



2 WP5 j
SALT
LAKE
COUN
TY



November 22, 2011

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

RE: Docket 11-035-104—In the Matter of an Investigation into Extending and Expanding the Solar Incentive Program and Possible Development of an Ongoing Program and 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; Comments in Response to Division of Public Utilities' *Solar Incentive Report: Division Solar Incentive Program Review and Recommendations*

Dear Public Service Commissioners:

In response to your recent order granting the opportunity to provide comments in response to the Division of Public Utilities' *Solar Incentive Report*, we respectfully submit the following comments for your consideration. Thank you for the ongoing opportunities to provide comments on this important issue and participate in the Solar Incentive Workgroup. Salt Lake City and Salt Lake County have been tracking and involved in the Solar Incentive Program for several years. and we continue to advance solar initiatives within our respective communities through our award-winning Solar Salt Lake Partnership, supported by the US Department of Energy Solar America Communities Initiative. We consider solar to be an integral component of government facility and property planning, especially given the price stability and energy security benefits distributed solar can provide. Both the Salt Palace and Salt Lake City Public Works Facilities will be home to new, large-scale solar installations in the near future; and we continue to collaborate with the Utah Transit Authority to identify innovative renewable energy solutions that can help address the Salt Lake Valley's air quality problems. We remain steadfast in our commitment to implement and support viable solutions to the complex environmental and

energy-related challenges of today.

In our previous comments on Docket 07-035-T14, we have expressed our strong support for a continued and expanded solar incentive program, noting that an expanded solar program can be an economical resource for the utility and ratepayers. We have also noted that an expanded solar program would also be in the public interest for several reasons, including reduced air pollutants and greenhouse gas emissions, expanded transportation solutions to address our air quality challenges, preservation of our precious and limited water and natural resources, job creation and sustainable economic development opportunities.

Regarding the Solar Incentive Program under consideration, we agree with the Division's conclusion, as stated in their Solar Incentive Report, "that based upon the cost effectiveness of the current Program, it appears to be in the public interest to continue a solar incentive program."¹ We are familiar with the cost-effectiveness analyses of the Solar Incentive Program, and we firmly believe that an expanded solar program with economies of scale and more reasonable administrative costs can offer a cost-effective and beneficial resource for the utility and ratepayers. We support continuation and significant expansion of this type of program.

In response to the response to the Division's Solar Incentive Report, we provide the following responses and recommendations:

- With the current Solar Incentive Program set to expire at the end of 2011, we agree with the Division's proposal to extend the program for one additional year while further discussions regarding a larger and longer-term program are held. This temporary expansion will help prevent the expiration of the existing program and help streamline the transition to the expanded program.

We support the formation of a new Solar Incentive Workgroup, tasked with recommending a new solar incentive program and developing a new program design. We request that this Workgroup be conducted through a formal public process open to all interested parties, with all meetings publically noticed. We look forward to participating in this Workgroup effort and coordinating with other stakeholders to develop and design a cost-effective and beneficial expanded solar program. We request that the Workgroup commence as soon as possible and maintain a rigorous schedule to allow for a new, expanded program to be developed and implemented prior to the end of 2012.

- The discussion of subsidies included in the Division's report does not seem relevant to the scope of the Solar Incentive Program Workgroup and the data presented was not vetted by Workgroup participants. Additionally, as the Division points out, there are limitations to the data presented, and the historical context of subsidies (and their role in shaping the current energy market) is not provided for context. Given the limited timeframe to develop an expanded program, and given the scope of the

¹ Utah Division of Public Utilities. Solar Incentive Report: Division Solar Incentive Program Review and Recommendations. 8 November 2011. Pg. 11.

proposed new Workgroup, we request that forthcoming Workgroup efforts focus solely on the issues pertinent to those of an expanded future solar program.

- We feel that the Division's recommendation to require the expanded solar incentive program to expire in 2016 is a preliminary and arbitrary recommendation; we think the timeline for the new solar incentive program should be determined through the new solar Workgroup proceedings and should be determined based on the fact that the program has been to be cost-effective and in the public interest.

This concludes our comments for your consideration. We look forward to the forthcoming efforts to work collaboratively to expand Utah's untapped solar market.

Sincerely,

Ralph Becker Mayor,
Salt Lake City

A handwritten signature in black ink, appearing to read 'P. Corroon', written in a cursive style.

Peter M. Corroon Mayor,
Salt Lake County