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# UTAH DEPARTMENT OF COMMERCE

## Division of Public Utilities

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## Memorandum

**To:** Public Service Commission of Utah

**From:** Utah Division of Public Utilities

Chris Parker, Director  
Artie Powell, Manager  
Brenda Salter, Utility Technical Consultant Supervisor  
Mark Long, Utility Technical Consultant

**Date:** July 12, 2022

**Re:** **Docket No. 22-035-07**, Rocky Mountain Power's Application to Revise Rates in Tariff Schedule 98, Renewable Energy Credits Balancing Account.

## Recommendation (Approval)

Based upon the Utah Division of Public Utilities (Division) review and audit of Rocky Mountain Power's (RMP) Renewable Energy Credits (RECs), the Division recommends that the Utah Public Service Commission (Commission) approve the interim rates set under this docket as final.

## Issue

The Division hereby submits for filing the Division's Audit Report of the Rocky Mountain Power, Renewable Energy Credits Balancing Account (RBA).

## Discussion

On May 31, 2022, the Commission issued its Order approving RMP's proposed RBA on an interim basis pending the Division's audit report, with an effective date of June 1, 2022.

The Division reviewed numerous documents during its audit, including direct testimony, RMP's responses to Data Requests from the Division and the Office of Consumer Services,

Division of Public Utilities

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RMP REC sales, request for proposals, RMP reverse request for proposals, RMP REC revenue contracts, renewable costs in base rates, the REC budget for 2021 and 2022, REC policies and procedures, and previous RBA filings. The Division reviewed and verified that the fees billed by the Company to Kennecott complied with the confidential Non-Generation and REC Supply Agreement between Kennecott Utah Copper LLC and PacifiCorp, dated April 8, 2019. The Division also reviewed the transfers of Utah's RECs to RMP's California customers and verified that the REC transfers were done according to the Confidential Settlement Stipulation between RMP, DPU, and the Office of Consumer Services. Based on this review, it appears the RBA is prudently managed and follows regulatory and reporting requirements.

## **Conclusion**

The Division found that RMP omitted the second tranche of REC revenue resulting in an understatement of approximately \$33,000 of Utah REC revenues. (RMP will include this correction, including applicable carrying charges in next year's RBA filing.) Based on the remainder of the review of the associated 2021 REC tariff, Schedule 98, and related 2021 filings with the Commission, Rocky Mountain Power appears to comply with regulatory and reporting requirements. RMP's omission of the second tranche of REC revenue associated with Trade ID 6046 resulting in an understatement of Utah REC revenue is immaterial in amount (less than 1 percent) and does not affect the interim rates. Therefore, the interim rates appear to be just and reasonable and in the public interest and should be made final.

cc: Jana Saba, Rocky Mountain Power  
Joelle Steward, Rocky Mountain Power  
Service List