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Division of Public Utilities

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**MEMORANDUM**

To: Utah Public Service Commission

From: Utah Division of Public Utilities  
Phil Powlick, Director  
Energy Section  
Artie Powell, Manager  
Jamie Dalton, Utility Analyst II  
Abdinasir Abdulle, Technical Consultant

Date: March 25, 2009

Ref: Docket No. 09-035-T02. Advice No. 09-02 – Schedule 72 - New Wind, Geothermal & Solar Power Rider - Optional – Bulk Purchase Option (Blue Sky Program Bulk Purchase Option).

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**RECOMMENDATION (Approval)**

The Division of Public Utilities (Division) recommends that the Commission approve Rocky Mountain Power's (Company) proposed revisions to Electric Service Schedule 72, Renewable Energy Rider – Optional - Bulk Purchase (Blue Sky Program Bulk Purchase Option).

**ISSUE**

On March 2, 2009, the Company filed with the Commission its proposed change to Electric Service Schedule 72, Renewable Energy Rider – Optional – Bulk Purchase. The proposed change adds language to accommodate those organizations desiring to purchase large amounts of Renewable Energy Credits (RECs) for extended periods at a secured price. The Company requests an effective date of April 1, 2009.

**DISCUSSION**

Rocky Mountain Power proposes modifications to Electric Service Schedule No. 72, Renewable Energy Rider – Optional – Bulk Purchase Option, otherwise known as the Blue Sky Program Bulk Purchase Option. The Original tariff provided customers with opportunities to purchase RECs from newly developed wind, geothermal, and solar power energy for a premium of \$0.70 per 100 KWh block per month and \$1,500 per year fixed charge in Schedule 72. Schedule 72 also requires a minimum annual purchase of 121.2 MWh (1,212 Blocks). Customers who receive service in multiple sites across the Company’s six state service territory can combine their block purchases from multiple states.

According to the Company, a number of organizations are currently seeking to purchase an amount of RECs large enough to replace their estimated energy usage for a number of years. To do this, these organizations want to secure these RECs at a fixed price over the estimated energy use period. The Blue Sky Program Bulk Purchase Option does not allow securing RECs or price of RECs for a number of years. To accommodate these customers, the Company proposed to include in the tariff the following additional language:

For purchase commitments over two years in length or large purchases over 75,000 MWh per year, individually negotiated arrangements may be available, pursuant to the execution of a written contract.

The Division believes that the addition of this language would further improve the Blue Sky Program Bulk Purchase Option by increasing the participation rate and block sales. Therefore, the Division recommends the Commission to approve the proposed tariff modification effective April 1, 2009.

CC: Rea Petersen, DPU  
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