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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: Utah Public Service Commission

From: Office of Consumer Services
Michele Beck, Director
Cheryl Murray, Utility Analyst

Date: July 3, 2017

Re: In the Matter of Rocky Mountain Power's Solar Photovoltaic Incentive Program (Schedule 107) 2017 Annual Report - Docket No. 17-035-35.

Background

On June 1, 2017 Rocky Mountain Power (Company) filed its Solar Photovoltaic Incentive Program (Schedule 107 or Program) Annual Report (2017 Report) which presents program results through May 17, 2017. On June 1, 2017 the Public Service Commission (Commission) issued a notice of filing and comment period allowing interested parties to submit comments on PacifiCorp's report on or before Monday, July 3, 2017, and reply comments on or before Tuesday, July 18, 2017. Accordingly, the Office submits the following comments on the 2017 Report.

The 2017 Report is submitted in compliance with the Commission's October 1, 2012 Order providing authority for the Company to implement a Solar Incentive Pilot Program and requiring that the Company provide annual reports on the Program.

Pursuant to the October 1, 2012 Order the solar photovoltaic incentive program annual reports are to include but not be limited to: the number of applicants, the number and size of completed installations, the total installed costs of all completed installations, generation data for large systems, and the number, if any, of surrendered deposits. The 2107 Report provides information from the 2013 and 2014 Program Years as well as updates on the status of the 2015, and 2106 Program Years. The Company notes that as a result of Senate Bill 115, particularly Section 54-7-12.8(4)¹ the Program has ended and the Company discontinued offering capacity to waiting list participants on December 31, 2016.

¹ Senate Bill 115 passed in the 2016 Utah state legislature.

Discussion

Compliance with Commission Reporting Requirements

As required by the Commission's October 1, 2012 Order the 2017 Report includes: the number of applicants, the number and size of completed installations, the total installed costs of all completed installations, generation data for large systems and the number and dollar value of surrendered deposits.

Surrendered Deposits

In the 2017 Report the Company provides a breakdown of Surrendered Deposits by Program Year in Tables 3, 6, 9 and 12 for Program Years 2013, 2014, 2015 and 2016, respectively.

Table 13, USIP Account Summary includes a line item for "Expired Deposits" with dollar amounts under years 2015, 2016 and 2017. The Office notes that under 2015, the amount is \$36,821 which corresponds to the amount from Table 3 for 2013 Program Year Surrendered Deposits. For 2016 and 2017 on Table 13 the amounts do not correspond to other Tables within the 2017 Report. Upon inquiry the Company stated that Expired Deposits and Surrendered Deposits are the same thing. The Company further explained that historically there is one transfer a year. The 2015 Year amount on Table 13 corresponds to the surrendered deposits from 2013, but transfers from later years have had a mix of surrendered deposits from different program years. The Office has verified that in total Expired Deposit amounts identified in Table 13 are equal to the Surrendered Deposit amounts in the various Program Year Tables.

Generation Data for Large Systems

Attachment B to the 2017 Report provides large non-residential production data. Thirty-four participants are listed in this category, an increase of 10 over the prior year.

The Office notes that there are some discrepancies between the 2016 Report and the 2017 Report for the production information provided in Attachment B.² A data request has been issued requesting the Company reconcile the differences. The Office has also requested more detail on incentive payments made based on production of large non-residential facilities.

Cool Keeper Program Participation

Table 13, USIP Account Summary includes a credit of \$200,000 associated with the Company's Cool Keeper program. Including this amount as an offsetting credit to the USIP

² The differences are mainly in program year production levels.

was agreed to by parties to the Settlement Agreement in Docket No. 16-035-21, which was approved by the Commission on December 29, 2016³. The requirement for USIP participants to enroll in Cool Keeper was removed as a result of that Settlement Agreement.

Renewable Energy Credits (RECs)

Attachment A of the 2017 Report includes columns identifying the *assumed* RECs per customer per Program year⁴. Regarding those RECs, the 2017 Report includes only the following statement: "...and the amount of Renewable Energy Credits the company has been deemed to receive from each project." The Office appreciates the Company's inclusion in Attachment A of the Company's share of RECs, however as we noted in comments regarding the 2016 Program Year Report the Office asserts that the Company should include in the report a statement as to the disposition or expected disposition of those RECs and any revenue derived from those RECs.

Concluding Comments

The Office believes that the 2017 Report complies with current Commission requirements. As noted above the Office recommends that future reports include information related to the disposition of the Company's share of RECs from USIP.

Recommendations

The Office recommends that the Commission acknowledge the Company's 2017 Report as meeting the Commission's reporting requirements.

The Office also continues to recommend that in future reports the Company include a discussion related to the disposition of the Company's share of RECs from Solar Incentive Program projects.

CC: Chris Parker, Division of Public Utilities
Jeffrey K. Larsen, Rocky Mountain Power

³ Order Acknowledging the 2016 Solar Photovoltaic Incentive Program Report, and Memorializing Bench Ruling Approving Settlement Stipulation.

⁴ Assumed RECs from Program Years 2013 and 2014 are combined.