



STATE OF UTAH

OFFICE OF THE GOVERNOR
SALT LAKE CITY, UTAH
84114-2220

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For Immediate Release

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Agreement Announced for Utah Rooftop Solar

Proposed settlement provides glide path for sustainable rooftop solar development

SALT LAKE CITY (Aug. 28, 2017) – Gov. Gary R. Herbert today announced an unprecedented accomplishment in the advancement of sustainable rooftop solar energy in Utah.

State and local government entities, Rocky Mountain Power, solar industry participants, and non-governmental interest groups have proposed a settlement of net metering and distributed generation matters that provides a wise and sustainable path for rooftop solar development in Utah. The agreement was filed with the Utah Public Service Commission in the current net metering docket, 14-035-114, and will be considered at PSC hearings to be held in September.

The agreement allows current net metering customers to maintain existing export credit levels through December 31, 2035, while ending net metering for new customers that submit an application after November 15, 2017. Subsequent to the close of the net metering program to new customers, the agreement establishes a three-year transition program to provide export credits for rooftop solar customers that deliver solar energy onto the Rocky Mountain Power system. Through this transition period, Utah’s solar companies and their customers will be able to adjust and adapt to a new unsubsidized program for solar generation exported to the grid. The value of this energy will be determined by the PSC, based on a study that will commence this year and conclude no later than 2020.

“By bringing key parties together, we have found a collaborative and strategic approach to meeting our net metering challenges,” said **Gov. Herbert**. “With this fair and balanced

agreement, Utah will soon become the first state in the nation to preserve the vital role of our emerging solar industry as it becomes sustainable, without subsidies, in our diversifying energy market.”

The agreement comes three years after the Utah legislature passed *SB 208, Public Utilities Modification* (Bramble, C., 2014) with the intent of realizing a cost-based approach to net metering. It represents many months of discussion and negotiation in supporting the objectives defined in legislation to effectively end the net metering program and provide a glide path for a reasonable transition.

“We are pleased that Utah parties are committed to working with the legislature to achieve a successful path forward,” said **Laura Nelson, Ph.D, the governor’s energy advisor**. “Overall, the agreement provides a fair balance between the utility, ratepayers, the solar industry, and current net metered customers, and will result in a movement toward more transparent, market-based industry that continues to support Utah's thriving economy and high quality of life.”

Parties joining the agreement include:

- Utah Division of Public Utilities
- Utah Office of Consumer Services
- Rocky Mountain Power
- Auric Solar, LLC
- Intermountain Wind and Solar, LLC
- Legend Ventures, LLC (d/b/a) Legend Solar
- Vivint Solar
- Utah Clean Energy
- Utah Solar Energy Association
- Utah Citizens Advocating Renewable Energy (UCARE Utah)
- Healthy Environment Alliance of Utah (HEAL Utah)
- Salt Lake City Corporation
- Summit County
- Park City Municipal Corporation, agreed to terms, conditioned upon final approval by respective governing bodies

Aligned parties concur that the settlement will create a platform for both solar consumers and state regulators to assess accurate costs as the market evolves, allowing for a more transparent, secure, innovative industry in the years to come.

“The settlement allows regulators to set accurate rates reflecting the costs and benefits of customer generation to the utility system and other customers while providing a transition for existing net metering customers and the Utah solar industry,” said **Chris Parker, director of the Utah Division of Public Utilities**. “By separating the value of customer generation from the rates customers pay for utility usage, this settlement ultimately minimizes subsidies between customer groups. As solar generation technology and business practices mature and markets evolve, this settlement allows regulators to more accurately assign costs and benefits among customer groups and remove existing subsidies to solar customers.”

“This settlement provides an orderly transition to a more sustainable rate design for customers who choose to install rooftop solar and does so through a reasonable balance of the interests of solar and non-solar customers, both now and in the future,” said **Michele Beck, director of the Utah Office of Consumer Services**.

“We appreciate Gov. Herbert's leadership in negotiating a solution with such a diverse group of stakeholders,” said **Cindy Crane, President and CEO of Rocky Mountain Power**. “In this process, Rocky Mountain Power's guiding principle has been that rooftop solar customers should not be subsidized by our other customers. While no compromise is perfect, this settlement sets in motion a process to do just that. Subsidies will continue for a transition period until a new market-based solution is established that balances the interests of all customers, whether they choose to install solar panels or not.”

“Utahns are passionate about technological innovation, energy independence and environmental stewardship, which are hallmarks of the solar industry,” said **David Bywater, CEO of Vivint Solar**. “While compromise requires each party to give on some issues, this agreement provides a path forward for our state to further establish itself as the solar hub of the nation. We commend Gov. Herbert for his leadership in protecting Utah’s business-friendly reputation. We believe transparency and certainty in the regulatory process benefit all Utahns. Throughout the next several years, Vivint Solar will continue to support Utah’s solar pioneers and those who come after as we work to determine the true value of solar energy and its long-term benefits.”

“After months of uncertainty, this collaboration will power Utah for generations through sustainable and affordable solar power,” said **Jess Phillips, CEO of Auric Solar**. “This agreement gives Utahns the choice to power their homes and businesses by the sun in a cost effective way.”

“We are proud to have been a part of this collaborative, multi-stakeholder process,” said **Sarah Wright, executive director of Utah Clean Energy**. “It was a tough road of negotiating, but

thanks to all parties involved we were able to broker a compromise that will create a stable solar market for the near term,”

“Throughout this process, the Utah Solar Energy Association had two clear priorities: to keep rooftop solar affordable for Utahns and preserve the 4,400 jobs the solar industry has created,” said **Ryan Evans, president of the Utah Solar Energy Association**. “This compromise maintains solar as an affordable and secure investment, encourages self reliance and promotes choice in our energy market. We appreciate Gov. Herbert’s recognition of the important role distributed energy production and rooftop solar holds for our citizens and the economy, with its nearly \$400 million in annual economic impact to our state. The leadership that he and Dr. Laura Nelson provided over the last nine months ensured we reached an acceptable compromise in this very challenging and important issue.”

“The negotiations gave a chance for ratepayer, electric grid and environmental benefits of rooftop solar to be demonstrated,” said **Michael Shea, senior policy associate for HEAL Utah**. “While sacrifices were made, HEAL feels the settlement creates a sustainable path forward for the solar industry to continue to grow in Utah. We look forward to working with all parties to push for the further advancement of sustainable energy in Utah.”

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