



**May 15, 2013**

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

RE: Comments on Docket NO. 12-035-100

Dear Public Service Commissioners,

Park City submits these comments regarding the avoided cost docket currently before the Public Service Commission. We appreciate the Commission's consideration of our comments and concerns.

Over the past decade, Park City has taken increasingly proactive steps to address and mitigate the environmental impacts of our community, including our contribution to global climate change. Park City's climate and economy is uniquely susceptible to the devastating impacts of rising global temperatures. In addition to the negative impacts on the local ski and outdoor industry, Park City is concerned with impacts to water resources and increasing pressures from drought and wildfire, among other issues.

Park City has established strategies, initiatives, and goals aimed at tackling these challenges through the creation of our Community Carbon Footprint and Roadmap to Reduction, Park City Municipal's Environmental Strategic Plan, and our signing of the U.S. Mayors Climate Protection Agreement. Park City Municipal has made strides to reduce the greenhouse gas footprint of internal government operations and we actively engage our community in similar affairs. Yet, a stark reality for Park City is that our actions alone are simply inadequate to avoid the most devastating impacts of climate change. We recognize that decisions made by the Public Service Commission, and resulting actions taken by Utah's investor-owned-utilities, have a direct influence on Park City's efforts to address climate change and long-term sustainability. For this, we are grateful for the opportunity to weigh in with the Commission on the current avoided cost docket.

It is our understanding that the avoided cost docket could have significant impacts on the development of small, independent renewable energy projects in Utah. Renewable energy is a critical piece of Utah's energy puzzle, both in the short-term as well as the long-term. Renewable energy provides unique economic and environmental benefits. Accordingly, we want to ensure that the avoided cost rates and the renewable qualifying facilities (QF) pricing method appropriately take into account the avoidable costs that renewable resources mitigate, such as costs associated with fuel price volatility, environmental regulation, and climate change impacts. Specifically, we recommend the following:

- The pricing method should appropriately value and pay for the system reliability, or 'capacity value', benefits of renewable resources.

- The energy portion of avoided costs payments should be tied to market prices for energy that the company avoids purchasing.
- QFs should keep all Renewable Energy Credits (RECs) associated with the electricity production of QF projects, unless Rocky Mountain Power pays renewable QFs for their environmental attributes.
- Wind integration costs should be fair and up to date.
- Pricing for solar QFs should not include integration costs. As we understand it, there is not currently any evidence to suggest that Rocky Mountain Power incurs any solar integration costs.
- Renewable QFs should receive capacity credit beginning the first year of operation because they provide capacity value to a system that is heavily reliant on market purchases in peak summer months.

Given the importance of renewable energy and the associated benefits renewable energy provides to the utility and ratepayers, Park City supports a methodology that takes into account the real value of renewable energy. To that end, we support paying more in the short-term for renewables that provide long-term benefits including avoided carbon costs and avoided fuel volatility costs. As Park City continues our efforts to forestall the threat of climate change, we respectfully implore the Commission and Utah's utilities to take climate change into serious consideration as they continue to examine the issues in this docket.

We also encourage a public hearing on this docket which would allow interested parties to weigh in on these important issues. Thank you again for the chance to provide these comments. Please contact us with any questions you might have on this matter.

Sincerely,



**Mayor Dana Williams**  
**Park City Municipal Corporation**  
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Park City, UT 84060