



To: The Public Service Commission of Utah  
Heber M. Wells Building, 4<sup>th</sup> Floor  
160 East 300 South  
Salt Lake City UT 84111

From: Utah Clean Energy  
1014 2<sup>nd</sup> Avenue  
Salt Lake City, Utah 84103

Copies To: PacifiCorp  
David Taylor, Regulation, Utah  
The Division of Public Utilities  
Jeffrey Millington, Director  
Artie Powell, Energy Section Manager  
The Committee of Consumer Services  
Michele Beck, Director  
Cheryl Murray, Utility Analyst

Date: January 25, 2008

RE: Docket No 00-035-T01: Rocky Mountain Power's Annual Report of Blue Sky Program – Schedule 70, Renewable Energy Rider, Optional – Schedule 72, Renewable Energy Rider – Optional -- Bulk Purchase Option

*Submitted Electronically*

Dear Commissioners:

Utah Clean Energy respectfully submits the following comments in response to the recently filed Rocky Mountain Power's Annual Report of the Blue Sky Program - Schedule 70, Renewable Energy Rider, Optional – Schedule 72, Renewable Energy Rider – Optional -- Bulk Purchase Option.

### **Background**

Since its inception in 2000, Rocky Mountain Power's Renewable Energy Rider Program (a.k.a the Blue Sky Program) has been extremely successful and popular in Utah. As of December 2007, there were over 23,300 residential customers and 530 businesses and local governments participating in the Blue Sky Program statewide – marking a one thousand percent increase in customer participation from June 2001.<sup>1</sup> Additionally, three communities in Utah have earned the honored designation as official EPA Green Power Communities (Moab/Castle Valley, Park City, & Alta) for their above average community participation rates in the Blue Sky Program. The program also continues to

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<sup>1</sup> In June 2001, there were 2,252 residential customers and 3 business customers participating in the Blue Sky Program in Utah. (Source: PacifiCorp. *Utah Blue Sky Report thru 2006*. January 2006.)

serve as a vital tool to educate Utahns on the importance and viability of renewable energy resources.

The continued popularity of this program indicates that a growing number of Utah consumers want renewable energy and are willing to pay a little more to support renewable energy resources.

At the recent Twelfth National Green Power Marketing Conference in Philadelphia, Pennsylvania, Rocky Mountain Power's Blue Sky Program received the 2007 Green Power Program of the Year Award from the U.S. Department of Energy. This award recognized the notable features of the program, namely: the preference for new renewable energy resources and facilities, located near the communities they serve; total customer participation rate; and support of community-based renewable energy projects, which "[bring] strong environmental, educational and economic benefits to local communities the company serves."<sup>2</sup> The evaluation panels for the award applicants included representatives from the Department of Energy, the US Environmental Protection Agency, the Center for Resource Solutions, and national green power experts.<sup>3</sup>

Utah Clean Energy is pleased to see this program moving forward successfully. In response to the recent Annual Report of Blue Sky Program (Docket 00-035-T01) filed by Rocky Mountain Power on October 31, 2007 and in response to concerns about the Blue Sky Program addressed at a January 10, 2008 Committee of Consumer Services public meeting, Utah Clean Energy respectfully submits the following comments and suggestions regarding the program.

### **Response to Annual Report of Blue Sky Program**

Utah Clean Energy submits the following suggestions regarding the Annual Report:

1. We would like the report to be more user-friendly, clear, and readily accessible to the public via the Company's website.
2. We would like to see included in the accounting segment of the report more details on Total Company expenditures in addition to the Utah figures, as this will help put the total Utah Program and Project funding in perspective.
3. We request that funding allocated to Utah Clean Energy, listed under the Qualifying Initiatives (QI) Community Projects section, be clearly segregated from the project awards section, given this funding was awarded for outreach and project assistance, not for project implementation. This funding was allocated to Utah Clean Energy at the onset of the QI program in 2006 to help promote the new initiative, educate Blue Sky customers and prospective QI applicants about the available funding and application process, and provide assistance for applicants unfamiliar with renewable energy and project development. Utah Clean Energy is *not* involved in the applicant selection process, and we have

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<sup>2</sup> 2007 Green Power Leadership Awards. The Green Power Network. U.S. Department of Energy, Energy Efficiency and Renewable Energy Program. URL: <http://www.eere.energy.gov/greenpower/conference/awards07.html#pacificorp>

<sup>3</sup> 2007 Green Power Leadership Awards, URL: [http://www.renewableenergymarketing.net/judging\\_process.shtml](http://www.renewableenergymarketing.net/judging_process.shtml)

submitted quarterly reports to Rocky Mountain Power on our support of the QI program.

