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# UTAH DEPARTMENT OF COMMERCE

## Division of Public Utilities

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## Action Request Response

**To:** Public Service Commission of Utah

**From:** Utah Division of Public Utilities

Chris Parker, Director  
Brenda Salter, Assistant Director  
Doug Wheelwright, Utility Technical Consultant Supervisor  
Bob Davis, Utility Technical Consultant

**Date:** June 20, 2024

**Re:** **Docket No. 24-035-26**, Rocky Mountain Power's Solar Photovoltaic Incentive Program (Schedule 107) 2024 Report

## Recommendation (Acknowledge)

The Division of Public Utilities (Division) has reviewed Rocky Mountain Power's (RMP) final Utah Solar Photovoltaic Incentive Program (USIP) Annual Report (Report) for January 1, 2023, through May of 2024, and finds that it meets the Public Service Commission of Utah's (Commission) past Orders and Directives. The Division recommends the Commission acknowledge RMP's final Report for the USIP.

## Issue

On May 20, 2024, RMP filed its Report with the Commission for the 2023 reporting period. The Commission asked the Division to review RMP's filing for compliance and to make recommendations, reporting back by June 20, 2024. On May 21, 2024, the Commission issued its Notice of Filing and Comment Period asking any interested person to submit comments before June 20, 2024, and reply comments before July 5, 2024.

Division of Public Utilities

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## Background

The Commission issued its Order in Docket No. 11-035-104, Utah Solar Incentive Program (Program), on October 1, 2012. The Commission's Order requires RMP to file a report for each program year by June 1<sup>st</sup> of the following year.

The Order specified that RMP's annual report include the number of applications, the number and size of completed installations, the total costs of all completed installations, generation data for large systems, and the number, if any, of surrendered deposits.<sup>1</sup> The Division and Office of Consumer Services (OCS) required additional filing requirements in subsequent years including date of deposit, completion date of the project, date of incentive payout, subtotals for each sector, and cumulative totals. RMP has been providing the required data for each program year as well as cumulative data in the annual reports as the program progresses. RMP uses a balancing account to track USIP program costs, which include summary entries, account balances, expired deposits with a footnote or explanation of the variance between Attachment A numbers for (kW<sub>CSI-AC</sub>)<sup>2</sup> and those contained in the report.<sup>3</sup>

On December 29, 2016, the Commission issued its Order in Docket No. 16-035-21, "Acknowledging the 2016 Solar Photovoltaic Incentive Program Report, and Memorializing Bench Ruling Approving Settlement Stipulation." Paragraph 14 of the Stipulation directed RMP to remove Special Condition 8, Cool Keeper Program requirements of the Solar Incentive Program, in its entirety, from Schedule No. 107. Paragraph 15 of the Stipulation required RMP to refund \$200,000 to the Utah Solar Incentive Program balance regarding the administration of the Cool Keeper Program requirements for Solar Incentive customers.<sup>4</sup>

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<sup>1</sup> 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*, October 1, 2012, at 10.

<sup>2</sup> kW<sub>CSI-AC</sub> is the customer solar incentive (CSI) energy value after conversion from direct current (DC) to alternating current (AC) and before the solar incentive caps have been applied.

<sup>3</sup> Docket No. 15-035-57, *Commission Letter to Company*, August 24, 2015, at 2, and OCS's *Recommendation Comments* filed July 1, 2015, at page 3.

<sup>4</sup> Docket No. 16-035-21, *Commission Order Acknowledging the 2016 Solar Photovoltaic Incentive Program Report, and Memorializing Bench Ruling Approving Settlement Stipulation*, December 29, 2016, Appendix, at 3.

On December 29, 2016, the Commission issued its Order in Docket No. 16-035-36 for Phase One of the Sustainable Transportation and Energy Plan Act (STEP) effectively ending new participant entry to the Solar Incentive Program as of December 31, 2016.<sup>5</sup> The Commission's Order required changes to several tariff schedules including Schedule Nos. 107 and 195. The revisions to Schedule No. 107 included language to stop accepting new applications for incentives after December 31, 2016. Schedule No. 196 replaced Schedule No. 195. The tables in previous reports showing carry-forward incentive dollars are unnecessary and no longer included.

The Commission's letter dated July 31, 2017, in Docket No. 17-035-35, acknowledged RMP's 2017 Solar Photovoltaic Incentive Program (Schedule 107) Annual Report and directed RMP to include information recommended by the OCS regarding the disposition of Renewable Energy Credits from the Program in its future reports.<sup>6</sup>

On June 28, 2019, the Commission issued its Order in Phase Five of RMP's STEP Program. The Commission approved RMP's request to use \$13 million of surplus USIP funds for its Advanced Resiliency Management System Project (ARMS).

On August 20, 2019, Docket No. 19-035-T12, the Commission approved a refund of \$3.06 million in surplus revenue collected from Schedule No. 107 through December 2016 as a reduction in Electric Service Schedule No. 196, Sustainable Transportation and Energy Plan Cost Adjustment Pilot Program, rates over one year beginning on November 1, 2019.<sup>7</sup>

## Discussion

The USIP was scheduled to sunset at the end of 2023 as a result of the STEP program. Consistent with prior year reports, this year's report contains the information required by previous Commission Orders and Directives. In Attachment A, the column labeled "Incentivized Size kW<sub>CSI-AC</sub>" compared to the column labeled "kW<sub>CSI-AC</sub>" shows the variance between the system kW capacities applied for and actual installed project capacities and

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<sup>5</sup> Docket No. 16-035-36, *Phase One Report and Order*, December 29, 2016, at 15, ¶ 2.

