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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 17, 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 SIP) Annual Report (2018 Report) which presents SIP 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 2018 Report on or before Monday, July 2, 2018, and reply comments on or before Tuesday, July 17, 2018.

On July 2, 2018, the Division of Public Utilities (Division), the Office of Consumer Services (Office) and Utah Clean Energy (UCE) submitted comments on the 2018 Report. Following are reply comments of the Office.

Office Response to UCE Recommendations

UCE recommends that if the SIP results in a net positive account balance, that the remaining funds be used in accordance with the purpose of the Schedule No. 107 tariff through which the funds were collected¹, which is to promote the installation of solar photovoltaic generating equipment.

A short history of the SIP begins with approval of the original solar pilot program that ran from 2007 through 2011. In 2011 a one year extension was granted by the Commission in

¹ Funds for the Program were collected through Schedule No. 195, the Program requirements were contained in Schedule No. 107.

order to give parties time to consider if a more permanent program was appropriate. In Docket No. 11-035-104 the SIP was approved by Commission Order on Oct 1, 2012. "The Program is designed to provide approximately \$50 million in rebate incentives over the life of the Program (calendar year 2013 through calendar year 2017). [Commission Order, at page 3]

The Program described in the Commission's October 2012 order was to run for five years. However, in the 2016 legislative session Senate Bill 115 that enacted the Sustainable Transportation and Energy Plan Act (STEP) was passed. Senate Bill 115 STEP, codified as Utah Code Ann. Section 54-7-12.8, includes provisions dealing with the Utah Solar incentive program. Relevant sections include:

54-7-12.8(4) "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.

54-7-12.8(6)(c) The Commission shall authorize a large-scale electric utility to recoup the large-scale electric utility's unrecovered costs paid through the Utah solar incentive program from the funds allocated under Subsection (6)(a)(i).

Thus, the legislature ended the SIP while allowing the utility to recoup funds that had been spent or committed up to December 31, 2016. This legislative action supersedes the Commission's order.

UCE states that the legislation did not provide direction for a situation where the Solar Incentive Program concludes with a net program balance. [July 2, 2018 comments, page 3] Thus, UCE recommended that any funds remaining at the close out of the program be allocated to promote the installation of solar electric generation equipment.

The final balance of the SIP account will not be known for several years. Large non-residential customers will continue to receive incentives based on their system's production for four years following completion of their project. In the meantime Rocky Mountain Power customers have paid for solar incentives from 2007 through 2016 and are now paying for STEP. The Office asserts that any funds that were collected through Schedule 195 that are unspent should be allocated back to customers through a credit against STEP charges. It is more important to be consistent with the STEP legislation than the original purpose the funds were collected for. The STEP legislation clearly states that the SIP shall stop. The STEP legislation also envisions returning to customers any funds collected from STEP customers that aren't spent. Thus, returning unspent SIP funds to customers is the appropriate course of action.

Office response to Division Recommendation

The Division recommends that the Commission direct the Company to provide a reconciliation between future USIP reports and the annual STEP reports.

The Office concurs with the Division's recommendation.

Recommendations

In our initial comments the Office recommended that 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.

In addition to those initial recommendations the Office recommends that the Commission:

- 1) Order any funds collected through Schedule 195 that are unspent at the end of the incentive payment cycle be returned to customers through a credit to STEP, Schedule 196.
- 2) Direct the Company to provide a reconciliation between future USIP reports and the annual STEP reports, as recommended by the Division.

CC: Chris Parker, Division of Public Utilities
Joelle Steward, Rocky Mountain Power