

March 15, 2021

VIA ELECTRONIC FILING

Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Gary Widerburg
Commission Administrator

RE: **Docket No. 21-035-05**
Application to Revise Rates in Tariff Schedule 98, Renewable Energy Credits Balancing Account

In accordance with Utah Public Service Commission Rule 746-1-203, Rocky Mountain Power hereby submits for electronic filing its Application to Revise Rates in Tariff Schedule 98, Renewable Energy Credits Balancing Account. Workpapers supporting this application will also be provided electronically.

Pursuant to the requirement of Rule R746-405-2D, PacifiCorp states that the proposed tariff sheets do not constitute a violation of state law or Commission rule.

Rocky Mountain Power respectfully requests that all formal correspondence and requests for additional information regarding this filing be addressed to the following:

By E-mail (preferred): datarequest@pacificorp.com
utahdockets@pacificorp.com
jana.saba@pacificorp.com
emily.wegener@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

Informal inquiries may be directed to Jana Saba at (801) 220-2823.

Sincerely,



Joelle Steward
Vice President, Regulation

cc: Service List – Docket No. 21-035-05

CERTIFICATE OF SERVICE

Docket No. 21-035-05

I hereby certify that on March 15, 2021, a true and correct copy of the foregoing was served by electronic mail to the following:

Utah Office of Consumer Services

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Division of Public Utilities


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Attorney for Rocky Mountain Power

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF)
ROCKY MOUNTAIN POWER FOR AUTHORITY)
TO REVISE RATES IN TARIFF SCHEDULE 98,) Docket No. 21-035-05
RENEWABLE ENERGY CREDITS BALANCING)
ACCOUNT)

**APPLICATION TO REVISE RATES IN TARIFF SCHEDULE 98, RENEWABLE
ENERGY CREDITS BALANCING ACCOUNT**

Rocky Mountain Power (“Rocky Mountain Power” or the “Company”) submits this Application to the Public Service Commission of Utah (“Commission”) respectfully requesting an order approving a rate change in the Renewable Energy Credits Balancing Account (“RBA”), tariff Schedule 98, pursuant to the terms and conditions of the tariff and approval of a Confidential Settlement Agreement concerning the transfer of Utah Renewable Energy Credits (“REC”) to California for compliance purposes, the revenue from which will be included in the Company’s next RBA filing. In support of its Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is a division of PacifiCorp, an Oregon corporation, which provides electric service to retail customers through its Rocky Mountain Power division

in the states of Utah, Wyoming, and Idaho, and through its Pacific Power division in the states of Oregon, California, and Washington.

2. Rocky Mountain Power is a regulated public utility in the state of Utah and is subject to the Commission's jurisdiction with respect to its prices and terms of electric service to retail customers in Utah. The Company provides retail electric service to over 948,000 customers and has approximately 1,800 employees in Utah. Rocky Mountain Power's principal place of business in Utah is 1407 West North Temple, Suite 310, Salt Lake City, Utah 84116.

3. Communications regarding this filing should be addressed to:

Jana Saba
Utah Regulatory Affairs Manager
Rocky Mountain Power
1407 West North Temple, Suite 330
Salt Lake City, Utah 84116
E-mail: jana.saba@pacificorp.com

Emily L. Wegener
Senior Attorney
Rocky Mountain Power
1407 West North Temple, Suite 320
Salt Lake City, Utah 84116
E-mail: emily.wegener@pacificorp.com

In addition, Rocky Mountain Power requests that all data requests regarding this Application be sent in Microsoft Word or plain text format to the following:

By email (preferred): datarequest@pacificorp.com
jana.saba@pacificorp.com
By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, Oregon 97232

Informal questions may be directed to Jana Saba at (801) 220-2832.

4. Tariff Schedule 98, approved by the Commission in an order issued in Docket No. 10-035-124, tracks the difference between REC revenues included in base rates and actual REC revenues collected from the sale of RECs by the Company.

