your request for comments on Docket 07-035-T14 and whether or not a continued or expanded solar PV program in Utah is appropriate and how that program might be structured, we submit the following comments. We appreciate the opportunity to provide input on this matter.

As representatives of businesses operating in Utah, we are supportive of the continuation and expansion of Rocky Mountain Power's Solar Incentive Program. We consider the program to be an important tool to drive local economic development, create jobs, and provide important risk mitigation benefits. As Utah's energy demands continue to grow, we think it is prudent to pursue opportunities to balance our energy portfolio and provide price certainty increasing risks inherent to the energy sector. We believe that the utility solar incentive program can offer an economical resource for Rocky Mountain Power and its customers, while also helping to diversify our energy mix.

It is our understanding that PacifiCorp recently ran some sensitivity analyses, as part of their 2011 Integrated Resource Plan, to model a distributed solar incentive program (both a \$2/watt and a \$1.50/watt incentive). The 2011 IRP indicates that the model selected all of the available solar, which suggests that a continued and expanded solar incentive program can be an economic resource for ratepayers. In addition, in Rocky Mountain Power's Three-Year Assessment of the Solar Incentive Program, RMP provided two different cost-benefit analyses of the program with 5

⁵ *Three-Year Assessment of the Solar Incentive Program*, Rocky Mountain Power, 12/13/10, p. 9, Docket No. 07-035-114 – In the Matter of Approval of Rocky Mountain Power's Tariff P.S.C.U. No. 47, Re: Schedule 107 Solar Incentive Program

and 10 percent administrative costs, which dramatically improved the cost-effectiveness of the program. Given these two pieces of information, we recommend the Commission approve an expanded solar program (with lower administrative costs, such that it passes the utility cost test). An expanded utility incentive would lead to greater private investments in solar, which would have numerous positive impacts on Utah's economy

Utah's untapped solar energy resource and vast rooftop space offer promising opportunities to reduce consumer energy consumption and provide additional value to Utah's energy grid. Rocky Mountain Power notes in their 2010 annual report that "solar resources, while not coincident with system peaks do contribute a percentage of energy during the higher load and energy cost hours of summer days." We agree with this assessment and see Utah's commercial districts, which use energy at times when system demand and energy prices are high, as prime opportunities to maximize the benefits of distributed solar.

However, the solar pilot's current commercial system cap of 15 kW for the incentive (and the overall program cap of 107 kW/year) is far too small to encourage sizeable solar projects on commercial facilities. We appreciate the efforts by Rocky Mountain Power, the Public Service Commission, and all involved stakeholders to monitor and assess the value of solar for the duration of the small pilot program. Yet, we are concerned that the size and system caps in the program inherently restrict the benefits that solar can deliver to the system, especially the benefits that larger commercial systems can deliver. As such, we recommend that the current program be expanded to enable larger commercial businesses to take advantage of this unique and abundant on-site resource, which helps reduce consumer demand during the peak hours of the day. We would also be supportive of a revised incentive structure for much larger commercial systems that offers an incentive correlated to the output of the solar system, levelized over an established time frame to minimize the upfront cost impacts to the utility (and ratepayers). This type of incentive can also provide assurance that the system will be properly maintained to maximize output. Lastly, a well-designed solar incentive program can help Utah to keep pace in the clean energy economy and seize new opportunities for economic development, job creation, and manufacturing that the clean energy economy provides

In summary, we fully support and encourage the adoption of an expanded and appropriately-designed solar incentive program as a means to increase private investments in solar and support the emergence of the clean energy economy in

In summary, we fully support and encourage the adoption of an expanded and appropriately-designed solar incentive program as a means to increase private investments in solar and support the emergence of the clean energy economy in Utah. We look forward to the opportunity to remain engaged on this important matter going forward.

Sincerely,

David Ozment
Director, Energy

David Mart Stores, Inc.

Signed and submitted on behalf of the undersigned businesses: