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## 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:** April 5, 2022

**Re:** **Docket No. 22-035-09**, Rocky Mountain Power's 2021 Annual Report of the Blue Sky Program.

## Recommendation (Acknowledge)

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) acknowledge Rocky Mountain Power's (Company) 2021 Annual Report of the Blue Sky Program filed on March 24, 2022.

## Issue

Pursuant to Commission Orders in Docket Nos. 00-035-T01 and 07-035-T13, on March 24, 2022, the Company filed with the Commission its Annual Report of the Blue Sky Program (2021 Annual Report) covering the Calendar Year 2021. On March 24, 2022, the Commission issued an Action Request to the Division requesting a review of the 2021 Annual Report and to make any recommendations by April 22, 2022. On March 29, 2022, the Commission issued a notice of filing and comment period, with submitted comments due April 25, 2022, and reply comments due May 10, 2022. This memorandum represents the Division's response to the Commission's Action Request.

## Background

The Order in Docket No. 00-035-T01, dated April 17, 2000, directed the Company to provide an annual report of the Blue Sky program including various filing requirements. After

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this Order, additional filing requirements have been incorporated into the annual report.<sup>1</sup> The Division reviewed the content and the format of the 2021 Blue Sky Annual Report considering the Commission Orders and found that the report meets the filing requirements.

## Discussion

The Company provided a spreadsheet detailing the 2021 program results. In addition to the spreadsheet, the Company provided the following exhibits:

Exhibit A: Blue Sky Dashboard

Exhibit B: Renewable Energy Credits

Exhibit C: Letter Report for Residential Customers

Exhibit D: Letter Report for Non-Residential Customers

Exhibit E: Certificate for Non-Residential Customers

The Blue Sky Annual Report shows Total Company Block sales for 2021 at 3,908,082 of which 1,940,289 blocks were attributable to Utah. Block sales for Utah increased 4.3% from 2020 to 2021. Effective February 1, 2022, the size of the renewable energy blocks was reduced back from 200kW to 100kW.<sup>2</sup> The Company indicated that the block size needed to be decrease back to 100kWh due to price of RECs increasing to a point where it is unsustainable for the Program to maintain the block at the current size.

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<sup>1</sup> The Commission Order in Docket No. 00-035-T01, dated April 17, 2000, directed the Company to "account for all revenues received, blocks purchased, blocks generated or contracted for and other program costs."

The Commission Order in Docket No. 07-035-T13, dated September 6, 2007, directed the Company to include the ratemaking treatment of the funds received, cost of purchases including RECs, and interest earned on the balance of funds.

The Commission Order in Docket No. 00-035-T01, dated March 21, 2008, directed the Company to include: 1) the current Renewable Energy Credit balance in addition to the annual balances; 2) the Utah Beginning Available Fund Balance and the deductions leading to the Utah Available Fund Balance before Qualifying Initiatives in a manner similar to the total Company balances contained at the top of the second spreadsheet in the modified Report; 3) further detail on Qualifying Initiatives, including the total number of the applications received, the number rejected, the criteria and the evaluations underlying project selections, the locations (beyond state identification) of the awarded projects, a description of the project, and information on the facility at which each project is located; 4) a status report on the \$900,000 contract for future purchase of RECs and an explanation of how this expenditure of excess funds was determined to be the best use of excess funds.

And finally, the Commission Order in Docket No. 00-035-T01, dated April 29, 2010, directed the Company to include the REC Position Reconciliation report and the Community Project Funding Reconciliation report.

<sup>2</sup> Docket No. 21-035-T14, Rocky Mountain Power's Proposed Changes to Schedules Nos. 70 and 72, Renewable Energy Rider and Renewable Energy Rider Bulk Purchas, January 26, 2022

The Company's REC purchase commitment for 2021 was 781,173. This is an increase of 4.8% from last year. In the 2020 annual report, the average price for RECs was \$3.67. In the 2021 annual report, the average price for RECs was \$5. This is a 36% increase from 2020. The increase in the REC purchase commitment along with an increase in REC prices has resulted in additional money spent on RECs in 2021. The Company's report indicates 620,080 RECs invoiced to meet the REC purchase commitment for 2021. An additional 161,093 RECs are pending purchase. In accordance with the Company's tariff Schedule 70 and 72, the Company must purchase renewable energy within two years of a customer's block purchase. REC purchases are certified annually by Green-e, usually by July or August each year for the prior year. The 2020 Green-e Audit was completed in July 2021. The 2021 Green-e Audit should be completed in the summer of 2022.

The 2021 Annual Report shows the January 2021 Utah program liability account balance of \$7.1 million. This balance includes \$1.01 million retained for Blue Sky Solar projects that the Company indicates are under contract but not completed. Project award distributions totaled \$1.96 million in 2021.

On a Utah basis, \$2.99 million in revenue was received over the reporting period. Utah allocated Program operating expenses for the 2021 period were \$501,594, a 13.9% increase from 2020 operating expenses. The available uncommitted funds balance is \$4.4 million. The balance did not decrease from the previous year despite the Company indicating it would go down due to the increase in REC prices and block kW size. The Division will comment further on this in its annual Blue Sky Audit Report.

## **Conclusion**

After reviewing the information contained in the 2021 Annual Report, the Division concludes that the report complies with Commission Orders and adheres to the Commission's reporting requirements. The Division recommends the Commission acknowledge the 2021 Blue Sky Annual Report.

cc: Michael Snow, Rocky Mountain Power.  
Michele Beck, Office of Consumer Services