5. The variances between REC revenues included in rates and actual REC revenues collected are identified and deferred each month for one full calendar year.

6. Annually on or around March 15, an RBA application is filed to present the variances, including applicable carrying charges, with a true-up for the difference between the amounts in rates and actual sales occurring through Tariff Schedule 98.

7. The collection or credit under Tariff Schedule 98 is to be made annually, effective June 1.

8. In this RBA filing, the deferral period was January 1, 2020, through December 31, 2020 (“Deferral Period”). The Company calculated a deferral balance for the Deferral Period of approximately \$1.11 million over the currently effective RBA rate, to be refunded to customers over a one year period beginning June 1, 2021, through May 31, 2022.

9. The Company is proposing to refund \$1.11 million, which represents a net decrease in Schedule 98 of \$25 thousand, or 0.001 percent. This net change is the difference between the current collection level of \$1.08 million from Docket No. 20-035-13 (“2020 RBA”) and the new proposed refund of \$1.11 million.

10. In support of this Application, the Company has provided the testimony and exhibits of Michael G. Wilding, Vice President of Energy Supply Management; Grant Bagby, Revenue Requirement Specialist; and Robert M. Meredith, Director, Pricing and Cost of Service. Mr. Wilding’s testimony addresses the historical REC sales that will be used in the calculation to set the Tariff Schedule 98 rate and presents the settlement stipulation for the sale

of Utah allocated RECs to California discussed later in this Application. Mr. Bagby's testimony addresses the allocation of total-Company sales to Utah and the calculation of the deferral component to true-up calendar year 2020 REC sales. Mr. Meredith will address the Company's proposed REC revenue spread and RBA rates in this case.

11. In his direct testimony, **Confidential Exhibit RMP ___(MGW-1)**, Mr. Wilding presents a summary table of actual REC revenues by month and by resource for calendar year 2020 on a total-Company basis, excluding the sales to Kennecott Utah Copper ("Kennecott").

12. In **Confidential Exhibit RMP ___(MGW-2)**, Mr. Wilding provides a summary table of actual REC sales by entity, tag price, resource, and vintage for calendar year 2020.

13. In **Confidential Exhibit RMP ___(MGW-3)**, Mr. Wilding provides the details of the final November and December 2019 actual REC revenue by resource, which the Company agreed to provide in the 2020 RBA proceeding.

14. In **Confidential Exhibit RMP ___(MGW-4)**, Mr. Wilding provides the details of the RECs transferred to Kennecott in accordance with the Non-Generation and Renewable Energy Credit (REC) Supply Agreement between the Company and Kennecott, dated April 18, 2019, that was approved by the Commission in Docket No. 19-035-20 ("Kennecott Agreement").

15. Mr. Bagby's direct testimony, **Exhibit RMP ___(GB-1)**, shows a table summarizing the deferred balance for the Deferral Period in the RBA of approximately \$1.11 million refund.

16. **Exhibit RMP ___(GB-2)** shows the beginning deferred balance of the RBA on January 1, 2020, of approximately \$671 thousand which was rolled over from the

December 31, 2019 balance and trues up the estimated resource assignments from the 2019 RBA with the actual results.

17. The actual REC sales revenue received by the Company during the 2020 Deferral Period was approximately \$2.9 million on a Utah-allocated basis plus an additional \$600 thousand associated with the Kennecott Agreement, as illustrated in **Exhibit RMP___(GB-2)**.

18. Pursuant to the settlement stipulation in Docket No. 11-035-200 (“2012 GRC Settlement Stipulation”), the Company is allowed to retain, as an incentive, 10 percent of the revenues obtained from sales of RECs. Except for REC revenue from the Kennecott Agreement, all of the REC revenue booked in calendar year 2020 qualifies for the 10 percent incentive calculation. The Company calculated the incentive by taking 10 percent of the Utah allocated REC revenue, excluding the revenue associated with the Kennecott Agreement, resulting in a \$286 thousand incentive amount, as shown in **Exhibit RMP___(GB-2)**.

