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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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**In the Matter of the Application of Rocky Mountain Power for Authority to increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations**

DOCKET NO. 24-035-04  
PHASE II: COST OF SERVICE AND PRICING

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**PREFILED DIRECT TESTIMONY OF LOGAN MITCHELL, PH.D.**

**ON BEHALF OF**

**UTAH CLEAN ENERGY**

**PHASE II COST OF SERVICE AND PRICING**

**OCTOBER 30TH, 2024**

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1                   **I.       INTRODUCTION AND QUALIFICATIONS**

2   **Q.   Please state your name and business address.**

3   A.   My name is Logan Mitchell. My business address is 215 S. 400 E., Salt Lake City, Utah  
4       84111.

5   **Q.   By whom are you employed and in what capacity?**

6   A.   I am employed by Utah Clean Energy (“UCE”), a non-profit public interest organization  
7       whose mission is to lead and accelerate the clean energy transformation with vision and  
8       expertise. We support the objectives of an affordable, reliable, and clean energy system.  
9       My role at UCE is as their Climate Scientist and Energy Analyst, and I lead our utility  
10      regulatory team.

11 **Q.   On whose behalf are you testifying?**

12 A.   I am testifying on behalf of UCE.

13 **Q.   Please review your professional experience and qualifications.**

14 A.   My academic background spans geology, paleoclimate, atmospheric chemistry, air quality,  
15      and analysis of emissions, and has given me a broad understanding of the nexus of energy,  
16      air quality, and climate issues. I have published 40+ peer-reviewed publications (several in  
17      17 publications like Science, Nature & PNAS), data products, editorials, reports, and white  
18      papers (ORCID<sup>1</sup>, Google Scholar<sup>2</sup>, Research Gate<sup>3</sup>). I have a BS in Geology with a minor  
19      in Oceanography and I obtained my PhD in Geology with a focus on Paleoclimatology in  
20      2013 from Oregon State University. I completed a Postdoc and then was a Research

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<sup>1</sup> <https://orcid.org/my-orcid?orcid=0000-0002-8749-954X>

<sup>2</sup> <https://scholar.google.com/citations?user=jhPZAbIAAAAJ&hl=en>

<sup>3</sup> <https://www.researchgate.net/profile/Logan-Mitchell-2>

21 Assistant Professor in the Department of Atmospheric Sciences at the University of Utah. I  
22 continue to maintain an Adjunct Professor appointment in the Department of Atmospheric  
23 Sciences at the University of Utah. I now lead Utah Clean Energy’s utility regulatory team  
24 and maintain active participation in a broad range of non-litigated utility regulatory dockets  
25 in front of the Utah Public Service Commission (“PSC” or “the Commission”). I have  
26 previously participated or currently participate in multiple formal and informal stakeholder  
27 processes such as RMP’s Schedule 2E working group, the Multi-State Protocol, RMP’s  
28 Grid Modernization Collaborative, PacifiCorp’s Wildfire Workshops, and Integrated  
29 Resource Planning.

30 **II. PURPOSE OF TESTIMONY**

31 **Q. What is the purpose of Utah Clean Energy’s direct testimony in the cost of**  
32 **service/pricing phase of this rate case?**

33 A. The purpose of Utah Clean Energy’s testimony is to respond to two programs proposed by  
34 Rocky Mountain Power (“RMP” or “the Company”) in this general rate case: RMP’s  
35 proposed new voluntary program, Electric Service Schedule No. 74, whereby customers  
36 can elect to have the Company retire Renewable Energy Credits (“RECs”) on their behalf;  
37 and RMP’s proposed voluntary time-of-use program under Electric Service Schedule No.  
38 1. The absence of testimony on any other issues should not be construed as my support or  
39 opposition to those issues.

