



State of Utah

Department of Commerce
Division of Public Utilities

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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Manager

Brenda Salter, Utility Technical Consultant Supervisor

Justin Christensen, Utility Analyst

Date: January 5, 2022

Re: **Docket No. 21-035-T14**, In the Matter of Rocky Mountain Power's Proposed Tariff Revisions to Electric Service Schedule Nos. 70 and 72, Renewable Energy Rider Optional and Renewable Energy Rider Optional Bulk Purchase Option.

Recommendation (Approval)

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) approve Rocky Mountain Power's (RMP or Company) proposed Tariff revisions to Schedule Nos. 70 and 72, pertaining to Renewable Energy Rider and Renewable Energy Rider Bulk Purchase.

Issue

On December 22, 2021, RMP filed Advice No. 21-08 with the Commission proposing revisions to Schedule Nos. 70 and 72, Renewable Energy Rider and Renewable Energy Rider Bulk Purchase. On December 22, 2021, the Commission issued an Action Request to the Division requesting an investigation and to respond by January 5, 2022. Subsequently, the Commission

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issued a Notice of Filing and Comment Period giving interested parties until January 6, 2022 to provide comments, with reply comments due January 13, 2022. This memorandum represents the Division's response to the Commission's Action Request.

Background

The purpose of this filing is to propose changes to the Blue Sky Program (Program) administered through Electric Service Schedules Nos. 70 and 72, specifically to revert the standard Blue Sky block size back to 100 kWh from 200 kWh of renewable energy as well as some housecleaning items. The Program was implemented to provide an option for customers who want to be served by renewable energy to voluntarily purchase Renewable Energy Credits (RECs) to offset some or all of their usage.

Discussion

On January 1, 2020, the Blue Sky block size was increased from 100 kWh to 200 kWh due to the average REC price holding between [REDACTED], during the years 2012-2019. In 2020, the average REC price was [REDACTED]. In 2021, the average price was [REDACTED]. Table 1 from the Company's filing shows 2022 forecast comparison between 200 kWh block size and 100 kWh block size.

Table 1-2022 Forecast Comparison

Expense Category	2022 Forecast with 200 kWh Blocks	2022 Forecast with 100 kWh Blocks
Program Revenue	\$2,879,000	\$2,879,000
Program Expenses	-\$456,000	-\$456,000
REC Purchases	-\$2,748,633	-\$1,374,316.50
Available Grant Funds	\$0.00	\$1,048,683.50

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By reverting the block size back to 100 kWh, grant funds will be available for the Blue Sky Program. If this change is approved, the Company will notify Blue Sky participants in multiple forums, including email, bill messaging, messaging on customers' annual thank you and welcome letters, and notices displayed on the program website. Some minor redline changes have been made to provide clarity and remove outdated or unnecessary language. The block size change and the price staying the same, represent an effective doubling of the price of the Blue Sky offering. The Company should take great care in all communications about the program to ensure clarity with the participants.

Conclusion

After reviewing the proposed tariff changes contained in the filing, the Division finds no objections and supports the change to make grant funds available for renewable energy projects under the Blue Sky program. Therefore, the Division recommends the Commission approve the Proposed Tariff Changes with a retroactive effective date of January 1, 2022 for the block size change, and an effective date of February 1, 2022 for the rest of the Tariff changes.

Cc: Michele Beck, Office of Consumer Services
Michael Snow, Rocky Mountain Power
Jana Saba, Rocky Mountain Power