



Public Service Commission

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State of Utah

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Lieutenant Governor

February 7, 2024

Ms. Jana Saba
Rocky Mountain Power
1407 W North Temple, Suite 330
Salt Lake City, UT 84116

Data Request Response Center
PacifiCorp
825 NE Multnomah St., Suite 2000
Portland, OR 97232

Re: *Rocky Mountain Power's Utah Carbon Reduction Progress Report;*
Docket No. 23-035-57

Dear Ms. Saba:

The Public Service Commission (PSC) reviewed Rocky Mountain Power's (RMP) Utah Carbon Reduction Progress Report, including Exhibit A, filed on December 29, 2023 ("Report"), in accordance with Utah Code Ann. § 54-17-601 to -607 ("Part 6"), Carbon Emission Reductions for Electrical Corporations of the Energy Resource Procurement Act ("Act").¹ The PSC also reviewed the comments of the Division of Public Utilities (DPU) filed on January 26, 2024 ("DPU comments"). No other comments were filed.

Part 6 of the Act, in pertinent part, requires electrical corporations to address specific items in their reports including, "any recommendation for a suggested legislative or program change."² In response to this requirement, RMP's Report indicates that the PSC "has not initiated a rulemaking to codify ... a process ... for the issuance, monitoring, accounting, transfer, recognition, and use of a R[enewable] E[nergy] C[redit] [{"REC"}], including in electronic form, for purposes of compliance with the statutory target." RMP then requests the PSC establish this process that can serve to address several other

¹ Part 6 requires electrical corporations to develop and maintain a plan for implementing 20% renewable energy generation by 2025. A renewable energy progress report is to be filed by January 1 of each of the years 2010, 2015, 2020, and 2024. The electric corporations are to report actual and projected renewable energy, qualifying energy for this target, cost, or cost-effectiveness information, as well as describe issues and conditions impacting renewable energy and qualifying electricity markets and make recommendations.

² Utah Code Ann. § 54-17-604(3)(e).

outstanding issues. RMP also states the issues should be addressed prior to July 1, 2026, the date of its final carbon reduction progress report filing. The other outstanding issues RMP requests the PSC address include:

- With the vintage limitations of WREGIS, a process for issuance or recognition of renewable energy certificates associated with generation beginning January 1, 1995 until June 25, 2007;
- Guidance on how to implement Utah Code Ann. § 54-17-603(6), which states that photovoltaic and solar thermal energy shall be credited for 2.4 kilowatt-hours of qualifying electricity for each 1.0 kilowatt-hour generated. RMP explains that since only one WREGIS certificate is created per megawatt-hour, clarification is needed on “how credit will be applied towards the target for [the] 2.4 multiplier for the amount for photovoltaic and solar energy[]”;
- Clarification on whether the 20 percent target under Utah Code Ann. § 54-17-602 applies annually for 2025 and beyond, or just to calendar year 2025.

The DPU comments recommend the PSC acknowledge the Report as “it appears to comply” with the Act. Additionally, DPU explains the Report shows RMP’s 2022 actual retail sales and its adjusted retail sales, excluding Class 2 Demand Side Management retail sales as well as line losses. DPU then estimates the 20 percent renewable energy requirement is approximately 5,029,590 MWh. DPU concludes, based on RMP’s estimated amount of qualifying electricity for 2025 inclusive of actual and estimated banked renewable energy sources of 38,106,779 MWh, that RMP is “well positioned” to meet or exceed the 20 percent target by 2025. DPU reiterates the Report stating that RMP uses its Integrated Resource Plan (IRP) process to help identify a preferred portfolio that results in a low-cost resource-risk balance and addresses environmental concerns.

In addition, DPU comments on the suspension of RMP’s 2022 All Source Request for Proposals (“2022 AS RFP”) in September 2023. DPU states that the 2022 AS RFP included acquisitions incorporated into the 2023 IRP that may affect the 2025 renewable energy target and RMP failed to include its decision to suspend the 2022 AS RFP in its Report. DPU indicates that it is therefore unable to ascertain the impact of the suspension on the 20 percent target by 2025. Based on this, DPU recommends the PSC require RMP to update the Report to include a discussion on RMP’s decision to suspend the 2022 AS RFP and its impact on renewable energy sources or qualifying electricity markets as RMP progresses toward the 2025 target. DPU offered no recommendations or comments regarding the outstanding issues RMP believes may require legislative or program changes.

In 2017, the PSC issued a Request for Comments (“2017 Request for Comments”) on its established process for recognition or issuance of RECs (the “Process”) in Docket No. 17-999-06.³ The PSC referenced 2017 as marking the midway point between the 2008 enactment of the Act and noted that it “ha[d] approved the use of the Western Renewable Energy Generation Information System (WREGIS) for management and tracking of RECs in [RMP’s] Blue Sky Program and Subscriber Solar Program, and in several power purchase agreements between PacifiCorp and qualifying facilities.”⁴ In addition, the PSC recognized “PacifiCorp’s use of WREGIS for managing RECs for its Renewable Energy Balancing Account.”⁵ The PSC concluded that the foregoing examples “satisfy the Legislature’s directive to the PSC, under Part 6 of the Act, to establish a process for recognition of RECs.”⁶ The PSC also indicated that Part 6 permits the PSC to allow WREGIS to fulfill this statutory role.⁷ The PSC then solicited comments from parties to make sure that parties were clear on its established Process and to determine “whether any stakeholder believe[d] additional PSC action [was] appropriate.” No comments were received. The PSC took the lack of comments as an indication that parties were clear on the Process and that there was no additional action needed.

This notwithstanding, RMP raises important questions that should be addressed. DPU’s recommendation seeking RMP’s analysis of how its decision to suspend the 2022 AS RFP impacts renewable energy sources or qualifying electricity markets as RMP progresses toward the 2025 target under the Act, seems reasonable. Therefore, RMP is directed to update the Report with such analysis consistent with DPU’s recommendation.

In addition, the PSC gives notice that it intends to open a miscellaneous docket seeking stakeholder input regarding the additional guidance and clarifications that RMP raises, including, (1) the recognition or issuance of Pre-WREGIS-Certified RECs; (2) how credit will be applied towards the target for the 2.4 multiplier for the amount for photovoltaic and solar energy as contemplated in Utah Code Ann. § 54-17-603(6); (3) clarification on whether the 20 percent target becomes an annual target in post-2025 under Utah Code Ann. § 54-17-602; and (4) whether additional action on the Process with respect to Part 6 of the Act is necessary.

³ See *In the Matter of the Public Service Commission’s Process for Recognition or Issuance of Renewable Energy Certificates*, Request for Comments, March 3, 2017.

⁴ See 2017 Request for Comments, at 1 and 2.

⁵ *Id.*, at 2.

⁶ *Id.*

⁷ *Id.* See Utah Code Ann. § 54-17-603(3)(b) (“The commission may ... allow use of a renewable energy certificate that is issued, monitored, accounted for, or transferred by or through ... [WREGIS] ... to fulfill this part’s provisions.”).

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Based on the PSC's review of the Report, DPU's comments and recommendations, and there being no opposition, the PSC acknowledges that the Report complies with the reporting requirements under the Act. The PSC directs RMP to update the Report consistent with DPU's recommendation to include the impact of its decision to suspend the 2022 AS RFP on RMP's ability to reach the 2025 target under the Act, by **Friday, May 3, 2024**.

Sincerely,

/s/ Gary L. Widerburg
PSC Secretary
DW#332250