

July 8, 2022

VIA ELECTRONIC FILING

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Gary Widerburg
Commission Administrator

RE: Docket No. 22-035-23
Solar Photovoltaic Incentive Program (Schedule 107) 2022 Annual Report
Reply Comments

On May 25, 2022 the Public Service Commission of Utah (“Commission”) issued a Notice of Filing and Comment Period requesting comments on Rocky Mountain Power’s (“Company”) 2022 annual report of the Solar Photovoltaic Incentive Program previously offered through Electric Service Schedule No. 107 (“Report”). On June 23, 2022 the Division of Public Utilities (“Division”) filed comments recommending the Commission acknowledge the Report with recommendations. Rocky Mountain Power submits reply comments addressing the Division’s recommendations and clarifying the relationship between the Utah Solar Incentive Program (“USIP”) and the Sustainable Transportation and Energy Plan (“STEP”).

The Company clarifies two statements made by the Division that are not correct. First, the Division states on page 3 that on June 28, 2019, the Commission “approved RMP’s request to use \$13 million of *surplus USIP funds* for its Advanced Resiliency Management System Project (emphasis added).” The Company clarifies that the funds approved for use in the Advanced Resiliency Management System (“ARMS”) project were STEP funds collected through Electric Service Schedule No. 196 (“STEP Funds”), and not USIP Funds, defined as revenues that were collected through Electric Service Schedule No. 195 (“Schedule 195”). Second, the Division claims that “the STEP program will continue to pay USIP administrative and incentive expense of approximately \$474,163 through 2023 even though the STEP pilot ended on December 31, 2021.” The Company also clarifies that all USIP expenses will be funded with USIP Funds, not STEP Funds. No STEP Funds have ever been used for any USIP expenses. Conversely, no USIP Funds have ever been used for any STEP expenses.

USIP was a pilot program that was approved in Docket No. 07-035-T14 and extended in Docket No. 11-035-104, which was administered through Schedule 107 and funded by Schedule 195. In March 2016, the Legislature enacted the Sustainable Transportation and Energy Plan Act (the “STEP Act”), now codified, in part, at Utah Code Ann. §§ 54-7-12.8, 54-20-101, et seq. The STEP Act discontinued USIP as of December 31, 2016 pursuant to U.C.A §§ 54-7-12.8(4) and authorized the Company to collect estimated unrecovered costs for the remaining USIP obligations through the STEP Cost Adjustment Pilot Program pursuant to U.C.A §§ 54-7-12.8(6)(c).

At the time of the STEP Application in Docket No. 16-035-36 on September 12, 2016, it was expected that the remaining obligations of USIP through the last incentive payout in 2023 would exhaust the USIP Funds of approximately \$16 million collected under Schedule 195 through December 31, 2016, and would require an additional \$13 million of the \$50 million STEP Funds authorized by the STEP Act. However, in 2019 the Company determined that, due to a high level of expired projects, the USIP Funds would be more than enough to fund the remaining USIP obligations, and the Company did not need any STEP Funds for USIP obligations. Therefore, the STEP Funds that were originally budgeted for USIP were redeployed for use in the ARMS project, as described and approved in Docket No. 16-035-36 on June 28, 2019.

As shown in Table 4: USIP Account Summary of the Report, \$1,272,360 of USIP Funds is available as of March 31, 2022. This balance is more than sufficient to cover the expected remaining USIP obligations of \$474,163. Therefore, no STEP Funds will be needed for USIP expenditures. In fact, there is a very high likelihood that there will be a surplus of USIP Funds of approximately \$800,000. The Company agrees with the Division that the stakeholder meeting proposed by the Company in Docket No. 22-035-13 is an also appropriate forum to discuss the use of surplus USIP Funds and will include USIP close out on the agenda for the meeting.

Sincerely,



Joelle Steward
Senior Vice President, Regulation and Customer & Community Solutions

Cc: Service List - Docket No. 22-035-23

CERTIFICATE OF SERVICE

Docket No. 22-035-23

I hereby certify that on July 8, 2022, a true and correct copy of the foregoing was served by electronic mail to the following:

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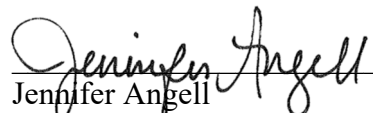
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