

Rocky Mountain Power
Docket No. 24-035-12
Witness: Marcelina R. Hundis

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Direct Testimony of Marcelina R. Hundis

March 2024

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 Street,
5 Suite 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 2023 REC revenues used to calculate
25 the Schedule 98 REC Balancing Account (“RBA”) deferral and details the REC
26 contracts associated with 2023 REC revenues. The direct testimony of Mr. Aaron J.
27 Rose discusses the calculation of the current RBA deferred balance. Mr. Robert M.
28 Meredith provides the Company’s proposed rate spread and rates to recover the
29 deferred balance in the RBA.

30 **Q. How much REC revenue did the Company receive for calendar year 2023?**

31 A. Actual REC revenue for calendar year 2023 was \$9.61 million on a total-Company
32 basis and \$6.43 million on a Utah-basis, as further discussed in Mr. Rose’s direct
33 testimony and shown on page 2.1 of Exhibit RMP___(AJR-2). These amounts do not
34 include the REC sales from the Pryor Mountain and Kennecott Agreement described
35 below.

36 **Q. Is the Utah-allocated REC revenue for calendar year 2023 a final number?**

37 A. No. The booked REC revenue is determined from contracts in 2023; however, those
38 contracts rely on RECs that are transferred using the Western Renewable Energy
39 Generation Information System (“WREGIS”), which can take up to 90 days to settle.
40 The underlying resources associated with the November, and December 2023 REC
41 sales that determine Utah’s allocation are estimates. Similar to previous years, any
42 difference will flow through subsequent Schedule 98 true-ups.

43 **Q. Have you prepared an exhibit that details actual 2023 REC revenue?**

44 A. Yes. Total-Company 2023 REC revenue is detailed in Confidential Exhibits
45 RMP___(MRH-1) and RMP___(MRH-2).

46 **DETAILED ACCOUNTING OF REC REVENUES**

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

48 A. Confidential Exhibits RMP___(MRH-1) and RMP___(MRH-2) provide detailed
49 accounting of REC revenues received for calendar year 2023. Confidential
50 Exhibit RMP___(MRH-1) contains a summary table of actual REC revenues by month
51 and by resource for calendar year 2023 on a total-Company basis, excluding the sales
52 associated with Pryor Mountain and the Kennecott agreement discussed below.
53 Confidential Exhibit RMP___(MRH-2) summarizes actual REC sales by entity, tag
54 price, resource, and vintage for calendar year 2023. As discussed by Mr. Rose, all 2023
55 REC revenues, except for the Pryor Mountain and Kennecott Agreements, qualify for
56 a ten percent incentive that the Company is permitted to retain pursuant to Docket No.
57 11-035-200.

58 **Q. Have you prepared an exhibit that details the final November and December 2022
59 actual REC revenue by resource?**

60 A. Yes. Total-Company November and December 2022 REC revenue by resource is
61 detailed in Confidential Exhibit RMP___(MRH-3). At the time of filing the 2023 RBA,
62 the Company did not know the resource allocation of the REC revenue for these months
63 due to the timing in WREGIS. In that filing, the Company utilized estimates of the
64 attributed resources for those months and committed to provide a subsequent true-up
65 once the transactions were finalized. November 2022 and December 2022 actual

66 amounts are included in this filing. There is no material difference between the revenue
67 estimates for those months used to calculate Utah-allocated REC revenue in the 2023
68 RBA. The actual resource allocations are discussed in the direct testimony of Mr. Rose.

69 **Q. Please describe the Kennecott Agreement and the RECs allocation for compliance**
70 **year 2023.**

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

84 Revenue and RECs from the Kennecott Agreement are detailed in Confidential
85 Exhibit RMP___(MRH-4). Kennecott was allocated 1,500,000 Utah-allocated RECs
86 for the compliance period of 2023, reflecting amounts for the fifth year under the
87 contract.

88 Q. Does this conclude your direct testimony?

89 A. Yes.

REDACTED

Rocky Mountain Power
Exhibit RMP___(MRH-1)
Docket No. 24-035-12
Witness: Marcelina R. Hundis

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

REDACTED

Exhibit Accompanying Direct Testimony of Marcelina R. Hundis

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

March 2024

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

REDACTED

Rocky Mountain Power
Exhibit RMP___(MRH-2)
Docket No. 24-035-12
Witness: Marcelina R. Hundis

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

REDACTED

Exhibit Accompanying Direct Testimony of Marcelina R. Hundis

Actual REC Revenue Details (in MWh)

March 2024

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

REDACTED

Rocky Mountain Power
Exhibit RMP__ (MRH-3)
Docket No. 24-035-12
Witness: Marcelina R. Hundis

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

REDACTED

Exhibit Accompanying Direct Testimony of Marcelina R. Hundis

Actual November and December 2022 by Resource

March 2024

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

REDACTED

Rocky Mountain Power
Exhibit RMP___(MRH-4)
Docket No. 24-035-12
Witness: Marcelina R. Hundis

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

REDACTED

Exhibit Accompanying Direct Testimony of Marcelina R. Hundis

Kennecott Allocation

March 2024

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