

1 relationship between solar adoptions and those explanatory variables. Mechanically
2 projecting the historical growth rate into the future ignores the reasons that growth has
3 occurred. From 2010 to 2021, solar installation costs dropped dramatically. According
4 to the most recent NREL ATB (2023), from 2010 to 2021, the median residential solar
5 CAPEX declined by 9.2% per year. From 2021 to 2028, however, residential solar
6 CAPEX in the moderate scenario is only projected to decline by 3.0% per year.¹⁸ Based
7 upon only this data, a linear regression model with solar installation cost as the only
8 independent variable would capture this smaller rate of change relative to history and
9 project a smaller rate of growth for solar adoptions in the future.

10 Additionally, it is important to check the results for reasonableness. Currently
11 the Companies have around 4,000 distributed solar customers. This represents about
12 0.5% of residential customers today. Even assuming the 1% cap, the Companies' base
13 solar forecast suggests about 1.2% of residential customers will have distributed solar
14 by 2028 – this means that the Companies are projecting about 2.5 times the current
15 number of distributed solar customers in just the next 5 years. This projected growth
16 is not conservative as Mr. McDonald suggests but instead reflects a steady incremental
17 growth in the number of customers and amount of distributed solar capacity.
18 Conversely, Mr. McDonald's method contemplates more aggressive growth to about
19 6% of the Companies' residential customers adopting solar by 2028. His projection
20 that the Companies will get to 12 times current levels of adoption in just the next 5
21 years does not align with the Companies' expectations of reasonable growth.

¹⁸ https://atb.nrel.gov/electricity/2023/residential_pv. The model used in the CPCN load forecast was based upon adjusted 2022 NREL ATB figures, as described at page 29 of Exhibit TAJ-1, and had multiple independent variables: retail electric rate, disposable income, and the grid-to-LCOE ratio (retail rate/LCOE of solar install).