



State of Utah
Department of Commerce
Division of Public Utilities

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ACTION REQUEST RESPONSE

To: Utah Public Service Commission

From: Utah Division of Public Utilities
Chris Parker, Director
Artie Powell, Energy Section Manager
Bob Davis, Utility Analyst

Date: July 3, 2017

Re: **Docket No. 17-035-35 - RMP'S SOLAR PHOTOVOLTAIC PROGRAM 2017 ANNUAL REPORT.** In the Matter of Rocky Mountain Power's Photovoltaic Incentive Program (Schedule 107) 2017 Annual Report.

RECOMMENDATION (ACKNOWLEDGE)

The Division of Public Utilities (Division) has reviewed Rocky Mountain Power's (Company) Utah Solar Photovoltaic Incentive Program Annual Report (Report) for the period ending December 31, 2016, and finds that it meets the Utah Public Service Commission's (Commission) reporting requirements.

ISSUE

On June 1, 2017, the Company filed its Utah Solar Photovoltaic Incentive Program Annual Report with the Commission for the 2016 program year. The Commission issued an Action Request for the Division to review the Report for compliance and make recommendations by July 3, 2017. This memorandum is the Division's response to that request.

DISCUSSION

As part of the Solar Incentive Program (Program) approved by the Commission in 2012, the Company is required to file an annual report of the Program. In its Order dated October 1, 2012 in Docket No. 11-035-104, the Commission ordered:

The Company will file an annual report for each Program year by June 1 of the following year. The Company may propose adjustments to Program parameters to account for, among other things, possible needed changes in the incentive structure and the effects of fluctuations in demand. The Application specifies that any Program adjustments will require Commission approval and will be announced by October 31, preceding the start of the Program.

The Order states that the Company's annual report "shall include but not be limited to: the number of applications, the number and size of completed installations, the total costs of all completed installations, generation data for large systems, and the number, if any, of surrendered deposits."¹ The Company will provide cumulative data and data from each program year in the annual report as the program progresses.

As a result of the Division's 2014 review, the Division requested that additional information be included in future reports. Since all projects may not be completed when the report is compiled, the Division suggested that the data for previous program years, current program year, and cumulative totals be included for all sections of the report. For the System Specific Information (Attachment A), the Division requested the following additions: date deposit was received, date project was completed, date incentive was paid, subtotals for each sector, and grand totals.

Program costs are tracked in a balancing account. The Division requested that summary entries and account balances be included in future annual reports. Upon conclusion of the Company's annual report for year ending 2014, the Commission accepted the Division's requests and the Office of Consumer Service's (OCS) suggestion that the Company provide a line in the summary showing the expired deposits and a footnote or explanation of the variance between Exhibit A numbers for (kW_{CSI-AC}) and those contained in the report.²

On December 29, 2016, the Commission issued its Order in the 16-035-21 docket "Acknowledging the 2016 Solar Photovoltaic Incentive Program Report, and Memorializing Bench Ruling Approving Settlement Stipulation." Paragraph 14 of the Stipulation directs the Company to remove Special Condition 8, (Cool Keeper Program requirements of the Solar Incentive Program), in its entirety from Schedule No. 107. Additionally, in Paragraph 15, the Parties agreed that the Company would refund \$200,000 to the final Utah Solar Incentive Program balance regarding administration of the Cool Keeper Program requirements for Solar Incentive customers.³

Additionally on December 29, 2016, the Commission issued its Order in Docket No. 16-035-36 for Phase One of the Sustainable Transportation and Energy Plan Act effectively ending new

¹ Docket No. 11-035-104, In the Matter of the Investigation into Extending and Expanding the Solar Incentive Program and Possible Development of an Ongoing Program. Issued October 1, 2012, page 10.

² See Docket No. 15-035-57, Commission Letter to Company dated August 24, 2015 at page 2 and OCS's recommendation comments dated July 1, 2015 at page 3.

