



RALPH BECKER
MAYOR

SALT LAKE CITY CORPORATION

OFFICE OF THE MAYOR

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

RE: Docket No. 08-035-78 In the Matter of the Consideration of Changes to Rocky Mountain Power's Schedule No. 135 – Net Metering Service

Dear Public Service Commission:

Salt Lake City understands that consumer demand for electricity is rising. We also understand that there is limited transmission capacity into the Wasatch Front. Both of these issues must be addressed, and one of the best ways to do so is to incentivize the installation of distributed energy sources, such as solar and wind power.

As these technologies are still new, they are more expensive than traditional forms of energy. Other communities have addressed this disparity by helping to create markets for the technology, supporting it until economies of scale make it competitive with traditional electricity sources. It is time to do this in Utah by providing a fair net-metered rate to the businesses and residents that install these systems, and also by removing all limits as to the amount of net-metered electricity that is accepted into the system.

There are two parts to this rate case. The first is to determine the price that will be paid for excess electricity that is returned to the system. It is our position that residential customers should be credited at Rocky Mountain Power's full retail rate so that these customers receive a one-to-one credit for all generated electricity. This provides our residents with a fair means of storing energy in the system for later use without losing up to half of their monthly excess generation to rate inequality. Business customers should have the ability to choose whether to be credited at the full retail rate, or at the avoided cost rate, depending on the nature of the business. We realize that the full retail rate is greater than the average cost Rocky Mountain Power pays for electricity, but by reducing demand on their system, these distributed installations delay the need for additional power plants and transmission lines, thus reducing the future costs to the power company. Additionally, much of the distributed energy will be generated during peak demand times when power costs are at their highest, not at the "average" rate. With a net-metered rate at the full retail rate, residents and businesses would have more incentive to install alternative energy sources that enhance our energy supply and security, and Rocky Mountain Power would have more capacity on their system without incurring additional capital costs.

The second part of the rate case has to do with the cap that is now in place as to the total amount of electricity that can be produced by these private systems. Again, we need to provide all incentives

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possible to encourage the installation of these alternative energy sources, and having a cap on the amount allowed makes no sense at all. The current cap of 0.1% allows distributed energy to make an insignificant contribution toward the state's Renewable Portfolio goal of 20%. There is no reason to limit the amount of alternative energy produced by distributed energy sources; the more, the better. Salt Lake City strongly encourages the PUC to remove all limits to the amount of energy that can be produced from these sources, and rely on the interconnection standards to protect the integrity and safety of the network.

Alternative energy sources are our future. They will eventually replace much of our current fossil-fueled energy production, and we need to do everything possible to make them economically viable. By incentivizing installation of alternative energy, and not restricting the amount that can be produced, we will also be poised to attract alternative energy industries to the area, which will have a positive effect on our local economy. Distributed generation provides us with greater energy security, and solar and wind sources provide this energy without impacting our region's air quality.

To summarize, please set a net metered rate to float with the retail rate of Rocky Mountain Power, and remove all limits to the amount of net metered power that will be allowed.

If you have any questions, do not hesitate to contact me.

Warm Regards,

A handwritten signature in black ink, appearing to read 'Ralph Becker', written in a cursive style.

Ralph Becker
Mayor

REB/vb