40 **III. ELECTRIC SERVICE SCHEDULE NO. 74 – RENEWABLE ENERGY**  
41 **CREDIT OPTION PROGRAM**

42 **Q. What is your recommendation related to RMP’s proposal for Electric Service**  
43 **Schedule 74?**

44 A. As it is currently designed, UCE opposes the inclusion and approval of RMP’s proposed  
45 new voluntary REC option tariff (the “Program”) for a select group of non-residential  
46 customers, under which RMP retires RECs on the customer’s behalf from the Company’s  
47 owned and contracted renewable resources, as detailed by Company witness Eller.<sup>4</sup> As  
48 proposed, Program participation is limited to non-residential customers. However, all  
49 customers on RMP’s system fund the generation of renewable energy in Utah and should  
50 be able to claim that the renewable attributes of that generation went towards serving their  
51 electricity needs. The Program should be redesigned so that it is open to all customers,  
52 instead of being limited to select non-residential customers. UCE recommends that the  
53 Commission initiate a separate proceeding outside of the rate case where stakeholders can  
54 provide input on the development of a voluntary REC Program that is in the public interest  
55 and available to all customers.

56 **Q. Why do you oppose the inclusion of this Program as designed in this rate case?**

57 A. Our understanding, based on Company witness Eller’s testimony, is that the Company  
58 proposes this Program in response to growing interest from large commercial customers in  
59 achieving their sustainability goals. Eller’s testimony notes that customers have  
60 approached the Company specifically requesting the ability to claim renewable attributes  
61 generated from the Company’s Utah-allocated renewables via REC retirement. The  
62 Program is thus designed to help one class of customers meet sustainability goals at no  
63 cost, or the minimal cost of forgoing revenue from the sale of RECs.<sup>5</sup> This excludes

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<sup>4</sup> See Docket No. 24-035-04, *Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations*, Direct Testimony and Exhibits of Craig M. Eller for Rocky Mountain Power, at <https://pscdocs.utah.gov/electric/24docs/2403504/334509DirTstmnyCraigMEllerRMP6-28-2024.pdf> (Jun. 28, 2024) (hereinafter “Eller testimony”).

<sup>5</sup> Eller testimony, lines 50–64.

64 everyone but one class of customers from claiming renewable attributes from Utah-  
65 allocated renewable sources, even though all Utah customers contribute to the cost of  
66 renewable resources on PacifiCorp's system. All other customers, who have similar  
67 interests in achieving renewable energy goals, are restricted to participating in the  
68 Company's Blue Sky Program, which has significantly higher associated customer costs, if  
69 they wish to make similar claims about their energy sources. This unfairly favors one class  
70 of customers over all other customers, as only one customer class can make renewable  
71 claims for renewable attributes associated with resources funded by all ratepayers.

72 **Q. Company Witness Eller states that participating customers will not receive any REC**  
73 **revenues, doesn't this make the Program fair to non-participating customers?**

74 A. No. While participating customers forgo REC revenue under Schedule 98,<sup>6</sup> this does not  
75 make the Program fair for non-participating customers, as the Program still  
76 disproportionately benefits one class of customers—non-residential customers—at the  
77 expense of all other Utah ratepayers. Currently, all Utah customers fund PacifiCorp's Utah-  
78 allocated renewable energy resources. However, they are precluded from claiming any  
79 renewable attributes associated with this energy. This is because PacifiCorp sells those  
80 RECs on the market. In return, Utah customers receive credit from the sales of those  
81 RECs.<sup>7</sup>

82 Utah customers have demonstrated clear interest in meeting their energy needs with clean  
83 energy resources. Some examples of this include participation in the Blue Sky Program,  
84 the Utah Renewable Communities following the passage of the Utah Community

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<sup>6</sup> Eller testimony, lines 136–148.

<sup>7</sup> Eller testimony, lines 210–213.

85 Renewable Energy Act, customers approaching the Company about this REC program, and  
86 grassroots campaigns led by students around the state, urging school districts to make  
87 commitments to clean energy.<sup>8</sup> However, under the Company's suggested Program, only  
88 non- residential customers would be able to claim the renewable attributes of energy  
89 generated by Utah-allocated renewable energy sources. They gain this privilege at little to  
90 no additional cost by simply forgoing REC revenue credits, a trade-off not available to  
91 other customer classes.

92 Thus, the Program fails to address the central inequality: all other Utah customers, who  
93 contribute to funding the state's renewable energy generation, are barred from claiming  
94 renewable attributes that they fund. As designed this Program creates selective access to  
95 renewable attributes for non-residential customers at the exclusion of all other customers  
96 who also fund renewable generation resources.

