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

From: Lon Huber, Southwest Regional Policy Specialist, Suntech America

Date: November 22, 2011

Docket: 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

Subject: Comments in Response to Division of Public Utilities' *Solar Incentive Report: Division Solar Incentive Program Review and Recommendations*

Dear Chairman Boyer, Commissioner Allen, Commissioner Campbell, and Commission Staff:

Suntech appreciates the opportunity to offer comments on the Division of Public Utilities' report regarding the Solar Incentive Program. Suntech is a global manufacturer of PV cells and panels, and our comments draw on our experience operating in 80 markets around the globe with differing policy approaches. We have been tracking the recent developments regarding the Rocky Mountain Power Solar Incentive Pilot Program and offer the following comments:

1. As noted in the Division's report, the Solar Incentive Program is cost effective under the utility cost test, thus making the program beneficial to the Company's ratepayers. Therefore, as Division recommended, it is prudent to grant an extension of the current program allowing it to serve as a bridge between the current 5-year Solar Incentive Program and the new program. We support the Division's recommendation to continue Solar Workgroup efforts to explore a larger and long-term incentive program.

2. While we can understand that additional Solar Workgroup discussions need to occur in order to transition from the small pilot program into a more expanded program, we would like to note that the proposed capacity for the temporary program, **214 kW**, is minuscule and unlikely to yield the desired administrative efficiencies in the program. Arizona has been able to achieve some of these desired efficiencies because its program will instate over **30,000 kW** in just the residential solar market alone for 2011.

3. Since the program has been shown to be cost-effective and passes the utility cost test, Suntech recommends that the temporary program allow for at least **1 MW** of solar PV, to achieve greater economies of scale and consider no caps in the future. Rocky Mountain Power's Demand Side Management programs that pass the utility cost-test and have been shown to be cost-effective have no individual program caps; a solar program should be considered similarly, given its similarities to DSM programs in reducing customer demand during the higher energy and higher cost hours.

Instating a traditionally sized solar incentive program in Utah is vital to help meet Utah's growing energy demands, while providing Utah customers with numerous long-term benefits. For example, distributed solar PV can help provide a safe and clean hedge against increasing fuel prices. In addition, incentive programs are matched four- to five-fold from private investments in solar and help Utah seize greater opportunities for economic development, job creation, and manufacturing. Finally, solar PV helps Utah save water from avoiding water-dependent conventional electricity generation.

Suntech appreciates the Division's recommendation to continue efforts to expand the current solar incentive program. However, only a larger program will deliver Utah's anticipated program efficiencies and provide Utah's solar nascent market the volume needed for innovation and cost reductions. Suntech encourages the adoption of an expanded and appropriately-designed solar incentive program as a means to increase private investments in solar and support the development of clean safe solar energy for Utah ratepayers. Thank you for your consideration of these comments.

Sincerely,

Lon Huber
Southwest Regional Policy Specialist