

From: <info@ucare.us.org>
Date: Tue, Nov 17, 2015 at 3:01 PM
Subject: UCARE Solar Update for Nov. 2015
To: info@ucare.us.org

UCARE Solar Update for Nov. 2015

Hi, All.

I hope this chilly November day finds you in good spirits.

Following last Tuesday's PSC ruling, it's probably a good time to catch up on recent and upcoming events. As usual, there's much going on: lots of opportunities to promote solar and other clean energy sources in our community.

This newsletter focuses on:

- ...1. last week's PSC ruling on solar
- ...2. this week's legislative meeting on renewables and STEP
- ...3. the solar incentive tax credit
- ...4. anti-solar bias in state economic reports
- ...5. municipal utilities turning from solar to nuclear
- ...6. RMP's new solar initiative
- ...7. UCARE support for energy education

To save space in the newsletter body, online references are listed as footnotes.

1) First, a look at the Public Service Commission's Nov. 10th solar ruling (1).

UCARE and our allied groups are disappointed at how the PSC decided to so narrowly structure its solar valuation analysis framework. We weren't really surprised, though, given the PSC's directive in July that many of the "avoided costs" we've identified don't directly impact RMP ratepayers. Of course, we still beg to differ and will raise this issue and others in future venues.

Main points of the recent ruling:

The PSC embraced the Division of Public Utilities' (DPU) recommendation for two cost-of-service studies using traditional cost criteria: one that looks at net meter customers full load requirements [as if we had no solar panels] and another that considers actual load and solar energy production. This is an 'iffy' proposition, since there are doubts that PacifiCorp's research can be valid, given what has already been considered an inadequate sample size and their technological inability to access the required data. Look for challenges on scientific grounds.

One of the cost-of-service studies [at the residential customer class level] will have two parts: one considering net metering customers with all customers in the class; the other considering net metering customers as a separate class. As Mike Rossetti has noted, this is to determine if an "intra-class subsidy" is occurring, with non-net metering customers subsidizing net metering [rooftop solar] customers, since net meter customers are assumed to be using less energy. The latest PSC order states that "PacifiCorp recovers most of its fixed costs through energy rates."

UCARE argues that there are indeed subsidies occurring: from rooftop solar customers to the utility and to other customers on the grid. The PSC doesn't yet acknowledge this. And, if RMP's infrastructure costs are in fact embedded in energy rates rather than basic customer charges, we can foresee punitive actions against all customer groups that reduce their consumption of RMP's carbon energy: customers who've adopted energy efficiency measures as well as those with rooftop solar.

Mike predicts that PacifiCorp's next step will be to file a proposal with the PSC that includes a separate rate class for rooftop solar customers and reductions in the value of the solar energy we provide to the grid. That general rate case (GRC) could be filed as early as January 2016.

Our side's arguments that net meter-generated power should be considered as a grid resource was rejected by the PSC. The latest order states that net metering customers' solar power is provided voluntarily, not by contract, and is therefore not reliable. The order contrasts NEM solar with power purchased from large-scale qualifying facilities. Essentially, the order suggests that rooftop solar is not a solid grid asset.

On the bright side, the PSC acknowledges that its order does not comprehensively identify all cost-benefit factors that might be included, and that any disagreements will have to be addressed in a future proceeding. In the interim, the DPU's framework and the existing cost categories will form the baseline for valuing rooftop solar.

So: We won round 1, lost round 2, and look forward to success in the next round. UCARE will have opportunities to advance our arguments again in the GRC and, perhaps, in a separate PSC docket that considers how all avoided costs –including "externalities"– should be factored into future utility ratesetting. This was an option that the Office of Consumer Services once suggested. In addition, there is the possibility of challenging whether the PSC's order complies with the legislative mandate set by Senate Bill 208 (2014) that required the net metering cost-benefit analysis.

Any UCARE members interested in joining the UCARE Core group that's planning for upcoming events should contact Mike Rossetti or Stan Holmes.

* Yes, there's more News *

2) This Week: Legislators consider renewable energy and RMP's new STEP initiative.

On Wednesday morning, Nov. 18, starting at 8:00 a.m., the Legislature's Public Utilities and Technology Interim Committee will hold what could prove to be a very lively session. (2) First up will be clean energy ally, Rep. Angela Romero, giving a presentation on renewable energy cost trends, integration with existing electric power infrastructure, impacts on rural communities, utility-scale power plants, and small-scale rooftop systems.

Later in the meeting, Rocky Mountain Power's CEO Cindy Crane will provide information on its new Sustainable Transportation and Energy Plan (STEP) initiative. (3) This should be interesting. Will she explain why ratepayers should fund \$2000 electric vehicle incentives while penalizing rooftop solar?

That will be followed by Rep. Francis Gibson's proposed legislation on behalf of Vivint Solar and other businesses to facilitate solar leasing agreements (PPAs).

The meeting is open to the public, and begins at 8:00 a.m. in Room 450 of the State Capitol building. UCARE members who can attend are encouraged to do so, and to offer probing questions to presenters and committee members.

3) Solar Investment Tax Credit set to expire.

