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Division of Public Utilities

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**Memorandum**

TO: Public Service Commission

FROM: Division of Public Utilities  
Philip Powlick, Director,  
Artie Powell, Energy Manager  
Thomas Brill, Technical Consultant  
Brenda Salter, Utility Analyst  
Abdinasir Abdulle, Technical Consultant

DATE: April 20, 2010

RE: Docket No. 00-035-T01. 2009 Annual Report of the Blue Sky Program

**RECOMMENDATION**

The Division of Public Utilities (Division) recommends that the Public Service Commission (Commission) acknowledge the Annual Report of the Blue Sky Program of Rocky Mountain Power (Company), as it meets the Commission's reporting requirements ordered for this program. Further, the Division recommends the Commission direct the Company to include in subsequent annual reports the REC Position Reconciliation report and the Community Project Funding Reconciliation report.

**ISSUE**

Pursuant to Commission Orders in Docket Nos. 00-035-T01 and 07-035-T13, on March 31, 2010, the Company filed with the Commission its Annual Report of the Blue Sky Program covering the Calendar Year 2009. On April 1, 2010, the Commission issued an Action Request

to the Division requesting a response by April 22, 2010. This Memorandum is the Division's response to the Commission's Action Request.

## **DISCUSSION**

The Order in Docket No. 00-035-T01, dated April 17, 2000, directed the Company to provide an annual report of the Blue Sky program. Specifically, this order required the annual report to "account for all revenues received, blocks purchased, blocks generated or contracted for and other program costs." In a subsequent order under Docket No. 00-035-T01 dated March 21, 2008, the Commission approved a number of recommendations made by the Division in its Memorandum dated January 24, 2008

Further, in its Order in Docket No. 07-035-T13, dated September 6, 2007, the Commission stated:

*[W]e direct the Company to work with the Division, the Committee and other interested parties in the development of the annual report to address their concerns including the contents, timing, distribution, notification and other aspects of this report. The exception is the annual report must include the ratemaking treatment of the funds received, cost of purchases including RECs, and interest earned on the balance of funds.*

The Division reviewed the content and the format of the 2009 Annual Report of the Blue Sky Program in light of the above Commission Orders. The report contained a spreadsheet with six tabs. In these tabs the Company provided the required Utah specific and total Company information; Renewable Energy Certificates (REC) purchases; program available funds; funding award application history; and project standards and evaluation criteria. After reviewing the information contained in the spreadsheet, the Division concluded that the report is in compliance with the Commission Order.

The Division noted in its memorandum dated July 2, 2009 submitted to the Commission concerning the 2008 Annual Report that "while the year-end report shows REC purchases of

\$961,250 for the year, an additional \$621,110 of RECs were purchased January 2009 to meet 2008 requirements. An additional \$125,000 were purchased in late 2008, but were not invoice/booked until January 2009. Thus, according to the Company, up to \$1,705,360 of RECs were purchased to meet 2008 requirements.” The Division recommended that the Company take the appropriate steps to ensure that this value was not double counted in the calendar year 2009 report. The 2009 Annual Report did not provide documentation as to the amount of RECs purchased to meet the 2008 requirements and the amount of RECs purchased to meet the 2009 requirements. The above-mentioned REC purchase of \$125,000 appeared to be part of the 2009 requirement. Through an informal request, the Division asked the Company to provide a reconciliation of the REC purchases. The Company complied with the request and through this report the Division was able to account for the RECs purchased to meet the 2008 and 2009 requirements. In order to avoid future confusion, the Division recommends the Company provide the REC Position Reconciliation report as part of the Annual Report of the Blue Sky Program.

The Division has been involved in the selection process of awarding community projects for the 2008 and 2009 years. A review of the community projects included in the 2009 annual report showed the Total 2009 Funding Awards and the Utah 2009 Funding Awards did not reconcile with the 2009 Community Project Funding. In an informal request, the Division asked the Company to provide a reconciliation of the community projects funds. The Company stated there were additional funds expended on current projects and also funds returned based on projects that would not be completed. The Company provided to the Division a report reconciling the community project funds. The Division is recommending the Company provide the Community Project Funding Reconciliation as part of the Annual Report of the Blue Sky Program.

## **CONCLUSION**

In conclusion, the Division recommends that the Commission acknowledge the 2009 Annual Report of the Blue Sky Program filed by the Company. The Division also recommends

that the Commission direct the Company to include with subsequent annual reports the REC Position Reconciliation report and the Community Project Funding Reconciliation report.

CC: Michele Beck, OCS  
Dave Taylor, RMP