

We Partner to Build the New Clean Energy Economy

July 2, 2018

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

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

Dear Public Service Commission,

On June 1, 2018 Rocky Mountain Power (“the Company”) filed its 2018 Annual Report for the Utah Solar Incentive Program and the Commission issued a notice of filing and comment period inviting interested parties to submit comments on the Annual Report by July 2, 2018. Utah Clean Energy appreciates the opportunity to comment on Rocky Mountain Power’s Solar Incentive Program (the “Program”) 2018 Annual Report and submits the following comments and recommendations pertaining to the treatment of Program funds remaining when the Solar Incentive Program is complete. I recommend that the Company continue to report on the Program account balance until all incentive funds have been dispensed, and that the Company project anticipated incentive disbursements for Large Non-Residential incentive recipients in next year’s annual report. When the final program balance is known, I recommend that any funds remaining at the close out of the program are allocated in a way that aligns with the original purpose of the Solar Incentive Program, specifically to promote the installation of solar electric generation equipment.

Background.

The Solar Incentive Program (Schedule No. 107) was established in 2007¹ and extended in 2011 and 2012.² The Program was intended to “promote the installation of solar photovoltaic (PV) electric

¹ Docket No. 07-035-T14. In the Matter of The Solar Incentive Program is a pilot program and will gather information on the viability of a photo voltaic program funded by the Company, participating customers and tax credit. Order, August 3, 2007.

² 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. Order, October 1, 2012.

generation equipment by customers designed to offset electricity usage on the System site”³, and was intended to provide a total of \$50 million in rebates to incentivize solar projects through 2017.

The Solar Incentive Program was closed in 2016, one year early, through the passage of Senate Bill 115 “Sustainable Transportation and Energy Plan Act.”⁴ As a result, the Company stopped collecting the Schedule No. 107 surcharge tariff and closed the Solar Incentive Program to new applicants effective December 31, 2016.

Since that date, the Company has continued to work with Program applicants who were selected to receive an incentive in 2016. The Company has outstanding obligations to several applicants who were awarded an incentive but are still in the process of completing and interconnecting their solar array. The Company also has outstanding obligations to Large Non-Residential customers, who receive their incentive payment in five annual installments.

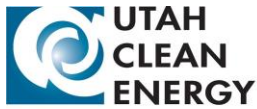
As required by the Commission’s October 1, 2012 Order in Docket No. 11-035-104, the 2018 Annual Report contains information about the number of applications, the number and size of completed installations, the total installed costs of all completed installations, generation data for large systems, and the number of surrendered deposits.

Remaining Program Account Balance.

The final account balance from the Solar Incentive Program is not yet available, but it appears likely from the 2018 Annual Report that the Program will ultimately result in a net positive account balance. The 2018 Annual Report describes a Program account balance of \$15,751,329. A significant portion of this balance will be used to pay outstanding obligations to customers who have been awarded incentives through the Program. However, the Company has also collected more than \$240,000 in forfeited deposits from 2013 - 2016. Further, annual incentive payments to Large Non-Residential customers are performance based, so the Company may have paid lower incentive amounts than originally anticipated in circumstances where a project resulted in lower than projected generation. In total, it seems likely that the Program could close out with a net balance, which is not addressed in Schedule No. 107, SB 115, or the 2012 Order approving the Program. Senate Bill 115 included a provision allowing the utility to recoup

³ Electric Service Schedule No. 107. Solar Incentive Program.

⁴ SB 115 “Sustainable Transportation and Energy Plan Act.” 2016 General Session.



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unrecovered costs for the Utah Solar Incentive Program through the STEP line item charge.⁵ However, the legislation did not provide direction for a situation where the Solar Incentive Program concludes with a net program balance.

Recommendations.

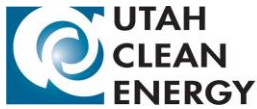
Utah Clean Energy recommends that the Company continue to report on Solar Incentive Program expenses until all outstanding obligations have been dispensed to incentive award recipients. Since Large Non-Residential customers will continue to receive their incentive in annual installments for four years following the completion of their project, we recommend the Company project anticipated installment payments for these customers in next years' annual report so that stakeholders can understand whether the Program is likely to result in a net positive account balance. Finally, if the Program does result in a net positive account balance, we recommend that the remaining funds be used in accordance with the purpose of the Schedule No. 107 tariff through which the funds were collected, which is to promote the installation of solar photovoltaic generating equipment. We respectfully request that Rocky Mountain Power convene interested stakeholders or solicit stakeholder feedback to discuss possible uses for any remaining account balance.

Utah Clean Energy appreciates the opportunity to review the results of the Utah Solar Incentive Program and learn from the Company's experience administering the program.

Sincerely,

/s/ Kate Bowman
Kate Bowman,
Renewable Energy Program Manager
UTAH CLEAN ENERGY

⁵ SB 115 "Sustainable Transportation and Energy Plan Act." 6(b)(ii)(C), lines 478 – 480.



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CERTIFICATE OF SERVICE

Docket No. 18-035-24

I CERTIFY that on the 2nd of July, 2018, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Electronic-Mail:

Rocky Mountain Power:

Data Request Response Center datarequest@pacificorp.com
utahdockets@pacificorp.com
Jana Saba jana.saba@pacificorp.com
Yvonne Hogle yvonne.hogle@pacificorp.com

Division of Public Utilities:

Patricia Schmid pschmid@agutah.gov
Justin Jetter jjetter@agutah.gov
Steven Snarr stevensnarr@agutah.gov
Erika Tedder etedder@agutah.gov

Office of Consumer Services:

Robert Moore rmoore@agutah.gov
Michele Beck mbeck@utah.gov
Cheryl Murray cmurray@utah.gov
Alex Ware aware@utah.gov

Utah Clean Energy

/s/ Kate Bowman

Kate Bowman