97 **Q. Please explain your recommendation that the Commission initiate a separate**  
98 **proceeding, where stakeholders can provide input on the development of a voluntary**  
99 **REC program that is both in the public interest and available to all customers?**

100 A. UCE recommends that the Commission initiate a separate proceeding for interested  
101 stakeholders to provide input on developing a voluntary REC program that is accessible to  
102 all customer classes. If the Company intends to implement such a program, it should be  
103 done through a proceeding where the interests of all customers can be more thoroughly

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<sup>8</sup> Salt Lake City Corp., *Eighteen Utah Communities Join the Community Renewable Energy Agency, Continue Working with Rocky Mountain Power to Meet Their Net 100 Percent Clean Energy Goals* (June 10, 2022), <https://www.slc.gov/blog/2022/06/10/eighteen-utah-communities-join-the-community-renewable-energy-agency-continue-working-with-rocky-mountain-power-to-meet-their-net-100-percent-clean-energy-goals/>; see also H.B. 411, 63d Leg., Gen. Sess. (Utah 2019), <https://le.utah.gov/~2019/bills/static/HB0411.html>; and see Courtney Tanner, *These Utah Students Want Their Schools to Better Address Climate Change. They're Asking Lawmakers to Help*, Salt Lake Trib. (Jan. 25, 2024), <https://www.sltrib.com/news/education/2024/01/25/these-utah-students-want-their/>.

104 represented. Many customers who may have interests in designing are REC program are  
105 not interveners in this rate case. This separate proceeding would provide a forum for  
106 stakeholders, including representatives from all interested parties, to participate in shaping  
107 the program's design. Engaging stakeholders in this proceeding will ensure the Company  
108 develops a well-rounded program that aligns with public interest and ensures all customers  
109 have the ability to have RECs retired on their behalf.

110 **IV. ELECTRIC SERVICE SCHEDULE NO. 1 – TIME-OF-USE-OPTION**

111 **Q. What are your recommendations related to RMP’s proposal for Electric Service**  
112 **Schedule No. 1?**

113 A. UCE supports the Company’s proposal to merge Schedule 2, Residential Time-of Use  
114 Service, and Schedule 2E, Residential EV Time-of-Use Service, and making them  
115 available as a single time-of-use (“TOU”) option available to residential customers as an  
116 ongoing program (“the Program”) shown on Schedule 1, as described by Company  
117 Witness Meredith.<sup>9</sup> UCE supports the Company’s proposed modification to the on-peak  
118 hours and seasonal periods for its TOU Program under Schedule 1, though would prefer a  
119 three-hour on-peak block over a four-hour on-peak block. A shorter three-hour on-peak  
120 block from 6pm-9pm would make it easier for customers to shift their load and therefore  
121 we expect the Program would garner greater enrollment. UCE also supports the  
122 Company’s proposed on/off peak price differential of 4.5:1 for the residential TOU option  
123 prices under Schedule 1.<sup>10</sup> To ensure that the TOU Program aligns with broader demand  
124 side management (“DSM”) goals such as energy efficiency and peak load reduction, UCE

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<sup>9</sup> 24-035-04, Direct Testimony and Exhibits of Robert M. Meredith, lines 738 *et seq.* (Jun. 28, 2024) (hereinafter “Meredith testimony”).

<sup>10</sup> Meredith testimony, lines 833–836; *see also* RMM–5A, at 1 and 8.



125 recommends that the Commission direct the Company evaluate the TOU Program in  
126 coordination with the DSM Steering Committee. The TOU Program should be regularly  
127 evaluated to ensure it is successfully incentivizing customers to shift their load away from  
128 times of peak power and to quantify the system benefits. UCE also recommends the  
129 Company undertake robust marketing, education, outreach, and reporting efforts regarding  
130 the Program. Finally, UCE recommends the Company evaluate a broader TOU Program  
131 that could be adopted in the future with a lower peak price differential as an opt-out, rather  
132 than opt-in, Program.

