



SALT LAKE COUNTY

PETER M. CORROON
Salt Lake County Mayor

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September 24, 2007

To: Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City UT 84111

From: Salt Lake County Mayor Corroon

Re: Issues for September 25, 2007 Technical Conference on Net Metering
and Interconnection

Dear Commissioners:

Salt Lake County is interested in diversifying the energy portfolio of the Salt Lake Valley, both internally for our government infrastructure and externally for our constituents. Given the profound impacts of air pollution, energy cost and supply problems, and climate change on the well-being of the citizens of Salt Lake County, we are supportive of those decisions that provide economic benefits without compromising the quality of the environment, both locally and regionally. In 2006, Salt Lake County installed its first solar photovoltaic (PV) system as a part of the Salt Palace Expansion project. Since that time, we continue to look for new opportunities to further promote environmentally and socially responsible energy resources.

In light of the upcoming September 25th Technical Conference on Net Metering and Interconnection, I write to discuss two Salt Lake County renewable energy projects and the barriers currently impeding their successful implementation. First, Salt Lake County is interested in partnering with local financial institutions to install \$12 million worth of solar PV systems on our County facilities. Our initial discussions have been promising. Local governments across the United States have successfully installed these types of systems using similar business plans.

The second project we are considering is a major Concentrating Solar Power (CSP) installation as part of the "Solar Salt Lake Project", a partnership with Rocky Mountain Power, Utah Clean Energy, Kennecott Land, the State of Utah and Salt Lake City.

Although we are in the early stages for both of these projects, we have identified some significant barriers, in the context of net metering and interconnection, to the development of small-scale and large-scale distributed renewable energy. It is my understanding that the Technical Conference on the 25th is intended to address some of the issues relating to Net Metering and Interconnection. Please accept the following issues for consideration:

1) The current project size cap for net metered systems is 25 kW, which is relatively small compared to an average commercial load in Utah. If a commercial facility installs a solar PV (or other renewable energy) system larger than 25 kW, the process becomes significantly more challenging, time-consuming, and financially cumbersome. Our neighboring state, New Mexico, currently allows 80 Megawatts net metering.

2) Our efforts to obtain information on net metering and interconnection have been onerous and somewhat confusing, due to seemingly obscure program administration policies and procedures. The information on these matters is not readily available, transparent, or straightforward to the general public.

3) The current net metering rule payment structure is not favorable for commercial rate schedules, as the net metering rule only compensates for the kWh charge, not other charges, such as the "demand charge." This does not accurately reflect the peak demand value of Utah's solar resource and creates a significant disincentive for large-scale commercial projects. We would recommend that net metering compensate for the demand charge in addition to the normal kWh charge.

I appreciate that Rocky Mountain Power and Questar have already taken strides to allow for distributed renewable energy; however, we are eager to explore ways to eliminate unnecessary barriers to adoption and encourage increased development of renewable energy resources. We look forward to working with you on this process as we continue our efforts to diversify the Valley's energy portfolio.

Regards,

A handwritten signature in black ink, appearing to read 'Peter M. Corroon', with a long, sweeping flourish extending to the right.

Peter M. Corroon
Mayor, Salt Lake County