19. The amount of REC revenues in base rates for January 1, 2020, through December 31, 2020, were set at \$2.0 million, on a Utah-allocated basis, consistent with the agreement in the Docket No. 13-035-184 GRC Settlement Stipulation, reflected as a monthly amount of REC revenues in the amount of \$167 thousand, as reflected in **Exhibit RMP___(GB-2)**.

20. The RBA balance to be refunded of approximately \$1.11 million includes approximately \$45 thousand of carrying charges at the applicable carrying charge rate, shown in **Exhibit RMP___(GB-2)**.

21. The deferred balance to be refunded to customers through Schedule 98 is approximately \$1.11 million shown in **Exhibit RMP___(GB-2)**.

22. The Company proposes to allocate all refunds across customer classes based on the rate spread approved in the rate cases where the corresponding Base RBA revenues were set, as specifically described in Mr. Meredith’s testimony, and in general as set forth in the table below.

Customer Class	Proposed Percentage
Residential	
Schedules 1, 2, 3	0.00%
General Service	
Schedule 23	0.00%
Schedule 6	0.01%
Schedule 8	-0.02%
Schedule 9	-0.01%
Irrigation	
Schedule 10	0.01%
Public Street and Area Lighting Schedules	
Schedules	
7, 11, 12	-0.01%
Schedule 15	-0.01%

23. Based on the forecast period 12 months ending May 2021, this proposal would result in a net decrease in rates of 0.001 percent from the current charge.

24. Mr. Meredith’s direct testimony, **Exhibit RMP__ (RMM-1)**, contains the Company’s proposed rate spread. **Exhibit RMP__ (RMM-2)** contains the billing determinants and the calculations of the proposed REC rates in this case. **Exhibit RMP__ (RMM-3)** contains the proposed rates for Tariff Schedule 98. The current Schedule 98 rates will terminate on May 31, 2021, and the new Tariff Schedule 98 rates will become effective on June 1, 2021.

25. Pursuant to the terms and conditions of the RBA, the rate effective date of a sur-credit in the amount of \$1.11 million, is June 1, 2021.

26. On or about February 28, 2021, Rocky Mountain Power entered a Confidential Settlement Stipulation with the Division of Public Utilities and the Office of Consumer Services (“Confidential Settlement Stipulation”) wherein OCS and DPU agreed that the Company could transfer some of Utah’s allocated RECs to be used on behalf of the Company’s California retail customers for compliance with California’s Renewable Portfolio Standard. Parties agreed on compensation for Utah customers, which will be booked in 2021 and included in the Company’s 2022 RBA. The Confidential Settlement Stipulation is included in Mr. Wilding’s direct testimony, **Confidential Exhibit RMP___(MGW-5)**.

27. The State of Utah has a renewable portfolio goal (“RPG”) in 2025 of 20 percent of 2022 adjusted retail sales. Utah has a sufficient allocation of RECs to meet its 2025 RPG and existing REC sales commitments even after the transfer agreed to in the Confidential Settlement Stipulation.

28. The compensation to Utah customers for the REC transfer is consistent with market rates for RECs of the same vintage.

28. As part of this Application, the Company requests approval of the Confidential Settlement Stipulation as just and reasonable in result and is in the public interest.

WHEREFORE, by this Application, Rocky Mountain Power respectfully requests that the Commission approve the balance for the Deferral Period of approximately \$1.11 million, to be refunded to customers, effective on June 1, 2020. The Company also requests approval of the Confidential Settlement Stipulation.

DATED this 15th day of March, 2021.

Respectfully submitted,
ROCKY MOUNTAIN POWER

A handwritten signature in blue ink that reads "Emily Wegener". The signature is written in a cursive style with a blue dot above the letter 'i' in "Emily".

Emily L. Wegener

Senior Attorney

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Rocky Mountain Power

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