

9 June 2011

Public Service Commission of Utah  
Heber M. Wells Building, 4<sup>th</sup> FL  
160 East 300 South  
Salt Lake City, UT 84114

Subject: Docket No. 07-035-T14, *Three-year assessment of Solar Incentive Program*

To Whom It May Concern:

Thank you for the opportunity to comment on Docket No. 07-035-T14, *Three-year assessment of Solar Incentive Program*.

HEAL Utah is dedicated to preserving the health of Utahns. We are working to construct an electricity system that maintains reliability and affordability without exposing our state to toxic emissions and radioactive waste. HEAL Utah recently commissioned and published a study<sup>1</sup> analyzing Utah's generation options over the next forty years.

Our study finds that an energy system consisting of 75% to 100% renewable electricity generation resources is technically and economically feasible. Our findings provide a framework for transitioning Utah to cleaner energy in an orderly manner. Incremental development of distributed solar generation in cooperation with utilities like Rocky Mountain Power (the Company) is an important first step. The solar incentive addressed is a modest and sensible step toward an energy system that will protect Utah's health and economy.

Our study shows that preparing now for a changing energy future by developing renewable energy incrementally is sensible. Information from Utah's Governor and the Company suggests that this preparation is urgent. Governor Herbert's ten-year energy plan acknowledges that Utah's coal reserves could be fully depleted in ten to thirty-five years, and discusses options for addressing this future.<sup>2</sup> The Company, in the meantime, is preparing for a regulatory future that they compare to an oncoming train.<sup>3</sup> This incentive is an opportunity to prepare for increased coal scarcity and avoid a regulatory train wreck.

Dispatching electricity in systems with high concentrations of renewable resources is materially different from dispatch in the Company's current system. This incentive fits into the orderly and urgent transition we envision by affording the Company an opportunity to develop its capacity to integrate renewable resources into the generation portfolio. The Company, through this program, has an opportunity to integrate

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<sup>1</sup> Arjun Makhijani, eUtah: A Renewable Energy Roadmap, HEAL Utah, 2010. Online at eUtahProject.org.

<sup>2</sup> Governor Herbert, "Energy Initiatives and Imperatives: Utah's 10-year Energy Plan, 2010.

<sup>3</sup> A. Richard Walje (Rocky Mountain Power), "The Future of Coal as a Fuel for U.S. Electricity Generation: One Utility's View," 40th Annual Conference on Environmental Law, 2011.

incrementally larger shares of distributed solar generation allowing institutional learning and investment in necessary system modifications in a way that is not disruptive to Company operations.

Prices in the market for PV capacity are falling quickly and as they do there will be increasing pressure from customers and merchant producers for the Company to increase integration of distributed solar generation into their portfolio. The company can better position themselves to take advantage of these future resources by using this incentive as an opportunity to prepare.

This incentive is a good investment in present generation capacity and in the future affordability of Utah's electric system. We encourage its continuation and additionally recommend expansion of the program to more completely prepare for future integration of larger amounts of distributed generation.

Respectfully,

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