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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

MARGARET W. BUSSE
Executive Director

CHRIS PARKER
Division Director

Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Brenda Salter, Assistant Division Director
Abdinasir Abdulle, Utility Technical Consultant Supervisor
Paul Hicken, Technical Consultant

Date: August 10, 2023

Re: **Docket No. 16-035-27**, *Rocky Mountain Power's First Compliance Filing – Application of Rocky Mountain Power for Approval of a Renewable Energy Services Contract between Rocky Mountain Power and Facebook, Inc. Pursuant to Tariff Electric Service Schedule 34.*

Recommendation (Acknowledge with Recommendation)

The Division of Public Utilities (DPU or Division) recommends the Public Service Commission (PSC or Commission) acknowledge with recommendations Rocky Mountain Power's (RMP or Company) *First Compliance Filing for Approval of a Renewable Energy Services Contract (RESC)*.

Issue

On June 30, 2023, RMP filed its first compliance report (Report) in accordance with the Order Memorializing Bench Ruling Approving Renewable Energy Service Contract with Facebook, Inc. (Order) issued by the Commission in Docket No. 16-035-27 on August 29, 2016. On July 3, 2023, the Commission issued an Action Request to the Division requesting that the Division review RMP's Report and make recommendations with a response date of August 10, 2023. The Commission also issued a Notice of Filing and Comment Period on July 11, 2023, with comments due by August 10, 2023, and reply comments due by August

Division of Public Utilities

Heber M. Wells Building • 160 East 300 South • P.O. Box 146751 Salt Lake City, UT 84114-6741
www.dpu.utah.gov • telephone (801) 530-7622 • toll-free in Utah (877) 874-0904 • fax (801) 530-6512

25, 2023. This memorandum represents the Division's response to the Action Request. The Division may also submit reply comments by August 25, 2023, pending a response to a data request sent by the Office of Consumer Services on August 7, 2023.

Background

On June 21, 2016, the Company filed for approval of a renewable energy service contract under Electric Service Schedule No. 34 – Renewable Energy Purchases for Qualified Customers 5000kW and over – with Meta Platforms, Inc.¹ In the confidential rebuttal testimony of Company witness, Paul H. Clements, the Company agreed to certain reporting requirements to address recommendations made by the Office of Consumer Services (OCS). The Company agreed to provide the first report as soon as practicable. More specifically, in Docket 22-035-30, filed on September 13, 2022, reply comments stated the first report would be filed by the end of the second quarter of 2023. Reporting is required every other year for a period of six years for three reports in total. The subsequent reports will be filed on or before June 30, 2025, and June 30, 2027.

Discussion

The required Information was established in 2016 based off the RESC, which has been amended² since that time. According to the Company, modifications to the reporting requirements may be necessary to reflect current construct and mechanics of the RESC. This first Report contains the information pertaining to the calendar year 2022, enumerated by Mr. Clements in rebuttal testimony based on OCS's recommendations for the Company.

The Division reviewed monthly billing calculations used in the determination of the annual true-up of Facebook billing. A GRID analysis was also reviewed which compared estimated annual renewable resources with actual load and renewable resource output. The documentation provided was helpful to review and determine that the objectives of the Report were met. However, some of the files provided by the Company showed several disparities in cost calculations which raised questions about whether some RMP customers

¹ Meta Platforms, Inc. was formerly Facebook, Inc.

² See Docket No. 22-035-30.

are subsidizing costs for the RESC with Meta Platforms, Inc. Further explanation of these disparities would be helpful.

Conclusion

The Division has reviewed the First Compliance Filing with its attachments and concludes that all required information is included. The Report appears to be in compliance. However, because of some discrepancy in cost calculation summaries, the DPU recommends the Company provide further explanation assuring that no subsidization has occurred. Therefore, the DPU conditionally recommends the Commission acknowledge this filing as in compliance, with the Company providing further explanation.

cc: Joelle Steward, RMP.
Jana Saba, RMP.
Michele Beck, OCS.