The federal incentive for solar –the Investment Tax Credit (ITC)– is set to expire at the end of 2016. If Congress doesn't act soon to extend the credit, it would mean major uncertainty for solar workers. Experts predict that 100,000 jobs could be lost, and citizen energy choice would be in jeopardy.

The Alliance for Solar Choice (TASC) is urging Utahns to call Senators Orrin Hatch and Mike Lee urging support for ITC extension. You can contact both senators through the Capitol Switchboard at 202-224-3121. Here's a sample script: "Hi, my name is _____ and I live in _____. I'm calling to ask Senator _____ to extend the

solar Investment Tax Credit. The ITC means more clean energy jobs in Utah. If the ITC expires, 100,000 jobs could be lost, including many jobs in Utah. The solar Investment Tax Credit is critical to American energy independence, allowing the country and individuals more options to invest in stable, Made-in-America energy production. Thank you for supporting American clean energy by voting to extend the solar Investment Tax Credit."

4) Utah's solar industry 'dissed' by state agency reporting.

During the course of the recent PSC inquiry into the value of net metered solar energy, UCARE learned that the Utah Office of Energy Development (OED) and other state agencies systematically undervalue the economic contributions of Utah's solar industry.

To produce its May 2015 state energy economics report, OED used a research model different from the one advocated in Governor Herbert's 10-year energy plan and relied on a coding system known to be biased toward fossil fuels. As a result, the study minimized our solar industry's employment and related economic benefits, thereby buttressing RMP-PacifiCorp's claim that solar's "avoided cost" attributes are unquantifiable.

UCARE sought more information from OED through the PSC and via a GRAMA request. On October 8, the entire exchange was posted as an addendum to the PSC website. (4) We also contacted roughly 90 Utah solar businesses alerting them to anti-solar discrimination in current state agency economic reporting practices. That email is copied at the very end of this newsletter.

5) Municipal utilities question solar, then turn to nukes.

Although RMP is Utah's primary electric utility, several cities have their own power systems. Some of these cities—members of the Utah Association of Municipal Power Systems, or UAMPS—are considering solar surcharges, moratoriums on net meter permits, and other measures to limit the growth of rooftop solar. Kaysville, St. George, and Santa Clara are among these cities.

At the same time, UAMPS cities are being solicited by NuScale Power to invest hundreds of thousands of dollars for a share of nuclear energy from small modular reactors (SMRs). While SMRs are still in research and design stage, and their feasibility remains uncertain, Logan and other UAMPS cities have already started paying into NuScales' "clean energy" alternative. (5)

HEAL Utah is tracking both developments closely, as are UCARE and other groups in the multi-state area that UAMPS covers. Let Stan know if you'd like to get involved with this issue.

6) PSC gives green light to RMP's Subscriber Solar Program.

Rocky Mountain Power has received the PSC's go-ahead to launch a voluntary solar program through which customers will fund a Utah-based 20 MW solar facility in return for locked-in power rates through multi-year contracts. The program is expected to be ready by the end of 2016. Interested RMP customers can subscribe now to the SSP newsletter. (6)

7) UCARE educational outreach:

"Our Energy Future: Utah" Students' Day at the Legislature, Feb. 25

UCARE is teaming with the Sierra Club, Rowland Hall and McGillis schools, Creative Energies and Auric Solar, and the Utah Society for Environmental Education to conduct a series of educational activities at the State Legislature on February 25th.

The program, titled "Our Energy Future: Utah" will provide Utah students, grades 6-12, opportunities to learn about Utah's varied energy resources, how energy policy decisions are made, and how students can get engaged in the decision making process. The half-day program will include: an energy basics introduction, panel discussions on "Utah Energy Sources" and "Utah's Energy Future", a presentation on "Green Economics and Careers", and an interactive exchange with Utah legislators.

If you are interested in helping kids connect with paths toward a sustainable energy future, please tell Stan you

want to get involved with this exciting project.

And that's it for this UCARE newsletter. Please let me know if you'd like more information about any of these items and if you'd like to get more involved with UCARE activities.

Best wishes.

Stan Holmes
UCARE Outreach Coordinator

Reference links:

(1) The latest PSC order is at:

<http://www.psc.utah.gov/utilities/electric/elecindx/2014/documents/27044914035114o.pdf>

(2) The Public Utilities committee agenda is at:

<http://le.utah.gov/interim/2015/pdf/00005003.pdf>

(3) RMP's STEP program press release is at:

<https://www.rockymountainpower.net/about/nr/nr2015/utah-energy-plan.html>

(4) UCARE's record of our info requests to the Utah Office of Energy Development is at:

<http://www.psc.utah.gov/utilities/electric/14docs/14035114/269820Addendum%20to%20UCARE%20Tech%20Conf%20Proposal%20for%20the%20Commissions%20Net%20Metering%20Investigation%2010-8-2015.pdf>

(5) KUER news report transcript on the NuScale reactor recruiting effort. The report ends with a link to NuScale's 3-minute 'clean nuclear' promo video.

<http://kuer.org/post/utah-cities-eye-power-small-reactors>

(6) RMP's Subscriber Solar Program website is at:

<https://www.rockymountainpower.net/subscribersolar>