



Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City UT 84111

May 16, 2007

RE: Tariff PSCU No. 47
Schedule 70 – Renewable Energy Rider – Optional
Schedule 72 – Renewable Energy Rider – Optional – Bulk Purchase Option

Dear Commissioners,

On behalf of the Utah Clean Energy, I am writing in regards to the proposed tariff changes associated with Tariff PSCU No. 47 Schedule 70 - Renewable Energy Rider and Schedule 72 – Renewable Energy Rider –Bulk Purchase Option filed by Rocky Mountain Power.

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 April 2007, there are nearly 20,000 residential customers and 450 businesses participating in the Blue Sky Program statewide – this marks a 697% increase in customer participation from June 2001.¹ This program offers an important means for Rocky Mountain Power customers to support renewable energy development and choose clean energy for their electricity needs; the program also continues to serve as a vital tool to educate Utahns on the importance and viability of renewable energy resources. We are pleased to see this program moving forward successfully and commend Rocky Mountain Power and the Public Service Commission for continuing to offer this program to Utah’s ratepayers.

With respect to the proposed changes to this program identified in Rocky Mountain Power’s filing of Advice No. 07-13 Blue Sky Program Option, Utah Clean Energy would like to respectfully submit the following comments and suggestions.

- **Definition of Renewable Energy:** Utah Clean Energy supports the proposed expansion of the definition of renewable energy to include “low-impact hydroelectric; hydrogen derived from photovoltaic electrolysis or a non-hydrocarbon derivation process; wave or tidal action; and low emissions biomass based on digester methane gas from landfills, sewage treatment plants or animal waste, and biomass energy based on solid organic fuels from wood, forest or field residues or dedicated crops that do not include chemically treated wood pieces” (pg. 3). We support the expansion of this definition *on the condition that* all the renewable energy resources included as part of the Blue Sky

¹ 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.)

mix do not have a carbon impact and are clearly shown to have minimal to no environmental impact.

▪ **Qualifying Initiatives:**

A. Utah Clean Energy **supports** utilizing surplus program monies to fund locally-owned commercial-scale renewable energy projects that produce less than 10 MW of electricity. This is an excellent means to drive the expansion of local renewable energy projects in Utah, while educating the general public about the program and the availability and feasibility of renewable energy.

B. Utah Clean Energy **does not support** the use of funds for “Research and Development projects encouraging renewable market transformation to accelerate marketability of renewable technologies” (pg 4), as we feel this is not the best use of limited program funds. We do, however, support funding for R&D pilot projects that would provide energy to the grid.

C. Utah Clean Energy **supports** the “Investment in the above-market costs associated with the construction of renewable energy facilities or purchase by contract of renewable energy resources to be competitive with cost-effective resources” (pg 4).

To ensure that monies allocated for these projects are spent on the intended renewable energy projects, Utah Clean Energy recommends a control mechanism, such as requiring recipients to place monies into an Escrow Account (an account established to hold moneys pledged and to be used solely for a designated purpose). This will help guarantee protection of the monies granted.

- **Special Conditions:** Item 2 of the Special Conditions section of the Electric Service Schedule No. 70 states: “The Company will not accept enrollments for accounts that have a time-payment agreement in effect, or have received two or more disconnect notices, or have been disconnected within the last 12 months.” This provision was included in the original docket to protect low-income residential customers. As such, we support this provision for residential customers, but feel it is not necessary for business customers. A business is an autonomous financial entity that should be allowed to make the decision to enroll in the Blue Sky program, regardless of its credit status. Utah Clean Energy suggests the Commission and the Company review this provision and consider making an exemption for business entities.
- **Additional Suggestions:** Utah Clean Energy would like to take this opportunity to make some additional suggestions on the Blue Sky Program relating to questions that arose from his tariff filing and the regulatory oversight of this Program.
- **Third Party Certification:** Utah Clean Energy recommends that the Blue Sky Program adopt some form of third party certification to verify the program, such as the Western Renewable Energy Generation Information System (WREGIS) or Green-e™. We also recommend that the program be audited by a third party on a regular basis (perhaps once every three years). As the program continues to grow, third party

certification and regular audits are effective means to provide quality assurance and consumer confidence in the Program.

The Western Renewable Energy Generation Information System (WREGIS) is an independent tracking system that is intended to be a Renewable Energy Credit (REC or green tag) clearinghouse for the area covered by the Western Electric Coordinating Council (WECC). WREGIS will provide assurance to REC buyers and sellers that their sales and purchases are "clean" and have not been double counted. WREGIS will require generators to utilize a Qualified Reporting Entity to provide REC generation data to WREGIS which will insure accurate reporting. It is currently anticipated that WREGIS will go live in the third quarter of 2007.

Green-e™ (www.green-e.org) is another independent certification and verification program for renewable energy and companies that use renewable energy.

PacifiCorp's participation in a third party certification program will insure that the REC trades are error free and verifiable. An independent party with no affiliation to generators or purchasers will help Blue Sky participants can be confident that PacifiCorp's purchases on their behalf will be from legitimate, qualified renewable resources.

- **Charge Per Block:** While this filing does not include any proposed changes to the price per block for Schedule 70 and Schedule 72, Utah Clean Energy suggests that the Company consider a minimal \$0.20 decrease in the price per block for both schedules, such that the 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. This suggested price change would make the price per block of Blue Sky (and Blue Sky QS) increasingly cost competitive with other Renewable Energy Credit Programs, while still allowing a surplus in funds to go towards Qualifying Initiatives. This price decrease would benefit existing and future customers. Lowering the price per block would make the Blue Sky Program more enticing, especially to larger customers, and would reflect the increasing cost-competitiveness of renewable energy resources.

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