

Rocky Mountain Power
Docket No. 23-035-15
Witness: Marcelina R. Hundis

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Direct Testimony of Marcelina R. Hundis

March 2023

1 **Introduction and Qualifications**

2 **Q. Please state your name, business address, and present position with PacifiCorp**
3 **dba Rocky Mountain Power (“Company”).**

4 A. My name is Marcelina R. Hundis. My business address is 825 NE Multnomah, Suite
5 600, Portland, Oregon 97232. I am employed by PacifiCorp as an Environmental
6 Commodity Trader for Energy Supply Management (“ESM”).

7 **Q. Please describe your education and business experience.**

8 A. I received a Master of Science in Environmental Planning and Management from
9 Johns Hopkins University and a dual Bachelor of Arts and Sciences degree from The
10 Evergreen State College. During my tenure at the Company, I have held several
11 positions and have worked on hydro power water management, hydro power
12 optimization, and data analysis. I have been employed by PacifiCorp since 2014.

13 **Q. Please explain your responsibilities as an Environmental Commodity Trader for**
14 **PacifiCorp.**

15 A. My current responsibilities include managing financial and physical commodity
16 positions including compiling, analyzing, interpreting, and summarizing environmental
17 commodities. I also implement all elements (i.e. contracting, tracking, reporting, and
18 approvals) of marketing activities related to environmental commodities data. Most
19 relevant to this docket, I sell and purchase environmental commodities (renewable
20 energy credits (“RECs”, and Oregon Clean Fuels Program credits) within the
21 Company’s risk policy.

22 **Summary of Testimony**

23 **Q. Please summarize your testimony.**

24 A. My testimony discusses the actual total-Company 2022 REC Revenues used to
25 calculate the Schedule 98 REC Balancing Account (“RBA”) deferral and details the
26 REC contracts associated with 2022 REC revenues. The direct testimony of Ms.
27 Shelley E. McCoy discusses the calculation of the current RBA deferred balance. Mr.
28 Robert M. Meredith provides the Company’s proposed rate spread and rates to recover
29 the deferred balance in the RBA.

30 **Q. How much REC revenue did the Company receive for calendar year 2022?**

31 A. Actual REC revenue for calendar year 2022 was \$5.85 million on a total-Company
32 basis and \$4.02 million on a Utah-basis, as further discussed in Ms. McCoy’s direct
33 testimony and shown on page 2.1 of Exhibit RMP___(SEM-2).

34 **Q. Is the Utah-allocated REC revenue for calendar year 2022 a final number?**

35 A. No. The booked REC revenue is determined from contracts in 2022; however, those
36 contracts rely on RECs that are transferred using the Western Renewable Energy
37 Generation Information System (“WREGIS”), which can take up to 90 days to settle.
38 The underlying resources associated with the October, November, and December 2022
39 REC sales that determine Utah’s allocation are estimates. Similar to previous years,
40 any difference will flow through subsequent Schedule 98 true-ups.

41 **Q. Have you prepared an exhibit that details actual 2022 REC revenue?**

42 A. Yes. Total-Company 2022 REC revenue is detailed in Confidential Exhibits
43 RMP___(MRH-1) and RMP___(MRH-2).

44 **Detailed Accounting of REC Revenues**

45 **Q. Please explain Confidential Exhibits RMP___(MRH-1) and RMP___(MRH-2).**

46 A. Confidential Exhibits RMP___(MRH-1) and RMP___(MRH-2) provide detailed
47 accounting of REC revenues received for calendar year 2022. Confidential
48 Exhibit RMP___(MRH-1) contains a summary table of actual REC revenues by month
49 and by resource for calendar year 2022 on a total-Company basis, excluding certain
50 sales as discussed below. Confidential Exhibit RMP___(MRH-2) summarizes actual
51 REC sales by entity, tag price, resource, and vintage for calendar year 2022. As
52 discussed by Ms. McCoy, all 2022 REC revenues, except for the Kennecott Agreement,
53 qualify for a ten percent incentive that the Company is permitted to retain pursuant to
54 Docket No. 11-035-200.

55 **Q. Have you prepared an exhibit that details the final November and December 2021**
56 **actual REC revenue by resource?**

57 A. Yes. Total-Company November and December 2021 REC revenue by resource is
58 detailed in Confidential Exhibit RMP___(MRH-3). At the time of filing the 2022 RBA,
59 the Company did not know the resource allocation of the REC revenue for these months
60 due to the timing in WREGIS. In that filing, the Company utilized estimates of the
61 attributed resources for those months and committed to provide a subsequent true-up
62 once the transactions were finalized. November 2021 and December 2021 actual
63 amounts are included in this filing. There is no real difference between the revenue
64 estimates for those months used to calculate Utah-allocated REC revenue in the 2022
65 RBA, even though the revenues were allocated in different months in SAP than were
66 expected at the time of the original estimates. The actual resource allocations are

67 discussed in the direct testimony of Ms. McCoy.

68 **Q. Please describe the Kennecott Agreement and the REC allocation for compliance**
69 **year 2022.**

70 A. On August 7, 2019, the Utah Public Service Commission approved the Kennecott
71 Agreement in Docket No. 19-035-20. The Kennecott Agreement requires the Company
72 to retire 1.5 million Utah-allocated RECs on behalf of Kennecott, or a Kennecott
73 affiliate, on an annual basis in exchange for Kennecott not generating power from its
74 Unit 4 generation facility. The effective term of the Kennecott Agreement is from April
75 1, 2019, to December 31, 2025. In addition to REC charges, the Company agreed to
76 obtain Green-e certification on behalf of Kennecott through the Center for Resource
77 Solutions. Kennecott has agreed to reimburse the Company for all the direct costs of
78 this certification, and pay a fee covering the Company's administrative costs related to
79 internal administration of obtaining and maintaining certification. The Kennecott
80 Agreement requires the Company to allocate one hundred percent of the revenue from
81 the REC charges Kennecott pays under the Kennecott Agreement as revenue into the
82 Utah REC Balancing Account for the sole benefit of the Company's Utah customers.

83 Revenue and RECs from the Kennecott Agreement are detailed in Confidential
84 Exhibit RMP___(MRH-4). Kennecott was allocated 1,500,000 Utah-allocated RECs
85 for the compliance period of 2022, reflecting amounts for the fourth year under the
86 contract.

87 **Q. Does this conclude your direct testimony?**

88 A. Yes.

REDACTED

Rocky Mountain Power
Exhibit RMP__ (MRH-1)
Docket No. 23-035-15
Witness: Marcelina R. Hundis

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ROCKY MOUNTAIN POWER

REDACTED

Exhibit Accompanying Direct Testimony of Marcelina R. Hundis

Actual REC Revenue Details (in \$\$\$)

March 2023

**THIS ATTACHMENT IS CONFIDENTIAL IN ITS
ENTIRETY AND IS PROVIDED UNDER SEPARATE
COVER**

REDACTED

Rocky Mountain Power
Exhibit RMP___(MRH-2)
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ROCKY MOUNTAIN POWER

REDACTED

Exhibit Accompanying Direct Testimony of Marcelina R. Hundis

Actual REC Revenue Details (in MWh)

March 2023

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Rocky Mountain Power
Exhibit RMP___(MRH-3)
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Exhibit Accompanying Direct Testimony of Marcelina R. Hundis

Actual November and December 2021 by Resource

March 2023

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Exhibit RMP__ (MRH-4)
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Exhibit Accompanying Direct Testimony of Marcelina R. Hundis

Kennecott Allocation

March 2023

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