133 **Q. What benefits do time variant rates, like the ones proposed by the Company, provide?**

134 A. Time-variant rates provide a price signal that reflects system costs, and therefore  
135 encourages customers to shift their electricity usage away from times of peak load or to  
136 times when there is abundant, cheap, clean energy. This enables customers to save money  
137 on their electricity bills, allows utilities to manage electricity demand, and reduces the need  
138 for expensive infrastructure upgrades to meet peak demand. An effective TOU Program  
139 will increase system reliability, flexibility, and reduce system costs.

140 **Q. Why do you support the Company's proposal to merge Schedule 2, Residential Time-**  
141 **of Use Service, and Schedule 2E, Residential EV Time-of-Use Service into a single**  
142 **TOU option available to residential customers shown on Schedule 1?**

143 A. While the Company already offers TOU programs through Schedule 2 and Schedule 2E,  
144 these current programs either have limited enrollment or require ownership of a plug-in  
145 electric vehicle. I believe that consolidating these schedules into one program available to  
146 all residential customers under Schedule 1, with the modifications proposed by the

147 Company, would increase customer participation in the Program. Higher Program  
148 participation would provide greater system benefits.

149 **Q. Do you support the Company’s proposal for seasons, holidays, and days of the week?**

150 A. Yes. Integrating the TOU Program with Schedule 1 will enable summer vs winter pricing  
151 already in place for Schedule 1 customers. We are supportive of having weekends and  
152 holidays remain off-peak because customer schedules are often not as regular during those  
153 times, so keeping those days as off-peak should enhance customer satisfaction with the  
154 Program.

155 **Q. What would you change about the on-peak hours for the TOU Program?**

156 A. The Company proposed having a four-hour on-peak period from 6pm–10pm based on the  
157 four highest priced hours in the Western Energy Imbalance Market (“WEIM”).<sup>11</sup> UCE  
158 supports using the WEIM hourly pricing to identify the on-peak window, but we feel that a  
159 three-hour window would be better for a few reasons. First, the 4<sup>th</sup> highest rank hourly  
160 WEIM price is 9pm–10pm, so if a three-hour on-peak period would be used it would make  
161 sense for it to be from 6pm–9pm and it would cover the three highest cost hours. Second, it  
162 would be easier and more convenient for customers to shift their energy usage around a  
163 three-hour peak ending at 9pm than a four-hour peak ending at 10pm. There is certainly a  
164 trade-off between these options, since shifting load to later in the evening would also  
165 provide some system benefits, but we feel that the added convenience of a shorter on-peak  
166 period would enable greater load shifting away from the highest-price WEIM hours that  
167 have the highest system impact, would support greater customer enrollment, and therefore

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<sup>11</sup> Meredith testimony, RMM–10, at 1.

168 greater system benefits. If a three-hour on-peak period is adopted, the Company will need  
169 to slightly adjust the prices of the periods so that costs are recovered.

170 **Q. Why do you support the Company's proposed price differential of 4.5:1 for on/off**  
171 **peak periods for the Schedule 1 Program?**

172 A. Price differentials in TOU programs should be designed to influence customer behavior  
173 while balancing other concerns such as cost shifting and loss of revenue. As the  
174 Company's study of participants in the Schedule 2E pilot program demonstrated, a 10:1  
175 price differential provides higher capacity benefits than a 3:1 differential, but markedly  
176 shifted costs of service onto other customer classes.<sup>12</sup> Both differentials, however,  
177 influenced customers to move load away from the on-peak period. Therefore, UCE finds  
178 the current proposal of a ~4.5:1 price differential for on/off peak periods strikes an  
179 acceptable balance between capacity benefits and cost shifting. This price differential  
180 should be evaluated as more customers participate in the program to ensure that there  
181 continues to be an acceptable balance between capacity benefits, customer satisfaction and  
182 potential cost shifting.

183 **Q. Do you have recommendations about customer education and marketing?**

184 A. Customer education and marketing will be critical to the success of this program, both  
185 from a consumer protection standpoint and to maximize enrollment. The education and  
186 marketing program should therefore be developed in concert with stakeholders and have a  
187 dedicated budget. There should be two or more marketing and education channels to reach

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<sup>12</sup> Docket No. 21-035-70, *In the Matter of Rocky Mountain Power's Evaluation of Electric Vehicle Time of Use Pilot Program*, Rocky Mountain Power's Compliance Filing, at <https://pscdocs.utah.gov/electric/21docs/2103570/321640RMPCmplncFlng12-23-2021.pdf> (Dec. 23, 2021).

