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DEPARTMENT OF COMMERCE  
Office of Consumer Services

MICHELE BECK  
Director

To: The Public Service Commission of Utah

From: The Office of Consumer Services

Michele Beck, Director  
Alex Ware, Utility Analyst

Date: January 6, 2022

Subject: Docket 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

## INTRODUCTION

On December 22, 2021, Rocky Mountain Power (RMP) filed with the Public Service Commission (PSC) proposed changes to its Blue Sky Program (the Program) administered through tariff schedules 70 and 72. On December 23, 2021, the PSC issued a Notice of Filing and Comment Period establishing that interested parties may submit comments regarding the proposed changes on or before January 6, 2022 and reply comments on or before January 13, 2022. The Office of Consumer Services (OCS) provides the following comments pursuant to that schedule.

## BACKGROUND

After a period of low and stable renewable energy credit (REC) prices, RMP requested and received approval from the PSC on November 21, 2019 in Docket No. 19-035-T15 to increase the Program's REC block size from 100 kWh to 200 kWh – while maintaining the individual block price of \$1.95.

## **PROPOSED CHANGES TO BLUE SKY**

In this tariff filing, RMP explains that REC demand and prices have increased in recent years to levels that make the 200 kWh block size unsustainable for the Program. RMP now proposes to return the standard block size to 100 kWh at the \$1.95 block price. RMP states that if the block size is returned to 100 kWh, this will halve 2022 REC purchases which will enable the Program to continue to fund community renewable project grants. Without the block size reduction, RMP states the Program will only be able to purchase RECs and cover administration costs over the next year.

Also, if this block size reduction is approved, RMP states it will implement a communications plan to notify customers of the change by “email and bill messaging, messaging on customers’ annual ‘thank you’ and welcome letters, and notices prominently displayed on the Program website.” As Attachment C to its filing, RMP provides an example email that will be sent to customers to notify them of the block size reduction.

Lastly, RMP proposes some minor language revisions to Schedules 70 and 72.

## **OCS ANALYSIS**

The OCS does not oppose tariff changes to keep the Blue Sky Program self-sustainable while also funding renewable project grants, since this is how the program has been operating and it is reasonable to presume that customers who voluntarily choose this rate support the current program design.

While the block price will stay the same at \$1.95, the OCS notes that a reduction of the block size in effect doubles the cost of the Program for customers that desire to maintain their current kWh level of renewable offsets. It is vital that customers who have opted into the Program receive full transparency regarding the impact of their participation. We are encouraged to see RMP’s communication plan to notify customers of the block size change, yet reiterate that these communications should be very clear about what this change in effect means for participants.

We support that the current proposal envisions keeping the block size at 100 kWh per block going forward. The OCS believes that changes to the size of the block should be rare and would not support frequent changes to this aspect of the program. RMP has indicated that it will carefully monitor REC prices and seek PSC approval to change the price of the blocks if REC prices continue to rise. The OCS supports this transparent process to change the rate of the Blue Sky tariff and asserts that it is preferable to any alternative in which the price was kept the same but the product received for that price (i.e. the size of the blocks) was frequently changed, which would be much less transparent for customers.

## **RECOMMENDATION**

The OCS recommends that the PSC approve RMP's proposed changes to the Blue Sky Program.

cc:

Michael Snow, Rocky Mountain Power  
Jana Saba, Rocky Mountain Power  
Chris Parker, Division of Public Utilities