



State of Utah
Department of Commerce
Division of Public Utilities

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Action Request Response

To: Utah Public Service Commission

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Manager

Brenda Salter, Utility Technical Consultant Supervisor

Paul Hicken, Technical Consultant

Date: November 12, 2019

Re: **Docket No. 19-035-T15**, Rocky Mountain Power's Proposed Tariff Changes to Schedule Nos. 70 and 72, Renewable Energy Rider and Renewable Energy Rider Bulk Purchase.

Recommendation (Approval)

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) approve Rocky Mountain Power's (Company) Proposed Tariff Changes to Schedule Nos. 70 and 72, pertaining to Renewable Energy Rider and Renewable Energy Rider Bulk Purchase.

Issue

On October 25, 2019, the Company filed with the Commission Advice No. 19-15, proposing revisions to Schedule Nos. 70 and 72, Renewable Energy Rider and Renewable Energy Rider Bulk Purchase. On October 25, 2019, the Commission issued an Action Request to the Division requesting a review and recommendations by November 12, 2019. Subsequently, the Commission issued a Notice of Filing and Comment Period giving interested parties until

November 12, 2019 to provide comments, with reply comments due November 19, 2019. This memorandum represents the Division's response to the Commission's Action Request.

Background

The purpose of this filing is to propose changes to the Blue Sky Program (Program) administered through Electric Service Schedules Nos. 70 and 72, specifically to increase the standard Blue Sky block size from 100 kWh to 200 kWh of renewable energy with no increase to Block price which is currently set at \$1.95 per month. The Program was implemented to provide an option for customers who want to be served by renewable energy to voluntarily purchase Renewable Energy Credits (RECs) to offset some or all of their usage.

Discussion

In an effort to meet growing customer demands in the renewable energy sector and to better align with market conditions, the Company is proposing to increase the size of each Blue Sky Block from 100 kWh to 200 kWh of renewable energy. The Division learned from further communication with the Company that the increase to the Blue Sky Block is appropriate because of increased demand for renewable energy and it is feasible because pricing has stabilized to a point where the Program can safely offer this increase without altering individually negotiated contracts, including any Blue Sky Select contracts currently in place, which are used to facilitate direct purchase of RECs or any future individually negotiated agreements.

The proposed changes will not be implemented unless the Company receives approval from all six states. If approved, the Company will notify current participants of the change in block size through a number of methods, including mail, email, and forecast newsletters. The Company's website will also be updated to reflect the change. Once approved, current participants' block size will increase automatically.

Conclusion

After reviewing the proposed tariff changes contained in the filing, the Division finds no objections and recommends the Commission approve the Proposed Tariff Changes with an effective date of January 1, 2020.

Cc: Michael Snow, Rocky Mountain Power.
Michele Beck, Office of Consumer Services
Service List