188 a broad number of customers and increase enrollment. The program education and  
189 marketing should be coordinated with the DSM Steering Committee.

190 **Q. Do you have any recommendations about evaluating this program?**

191 A. Since this is a new implementation of TOU pricing, UCE recommends that the Company  
192 evaluate it annually in the coming years to monitor its effectiveness, potential, customer  
193 satisfaction, and whether changes could improve the program. This annual evaluation need  
194 not go on forever, but as the program is initially being implemented with potentially a  
195 much larger group of customers, there should be careful monitoring so that the PSC and  
196 stakeholders can ensure the program supports broad enrollment, provides system benefits  
197 and is not unduly shifting costs among ratepayers. Therefore, we propose that the program  
198 is evaluated annually for at least five years. We think that the structure of the annual  
199 reports could follow the same format as the EV TOU pilot report<sup>13</sup>. The annual reports  
200 should be presented and discussed with stakeholders at one of the quarterly DSM Steering  
201 Committee meetings along with other demand response topics.

202 **Q. Do you have recommendations for future expansion of TOU rates?**

203 A. Yes, we believe that eventually TOU pricing would be beneficial for a larger percentage of  
204 customers designed as an opt-out program instead of an opt-in program. Eventually we  
205 hope to see this as being the default option for all Schedule 1 residential customers. Such  
206 an opt-out program may need to have a lower on-peak price differential, but we feel that a  
207 broader program would yield greater system benefits. We hope that this current program  
208 will provide helpful information about how to structure an opt-out program, and we  
209 therefore would encourage the Company to consider a wider program in three to five years.

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<sup>13</sup> *Id.*

210 We also encourage the Company to explore implementing a super off-peak period in the  
211 middle of the day when there is abundant, affordable solar energy and WEIM prices are at  
212 their lowest to incentivize mid-day energy usage. Examining the rank of WEIM prices,  
213 hours 11am–2pm are ranked 20–24, indicating that those are the lowest cost electricity  
214 prices during the day.

## 215 V. CONCLUSION

### 216 Q. Please summarize your conclusions.

#### 217 A. ELECTRIC SERVICE SCHEDULE NO. 74 – RENEWABLE ENERGY CREDIT 218 OPTION PROGRAM

- 219 • UCE opposes the inclusion and approval of RMP’s proposed new voluntary REC  
220 option tariff for a select group of non-residential customers, under which RMP  
221 retires RECs on the customer’s behalf from the Company’s owned and contracted  
222 renewable resources. The Program should be redesigned so that it is open to all  
223 customers, instead of being limited to select non-residential customers.
- 224 • UCE recommends that the Commission initiate a separate proceeding outside of  
225 this rate case where stakeholders can provide input on the development of a  
226 voluntary REC Program that is in the public interest and available to all  
227 customers.

#### 228 A. ELECTRIC SERVICE SCHEDULE NO. 1 – TIME-OF-USE-OPTION

- 229 • UCE supports the Company’s proposal to merge Schedule 2, Residential Time-of-  
230 Use Service, and Schedule 2E, Residential EV Time-of-Use Service, and making  
231 them available as a single TOU option available to residential customers as an  
232 ongoing Program shown on Schedule 1.

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- UCE supports the Company’s proposed modification to the on-peak hours and seasonal periods for its TOU Program under Schedule 1, though would prefer a three-hour on-peak block over a four-hour on-peak block.
  - UCE supports the Company’s proposed on/off peak price differential of 4.5:1 for the residential TOU option prices under Schedule 1.
  - UCE recommends that, to ensure that the TOU Program aligns with broader DSM goals such as energy efficiency and peak load reduction, the Commission direct the Company evaluate the TOU Program in coordination with the DSM Steering Committee.
  - UCE recommends the Company undertake robust marketing, education, outreach, and reporting efforts regarding the Program. Sufficient funding should be allocated to these activities.
  - Finally, UCE recommends the Company evaluate a broader TOU Program that could be adopted in the future with a lower peak price differential as an opt-out, rather than opt-in, Program.

248 **Q. Does that conclude your testimony?**

249 A. Yes.