³ See Docket No. 16-035-21, Order Acknowledging The 2016 Solar Photovoltaic Incentive Program Report, And Memorializing Bench Ruling Approving Settlement Stipulation, dated December 29, 2016, Appendix, at page 3.

participant entry to the Solar Incentive Program as of December 31, 2016.⁴ Pursuant to Section 54-7-12.8(4) of Senate Bill 115 passed during the 2016 Utah legislative session:

On December 31, 2016, the Commission shall end the Utah Solar Incentive Program and surcharge tariff and the large-scale electric utility shall stop accepting new applications for solar incentive program incentives.

The Commission's Order required changes to Schedule No. 107 and Schedule No. 195. Schedule No. 107 has been revised to exclude the Cool Keeper Program requirement and Schedule No. 195 was replaced with Schedule No. 196. As a result of the Solar Incentive Program ending, Tables 4, 9, and 13, as provided in previous reports showing incentive dollars to be carried forward for future years, are no longer needed and not included in this year's report or future reports. Finally, Table 13 of this year's report, USIP Account Summary, demonstrates the \$200,000 refund as shown in Column 2016, Cool Keeper Program under Program Expenditures.

The June 1, 2017 report contains the required data. The column labeled (Incentivized Size kW_{CSI-AC}) in Exhibit A compared to (kW_{CSI-AC}) shows the variance between the applied for system kW capacity and actual installed project capacity. To be consistent over the life of the program, the Company pays the incentive based on the application (kW_{CSI-AC}) capped at the maximum size for the program sector, (i.e., large non-residential: 1 MW, small non-residential: 25kW, and residential: 4 kW). Each customer's maximum project incentive is established at the time of the initial application. For example, if the small non-residential customer submits a reservation for 15 kW and is accepted into the program, 15 kW is the incentive amount regardless of the actual project size. The column labeled (Incentivized Size kW_{CSI-AC}), illustrates the amount that ties to the report (Tables 2, 5, 8, and 11 of this year's report). The Company reports the incentive capacities this way for two reasons. First, as a more illustrative way to demonstrate the current capacities of the Program. Second, as customers applied for the incentive in the past, the Company needed a means to track (kW_{CSI-AC}) so available incentive capacity could be offered to other applicants. Exhibit B "Large Non-Residential Production Data" appears to be complete and free from error.

At the time the Company determines whether projects from a program year are not going to be installed or started but not completed, the Company credits surrendered deposits for the program year to a deferred account to offset administrative costs of the program. Table 13, "USIP Account Summary," illustrates the cumulative \$240,351 of "Expired Deposits" for this year's report.

The Company provides the total renewable energy certificates (RECs) obtained from projects affiliated with the program and provides both annual and cumulative totals. For ease of calculation, the Company collects RECs the first full month after the incentive has been paid to the participant. The calculation is based on a factor of 0.023 RECs per month per incentivized (kW_{CSI-AC}). Attachment A includes the incentive payment date, the assumed monthly REC total, and the total assumed RECs through May 2017.

⁴ See Docket No. 16-035-36, Phase One Report and Order, dated December 29, 2016, at page 15, ¶ 2.

CONCLUSION

This year's annual Report includes the required information. The information contained in the Report includes 2016 Program year data as well as cumulative program data. Table 13 provides the Program's balancing account summary entries and account balance including expired deposits.

On December 29, 2016, the Commission issued its Order "Acknowledging The 2016 Solar Photovoltaic Incentive Program Report, and Memorializing Bench Ruling Approving Settlement Stipulation." The Company has revised Schedule No. 107 to exclude the Cool Keeper Program requirement of the Solar Incentive Program. Table 13, USIP Account Summary, illustrates the \$200,000 refund as shown in Column 2016, Cool Keeper Program under Program Expenditures as agreed to by the Parties in the Stipulation.

The Commission issued its Order for Phase One of the Sustainable Transportation and Energy Plan Act on December 29, 2016, effectively ending new participant entry to the Solar Incentive Program as of December 31, 2016. The program will continue paying incentives until the balance reaches zero and the Company will continue to file annual reports until that time.

The Division recommends that the Commission acknowledge the Company's Utah Solar Photovoltaic Incentive Program Annual Report filed on June 1, 2017.

CC Jeffrey K. Larsen, RMP
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