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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
Brenda Salter, Assistant Director
Abdinasir Abdulle, Utility Technical Consultant Supervisor
Justin Christensen, Utility Analyst

Date: April 17, 2023

Re: **Docket No. 23-035-17**, Rocky Mountain Power's 2022 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) 2022 Annual Report of the Blue Sky Program filed on March 29, 2023.

Issue

Pursuant to Commission Orders in Docket Nos. 00-035-T01 and 07-035-T13, on March 29, 2023, the Company filed with the Commission its Annual Report of the Blue Sky Program (2022 Annual Report) covering the Calendar Year 2022. On March 29, 2023, the Commission issued an Action Request to the Division requesting a review of the 2022 Annual Report and to make recommendations by April 28, 2023. On March 30, 2023, the Commission issued a notice of filing and comment period, with submitted comments due April 28, 2023, and reply comments due May 15, 2023. This memorandum represents the Division's response to the Commission's Action Request.

Division of Public Utilities

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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 this Order, additional filing requirements have been incorporated into the annual report.¹

The Division reviewed the content and the format of the 2022 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 2022 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

Exhibit F: Spring 2022 Blue Sky News

Exhibit G: Fall 2022 Blue Sky News

¹ 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.

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The Blue Sky Annual Report shows Total Company Block sales for 2022 at 4,218,620 of which 2,194,098 blocks were attributable to Utah. Block sales for Utah increased 13.1% from 2021 to 2022. The Company's REC purchase commitment for 2022 was [REDACTED]. This is a decrease of 45% from 2021. The decrease is due to the size of the renewable energy blocks being reduced from 200kWh to 100kWh effective February 1, 2022.² In the 2022 annual report, the average price for RECs was [REDACTED]. This is a [REDACTED] from 2021. The Company's report indicates 394,863 RECs invoiced to meet the REC purchase commitment for 2022. An additional 34,313 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 in July or August each year for the prior year. The 2021 Green-e Audit was completed in September 2022. The 2022 Green-e Audit should be completed in the summer of 2023.

The 2022 Annual Report shows the January 2022 Utah program liability account balance of \$5.65 million. This balance includes \$2.28 million retained for Blue Sky Solar projects that the Company indicates are under contract but not completed. Project award distributions total \$1.35 million in 2022.

On a Utah basis, \$3.17 million in revenue was received over the reporting period. Utah allocated Program operating expenses for the 2022 period were \$398,335, a 20.6% decrease from 2021 operating expenses. The available uncommitted funds balance is \$3 million.

Conclusion

After reviewing the information contained in the 2022 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 2022 Blue Sky Annual Report.

² Docket No. 21-035-T14 RMP's Proposed Changes to Schedules Nos. 70 and 72.

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cc: Michael Snow, Rocky Mountain Power
Jana Saba, Rocky Mountain Power