



We Partner to Build the New Clean Energy Economy

July 1, 2015  
**VIA HAND DELIVERY**

UTAH PUBLIC SERVICE COMMISSION  
Heber M. Wells Building  
160 East 300 South, 4<sup>th</sup> Floor  
Salt Lake City, Utah 84111

**Re: Docket No. 15-035-57—In the Matter of Rocky Mountain Power's Solar Photovoltaic Incentive Program (Schedule 107) 2015 Annual Report**

Dear Public Service Commission,

On June 1, Rocky Mountain Power filed its annual report with complete information from the Solar Photovoltaic Incentive Program 2013 Program Year and updates on the status of the 2014 and 2015 Program Years. On June 2, the Commission issued a notice of filing and comment period, inviting comments by July 1, 2015 (and reply comments by July 16). Utah Clean Energy appreciates the opportunity to comment on Rocky Mountain Power's solar incentive program and submits the following comments and recommendations regarding the program. Utah Clean Energy recommends convening a meeting with interested parties to discuss the Utah Solar Incentive Program Annual Report, including the topics outlined below.

These Comments are organized into comments and recommendations on 1) the residential incentive program, 2) the small non-residential incentive program and 3) both the small and large non-residential incentive programs.

**Residential:**

The residential category is very competitive due to the relatively small amount of capacity available and increasing demand for residential solar. As a result, only a small fraction of residential customers who install solar each year are able to benefit from the Utah Solar Incentive Program. Residential customers can also take advantage of a State tax incentive and a Federal tax incentive (currently set to expire after 2016) to help reduce the upfront cost of installing solar. Given the relatively small amount of capacity available in this category, Utah Clean Energy recommends restructuring the residential category to have more impact on customers who might otherwise find it difficult to install solar, namely low-income Utahns. Low-income Utah residents are less likely to be able to afford the upfront cost of a solar installation and less likely to be able to take advantage of available tax incentives, and yet low-income residents benefit to a greater extent from savings resulting from reduced energy bills. In order to increase the impact of the residential incentive, Utah Clean Energy recommends the following:

- Convene low-income advocates, including representatives of weatherization programs and builders of low-income homes and multifamily units, to solicit feedback about how the Solar Incentive Program could be restructured to benefit low-income Utahns.

**Small Non-Residential:**

In all years of the Solar Incentive Program, all applicants in the small non-residential category have received an incentive, yet a large number of small non-residential applicants do not ultimately complete their project. Small commercial solar projects can be difficult to complete because they require a larger upfront investment and typically have a much longer payback period than a residential installation. Given that this category is consistently under-utilized, in order to increase participation in this category, Utah Clean Energy recommends the following:

- Extend the time allowed for the completion of small non-residential projects from 12 months to 18 months, as is the case with the large non-residential category.
- Raise the cap on the size of a small non-residential project from 25 kW to 100 kW.

**Both Small and Large Non-Residential:**

Although the large non-residential category receives more applicants than the small non-residential category and is more competitive, a similarly small number of large non-residential award recipients who pay the deposit ultimately complete their project. This low completion rate suggests that the deposit is not high enough to discourage award recipients who are not intending or able to complete a solar project from reserving the capacity. Except for the initial deposit, there is no mechanism to determine if large non-residential award recipients are still intending to complete a solar project until they have failed to build a project after 18 months.

In order to encourage award recipients to complete their solar projects promptly, Utah Clean Energy recommends the following:

- Require small and large non-residential incentive recipients who choose to pay the deposit to file a progress report in December of the same calendar year (1) declaring their decision to move forward with the project, (2) containing a timeline to demonstrate that the project will be complete within 18 months, and (3) containing a second deposit, equal to the initial deposit, in order to continue to hold their capacity allocation. Award recipients who have completed their project by the end of the calendar year should not have to file a progress report.



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- If an incentive recipient does not file a progress report and pay the second deposit, consider their capacity allocation forfeited and offer the capacity allocation to lottery applicants in the following year.

Given that unused capacity from 2013 and 2014 was rolled over into the next year, in order to determine how this excess capacity will ultimately be used, Utah Clean Energy recommends the following:

- Offer a Solar Incentive Program lottery in 2018 using the same framework as program year 2017 to award unallocated capacity which rolls over from 2017.

Thank you for the opportunity to provide comments on the Utah Solar Incentive Program.

Sincerely,

A handwritten signature in cursive script that reads "Kate Bowman".

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Kate Bowman,  
Solar Project Coordinator  
UTAH CLEAN ENERGY