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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 2, 2018

Re: In the Matter of Rocky Mountain Power's Solar Photovoltaic Incentive Program (Schedule 107) 2018 Annual Report - Docket No. 18-035-24.

Background

On June 1, 2018 Rocky Mountain Power (Company) filed its Solar Photovoltaic Incentive Program (Schedule 107 or Program) Annual Report (2018 Report) which presents Program results through May 16, 2018. On June 5, 2018 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 2, 2018, and reply comments on or before Tuesday, July 17, 2018. Accordingly, the Office submits the following comments on the 2018 Report.

The 2018 Report is submitted in compliance with the Commission's October 1, 2012 Order (Docket No. 11-035-104) providing authority for the Company to implement a Solar Incentive Pilot Program and requiring that the Company provide annual reports on the Program. This is the Company's fifth annual report 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. In Docket No. 17-035-35 the Commission further directed the Company to include information on the disposition of Renewable Energy Credits (REC) from the Program. The 2018 Report provides information from the 2013, 2014 and 2015 Program Years as well as updates on the status of the 2016 Program Year. 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 taking new applications for the solar incentive program on December 31, 2016.

Discussion

Projects in the residential and small non-residential program sectors had to be completed by December 31, 2017 to receive incentive funding. Large non-residential customers were given 18 months to complete installation and a small number of projects are still working on completing their installations. To ascertain how many active projects remain the Office submitted data request OCS 1.6.

“Are there currently active projects not included on Table 14 that may miss their deadline and be required to forfeit their deposits? If so, how many and what are the remaining deadlines for on-time completion?”

The Company response indicated there are six projects that may miss the expiration date. Interestingly, five of the project are identified as completed but the incentive claim has not been submitted². The expiration dates of those projects are between 8/23/2017 and 4/31/2018.

Because these projects are beyond the “expiration date” the Office has issued a follow-up data request asking, among other things, “when will the Company determine that those projects are no longer eligible for an incentive? When will the deposit be forfeited?” The Office expects to receive a response to that data request prior to the deadline for response comments.

Goal of Program

Initially the five-year Program was intended to encourage the development of 60 Megawatts (MW) of distributed solar generation capacity. With the passage of Senate Bill 115, ending the Program on December 31, 2016, the Program life was reduced to four years. Therefore, the capacity target was reduced to 44.5 MWs. The Company has informed the Office that it anticipates that if all remaining projects are completed and match the sizes included in their initial application the total capacity incentivized in the Program will be 32.2 Megawatts.

Compliance with Commission Reporting Requirements

As required by the Commission’s October 1, 2012 Order the 2018 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

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

² The Company’s response further stated that two of the complete projects are “awaiting completion of complex system upgrades to accommodate system, and the submission of Incentive Claim documentation”.

dollar value of surrendered deposits. Additionally, the Report includes data on the RECs associated with each resource. The Company states that due to the complexity and expense of registering the small generation facilities through Western Renewable Energy Generation Information System, the program is not currently creating RECs that can be transferred or retired. The Company further notes, “as discussions regarding the implementation of Senate Bill 202 progress the process through which these renewable energy attributes or RECs may be utilized for compliance should be determined”.

The Office has issued a data request inquiring about these “discussions regarding the implementation of Senate Bill 202,” since it is unfamiliar with what discussions are referenced by this statement.

Surrendered Deposits

In the 2018 Report the Company provides a breakdown of Surrendered Deposits by Program Year in Tables 3, 6, 9, and 13 for Program Years 2013, 2014, 2015 and 2016, respectively. Table 14, 2016 Surrendered Deposits – To Be Completed*, lists projects “*awaiting final disposition of remaining active projects to complete final funds transfer”.

The Office is aware that surrendered funds are transferred annually. In response to OCS Data Request 1.4 the Company verified that “the deposit funds referenced in Table 14 have been surrendered and are awaiting transfer. These projects have officially expired and there is no opportunity for them to be completed in time to avoid surrendering the deposit.”

The Office suggests that modifying the language for this Table could make the intent more clear, perhaps changing the heading to “Surrendered Deposits – To Be Transferred” or “Surrendered Deposits - Awaiting Transfer” or something similar. Additionally, a notation that transfer of surrendered deposits occurs annually would be helpful.

Generation Data for Large Systems

In comparing Attachment B from the 2018 Report and Attachment B for the 2017 Report (Docket No. 17-035-35) the Office noted that the total projection data by resource for 2016 does not match the totals provided in the 2018 Report. A data request was issued asking the Company to explain the discrepancy.

The Company identified five projects that had differences in the reported production quantities. The Company explained that in three of the five cases the 2017 report did not include any production values for those facilities. In one case the 2017 values were incorrect but correct in the 2018 Report. For the fifth case “the kWh production in the 2017 report did not reflect the total quantity of production from the facility. The amount included in the report did not reflect a 40 x multiplier that should have been applied to the read.” The 2018 report corrects the error.

The Office recommends that generally when a report contains a correction, change or update from the previous year; it should be clearly identified and explained.

Correction

Tables 12, 13 and 14 on page 5 of the 2018 Report all read “As of May 16, 2017”. The Company has verified that the tables are “mis-labeled and should reflect the date of May 16, 2018, since the data in those tables represents information through May 16, 2018”.

Concluding Comments

The Office believes that the 2018 Report complies with current Commission reporting requirements for the Solar Photovoltaic Incentive Program Annual Report. As noted above the Office suggests that future reports include a clearer heading for the tables describing Surrendered Deposits.

Recommendations

The Office recommends that the Commission acknowledge the Company’s 2018 Report as meeting the Commission’s reporting requirements. The Office further recommends that future the heading related to surrendered deposits should be modified in future reports and that corrections, changes, and updates from previous years should be clearly identified and explained.

CC: Chris Parker, Division of Public Utilities
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