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## UTAH DEPARTMENT OF COMMERCE

### Division of Public Utilities

MARGARET W. BUSSE  
Executive Director

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Division Director

**Redacted**

### 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  
Paul Hicken, Technical Consultant

**Date:** April 24, 2024

**Re:** **Docket No. 24-035-14**, Rocky Mountain Power's 2023 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) 2023 Annual Report of the Blue Sky Program filed on March 27, 2024.

### Issue

Pursuant to Commission Orders in Docket Nos. 00-035-T01 and 07-035-T13, on March 27, 2024, the Company filed with the Commission its Annual Report of the Blue Sky Program (2023 Annual Report) covering the Calendar Year 2023. On March 28, 2024, the Commission issued an Action Request to the Division requesting a review of the 2023 Annual Report and to make recommendations by April 26, 2024. On April 2, 2024, the Commission issued a Notice of Filing and Comment Period, with submitted comments due May 2, 2024, and reply comments due May 17, 2024. 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.<sup>1</sup>

The Division reviewed the content and the format of the 2023 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 2023 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 2023 Blue Sky News

Exhibit G: Fall 2023 Blue Sky News

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<sup>1</sup> 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 Tariff Acknowledgement Letter from the Commission 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 2023 at 4,358,746 of which 2,340,696 blocks were attributable to Utah. Block sales for Utah increased 6.7% from 2022 to 2023. The Company's REC purchase commitment for 2023 was 435,875. This is an increase of 1.6% from 2022. In the 2023 annual report, the average price for RECs was [REDACTED]. This is a [REDACTED] from 2022. The Company's report indicates 415,660 RECs invoiced to meet the REC purchase commitment for 2023. An additional 20,215 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 late summer each year for the prior year. The 2022 Green-e Audit was completed in October 2023. The 2023 Green-e Audit should be completed in the late summer of 2024.

The 2023 Annual Report shows the January 2023 Utah program liability account balance of \$5.38 million. This balance includes \$3.04 million retained for Blue Sky Solar projects that the Company indicates are under contract but not completed. Project award distributions total \$282,256 in 2023.

On a Utah basis, \$3.23 million in revenue was received over the reporting period. Utah allocated Program operating expenses for the 2023 period were \$560,344, a 40.7% increase from 2022 operating expenses. The available uncommitted funds balance is \$3.27 million. The uncommitted funds balance is large with minimal project commitments in 2023. The Division notes the uncommitted funds balance is decreasing but this is partially due to the approval of the block change in February 2022<sup>2</sup> and the increase in REC prices on average of approximately [REDACTED] from 2019-2023. The Division is in discussions with RMP and will provide updates as needed. The following Confidential Table 1 summarizes the Blue Sky Program annual reports and shows 5 years of change in the uncommitted funds balance.

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<sup>2</sup> Docket No. 21-035-T14. PSC's Tariff Approval Letter – January 26, 2022.

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TABLE 1					
Program Year	2019	2020	2021	2022	2023
Average REC Price					
YE Liability Account Balance	\$ 8,663,360	\$ 7,126,250	\$ 5,654,685	\$ 5,382,263	\$ 6,407,834
Project Commitments	\$ (4,519,853)	\$ (2,407,858)	\$ (1,019,981)	\$ (2,282,881)	\$ (3,042,331)
RECs Balance Estimate	\$ (250,416)	\$ (354,234)	\$ (173,796)	\$ (89,973)	\$ (89,973)
Available Uncommitted Funds	\$ 3,893,090	\$ 4,364,158	\$ 4,460,908	\$ 3,009,409	\$ 3,275,530

Further discussions with RMP indicate that an additional \$1.5 million of funds are committed for grants/projects in 2024. In the May or June 2024 timeframe, the Company will be accepting applications for additional program grants/projects that will help to alleviate the outstanding uncommitted funds balance.

## Conclusion

After reviewing the information contained in the 2023 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 2023 Blue Sky Annual Report.

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