<sup>6</sup> Docket No. 17-035-35, Commission *Letter from Gary Widerburg*, July 31, 2017, at 2, <https://pscdocs.utah.gov/electric/17docs/1703535/295623CorresWiderburg7-31-2017.pdf>.

<sup>7</sup> Docket No. 22-035-T12, *Order*, August 20, 2019, at 2, <https://pscdocs.utah.gov/electric/19docs/19035T12/30972919035T12o8-20-2019.pdf>.

has not changed since the program closed to new participants in 2016. To be consistent over the life of the program, RMP pays the incentive based on the application “kW<sub>CSI-AC</sub>” capped at the maximum size for the program sector (i.e., large non-residential-1 MW, small non-residential-25kW, and residential-4 kW). The maximum incentive is established during the customer’s initial application. The column labeled “Incentivized Size kW<sub>CSI-AC</sub>,” illustrates the amount that ties to the report (Tables 1 and 2 of this year’s report for years 2013 through 2016). The report shows that the Incentivized Size kW<sub>CSI-AC</sub> capacity is on average approximately nine percent lower than the application kW<sub>CSI-AC</sub> capacity from 2013 to 2016. As expected, these values have not changed from last year’s report other than the accumulated renewable energy credits discussed below.

Attachment B, Large Non-Residential Production Data, appears to be complete and free from error. RMP uses the National Renewable Energy Laboratory’s (NREL) PVWatts estimating tool to determine if the generation facility meets the 85 percent rule requirement in Schedule 107.<sup>8</sup> The Division has not confirmed this requirement due to the lack of necessary input information needed for NREL’s estimating tool. The Division has no reason to believe that RMP has not enforced the 85 percent requirement and has been adjusting incentives as required. The Division notes the average and median total production compared to calculated production for this reporting period is 52 percent and 53 percent, respectively, based on a 22 percent NREL PVWatts efficiency factor.<sup>9</sup>

RMP reports no Incentive, Administrative, Marketing, Program Development, or Expired Deposits expenses for 2023 through May of 2024.<sup>10</sup> No further incentives or expenditures are expected for the USIP program.<sup>11</sup>

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<sup>8</sup> Rocky Mountain Power, Electric Service Schedule No. 107.5, *Solar Incentive Program*, Incentives, [https://www.rockymountainpower.net/content/dam/pcorp/documents/en/rockymountainpower/rates-regulation/utah/rates/107\\_Solar\\_Incentive\\_Program.pdf](https://www.rockymountainpower.net/content/dam/pcorp/documents/en/rockymountainpower/rates-regulation/utah/rates/107_Solar_Incentive_Program.pdf).

<sup>9</sup> Docket No. 24-035-26, Rocky Mountain Power, *Attachment B – Large Non-Residential Production Data (Excel)*, May 20, 2024, <https://psc.utah.gov/2024/05/20/docket-no-24-035-26/>.

<sup>10</sup> Docket No. 24-035-26, *Rocky Mountain Power’s Solar Photovoltaic Incentive Program (Schedule 107) 2023 Annual Report*, filed May 20, 2024, Table 7, page 4, <https://pscdocs.utah.gov/electric/24docs/2403526/333828SrlIncntvPrgrm2024Rprt5-20-2024.pdf>.

<sup>11</sup> *Id.*, *Expected Expenditures*, page 3.

RMP provides the total renewable energy certificates (RECs) obtained from projects affiliated with the program and provides both annual and cumulative totals. RMP calculates the participant's RECs the first full month after the incentive is paid. The calculation is based on a factor of 0.023 RECs per month, per incented (kW<sub>CSI-AC</sub>). Attachment A includes the incentive payment date, the assumed monthly REC total, and the total assumed RECs through May of 2024. RMP also includes information about the disposition of RECs. Registration with the Western Renewable Energy Generation Information System (WREGIS) for each participant in the program is complex and administratively expensive. Customers may register their own generation facilities with WREGIS but have not done so. RMP claims these obstacles make the RECs difficult to transfer or retire. RMP reports 66,423 total RECs in Table 5 of this year's report.<sup>12</sup>

The USIP Program Revenue Surplus Refund, Table 7, was an addition to RMP's 2021 report, which accounted for the \$3.06 million refund mentioned above. This year's report, Table 6, illustrates the disbursement of the remaining surplus revenues, including \$1,019,508 in 2023 and \$51,892 booked in December of 2023, and showing in January of 2024, due to accounting lag.<sup>13</sup> The Division concludes that the accounting for the surplus revenues is reasonable compared to RMP's projections and have been accounted for since the USIP ended in 2016.

## Conclusion

RMP's Report contains the information required by previous Commission Orders and Directives and includes cumulative program data through May of 2024. The USIP report, as filed, reasonably reconciles to the information contained in the final STEP Annual Status Report filed with the Commission on April 29, 2022, in Docket No. 22-035-13.<sup>14</sup>

The Division appreciates RMP's work to make the USIP a successful program to incentivize solar in Utah. The Division recommends that the Commission acknowledge RMP's 2024 final USIP Annual Report. The Division does not foresee any further need for Electric

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<sup>12</sup> Docket No. 24-035-26, *Supra* note 10, Table 5, page 3.

<sup>13</sup> Docket No. 24-035-26, *Supra* note 10, Table 6, page 4.

<sup>14</sup> Docket No. 22-035-13, *Rocky Mountain Power's Fifth Annual Sustainable Transportation and Energy Plan Act ("STEP") Program Status Report*, April 29, 2022, at 19.0, <https://pscdocs.utah.gov/electric/22docs/2203513/323788RMP20215thSTEPPrgrmRprt4-29-2022.pdf>.

Service Schedule No. 107, Solar Incentive Program, and leaves it to RMP's discretion to retire the tariff Schedule.

cc: Joelle Steward, RMP  
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