### **Qualifying Initiatives**

As stated in Utah Clean Energy's comments submitted May 16, 2007 on Tariff PSCU No. 47, we support the use of Blue Sky funds for Qualifying Initiatives (QI), known as community-based renewable energy projects. By funding locally-owned renewable energy projects that produce less than 10 MW of electricity, the QI program reinvests Blue Sky funds into Utah communities and offers numerous benefits to the larger community, including:

- Creating a simple way for the Blue Sky customers to invest in local Utah renewable energy projects;
- Offering an effective means to increase public awareness for renewable energy, exposure to technical information, and hands-on renewable energy education;
- Allowing non-traditional entities, such as schools and public education entities (i.e. science centers, zoos, etc.), to benefit from the associated energy savings and educational opportunities of renewable energy;
- Supporting Utah's emerging distributed renewable energy industry;
- Increasing the number of small-scale distributed generation systems on Rocky Mountain Power's system

Utah Clean Energy submits the following recommendations for the Qualifying Initiatives and looks forward to working with all interested parties to ensure successful implementation of this portion of the Blue Sky Program:

1. Utah Clean Energy suggests that the program application, selection process, and approval should remain as simplified and streamlined as possible, without compromising accountability and transparency, to avoid creating unnecessary barriers and overly burdensome processes for all parties involved. We disagree with the recommendation to obtain Commission review and approval of selected Qualifying Initiative projects prior to funding. We feel this falls outside the scope of the Commission's purview and would create unnecessary bureaucracy for a small voluntary program.
2. The technical and cost details of the projects should continue to be addressed in the quarterly reports submitted by awardees to Rocky Mountain Power, until project completion.
3. Utah Clean Energy supports a reasonable deadline for project completion (i.e. within two years of funding allocation).
4. As we suggested in our May 16, 2007 comments on Tariff PSCU No. 47, we recommend a mechanism, such as an Escrow Account or other means, to hold moneys until project completion.
5. We recommend that Rocky Mountain Power should update website, customer literature, and other communications to reflect the changes to the program regarding Qualifying Initiatives. We are aware that the Company has recently updated a Blue Sky Fact Sheet with information on the QI program, and we encourage continued efforts to update all pertinent materials.

**Renewable Energy and REC purchases for the Blue Sky Program**

We support the commitment of Blue Sky funds to purchase Renewable Energy and or Renewable Energy Credits (RECs) from Utah projects, even if the cost of the RECs are slightly higher than the market rate for RECs, as we feel this is an important and effective way to reinvest Blue Sky dollars from Utah customers in Utah projects. We also support the use of Blue Sky funds for Utah-based large-scale solar photovoltaic or concentrating solar projects. As a public interest group, we continually hear requests from the public for more investment in Utah projects. Given Utah's high participation rates, we feel this is an appropriate allocation of Blue Sky funds.

**Per Block Cost of Blue Sky**

While the recent filing does not include mention of any proposed changes to the price per block for Schedule 70 and Schedule 72, Utah Clean Energy would again like to suggest that the Company and Commission evaluate the potential for a price reduction for the Blue Sky blocks (i.e. a \$0.20 decrease in the price per block for Schedule 70 price of \$1.95 per block would become \$1.75 and the Schedule 72-Bulk Purchase Option \$0.70 price per block would become \$0.50).

**Third Party Certification**

Utah Clean Energy has advocated for third party certification of the Blue Sky Program in the past, and we commend Rocky Mountain Power's current efforts to attain third party certification through Green-e<sup>TM</sup>, the nation's leading independent consumer protection program for the sale of renewable energy and greenhouse gas reductions in the retail market. Green-e<sup>TM</sup> verification requires that sellers of certified renewable energy disclose clear price and terms and conditions for the renewable energy option.

Thank you for consideration of our comments and suggestions. If you have any questions, please contact us at (801) 363-4046.

Sincerely,

Sarah Wright, Director

Sara Baldwin, Community Programs & Policy Associate