
BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Rocky Mountain Power to Implement Community Clean Energy Program Authorized by the Community Clean Energy Act	Docket No. 25-035-06
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**REBUTTAL TESTIMONY AND EXHIBIT OF
CHRISTOPHER THOMAS**

On Behalf of the

Community Renewable Energy Agency

November 13, 2025

REBUTTAL TESTIMONY OF CHRISTOPHER THOMAS

Introduction

Q. Please state your name and business address.

A. My name is Christopher Thomas. My business address is 451 South State Street, Salt Lake City, Utah 84111.

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

A. I am employed by the Salt Lake City Sustainability Department as a Project Coordinator. In that capacity, I support the City's clean energy efforts, including the Utah Renewable Communities Program.

Q. On whose behalf are you testifying in this proceeding?

A. I'm testifying on behalf of the Community Renewable Energy Agency ("Agency").

Q. Please describe your educational and professional background.

A. I graduated from Grinnell College with Bachelor of Arts degrees in Biology and English. I also have a Master of Science in Information Systems degree from the David Eccles School of Business at the University of Utah. From November 2019 through July 2025 I was employed in the Salt Lake City Sustainability Department as Senior Energy and Climate Program Manager. I am currently a student at the University College Dublin (UCD) Smurfit Graduate Business School studying for a Master of Science degree in Sustainable Finance.

24 **Q. Are you the same Christopher Thomas that submitted Direct Testimony in**
25 **this docket?**

26 A. Yes. I am.

27 **Overview of Testimony**

28 **Q. What is the purpose of your testimony in this proceeding?**

29 A. My testimony responds to testimony filed by Division of Public Utilities
30 (“Division”) witnesses Robert A. Davis and Timothy M. Lennell and Office of
31 Consumer Services (“OCS”) witness Anthony Sandonato. I provide a response to
32 several proposals regarding administrative costs and the administrative reserve
33 fund and respond to separate proposals offered by the witnesses named above.

34

35 **Administrative Reserve Fund & Administrative Costs**

36 **Q. Please summarize the positions of RMP and the Agency with respect to the**
37 **administrative reserve fund.**

38 A. RMP has proposed that Program rates be set such that the administrative reserve
39 fund would recover and retain an amount equivalent to five years of forecasted
40 administrative costs.¹ As expressed in my direct testimony, the Agency’s position
41 is that one year of forecasted administrative costs should be sufficient to ensure
42 that Program costs are not shifted to non-participating customers.²

43

¹ See Direct Testimony of Robert Meredith at lines 70-71.

² See Direct Testimony of Christopher Thomas at lines 149-154.

44 **Q. Do the Division and the OCS offer recommendations regarding the**
45 **administrative reserve fund?**

46 A. Yes. OCS witness Mr. Sandonato agrees with RMP that the administrative
47 reserve fund should retain five years of forecasted administrative costs,³ stating
48 that “[a]dministrative costs and activities that follow early termination could
49 include items such as Participant notification and customer support, Resource
50 contract termination, Commission filings, and any potential litigation costs.”⁴

51 Division witness Mr. Lenell disagrees both with RMP and with the
52 Agency and proposes that the Program rate should be set to recover two years of
53 administrative costs. He asserts that the Company’s proposal to retain five years
54 of administrative costs is “overly conservative”⁵ and that “it seems unlikely that it
55 would require five years to unwind the Program.”⁶ He also indicated that the
56 Agency’s proposal to recover one year of administrative costs “provides too little
57 protection against the short-term mismatches in revenue collections versus
58 expenses should there be large fluctuations in participation rates.”⁷ He testified
59 that “[a] two-year reserve balance should adequately protect from large deviations
60 from participation as well as provide the ability to recover termination costs
61 should the Program cease.”⁸

³ See Direct Testimony of Anthony Sandonato at lines 310-311.

⁴ *Id.* at lines 305-308.

⁵ See Direct Testimony of Timothy M. Lenell at line 284.

⁶ *Id.* at lines 292-293.

⁷ *Id.* at lines 294-296.

⁸ *Id.* at lines 300-302.

62 **Q. How does the Agency respond to the positions expressed by the OCS and the**
63 **Division on this issue?**

64 A. The Agency does not oppose the position proposed by Division witness
65 Mr. Lenell to establish an administrative reserve fund sufficient to cover two
66 years of administrative costs.

67 The Agency continues to disagree with the position previously stated by
68 RMP and now supported by the OCS that the administrative reserve fund should
69 be required to carry five years of administrative costs. Neither RMP nor OCS
70 have explained why, in the event of early Program termination, administrative
71 costs would be likely to increase so significantly that a fund carrying five years of
72 costs would be required to cover RMP's administrative expenses. Parties that
73 have expressed concern about the administrative costs associated with early
74 termination of the Program have not demonstrated that those costs are likely to
75 increase as compared to normal Program operations. One stated concern is about
76 the notification to remaining customers in the event the Program is terminated.

77 The Agency believes that administrative costs associated with any early
78 termination scenario may well be less than the costs incurred in normal
79 operations. The Agency concurs with Mr. Lenell that the cost of winding down
80 the Program would be "short-term in nature and low risk for complications during
81 termination."⁹ As an initial matter, there is no statutory requirement that separate
82 notices be sent to customers in the event of Program termination, but any such

⁹ Direct Testimony of Timothy Lenell at lines 106-108.

83 notice could be achieved by sending an email notice to customers enrolled in
84 electronic billing and by including a small printed notice along with the
85 customer's bill for those customers that receive paper bills. This procedure
86 should minimize the costs associated with noticing in the event of Program
87 termination, if this Commission determines that it is required.

88 If the Program is terminated after a large number of customers opt out,
89 then there will be a reduced number of customers to notify, thus reducing any
90 notification costs. In this scenario, the termination fees collected from the
91 customers that have opted out of the Program would be available to help cover
92 any administrative costs associated with the termination of the Program.

93 Finally, the Agency disagrees with Mr. Sandonato that the administrative
94 reserve fund should cover costs associated with contract termination of a Program
95 resource. Costs associated with resource termination will be included in the
96 resource reserve fund, not the administrative reserve fund. Neither RMP nor the
97 OCS have adequately supported their position that five years of administrative
98 costs should be raised and held in a fund to cover costs in the event of Program
99 termination.

100 **Q. In your direct testimony you disagreed with RMP's proposal to include the**
101 **cost of a full-time salaried employee to handle Program administration in**
102 **administrative costs. Have other parties submitted testimony on this issue?**

103 **A.** Yes. Division witness Mr. Lenell asserts that "one FTE does not seem
104 unreasonable to administer the Program given the complexities involved in

105 tracking costs for annual reporting requirements.”¹⁰ Mr. Lenell did not, however,
106 support RMP’s proposal that a Program administrator should be paid \$150,000
107 per year, noting that he “do[es] not have specific guidance on the salary level and
108 position required to administer the Program.”¹¹

109 **Q. How do you respond to Mr. Lenell’s testimony on this issue?**

110 A. The Agency continues to disagree that RMP needs to hire a full-time salaried
111 employee to administer the Program. Mr. Lenell’s assertion that annual reporting
112 requirements will be sufficiently complex to require a full-time employee does
113 not adequately consider other mechanisms that will reduce administrative
114 burden. Mr. Lenell identifies the information he believes should be submitted
115 annually to the Commission to ensure costs and benefits are not shifted to non-
116 participating customers in Section V of his testimony.¹² None of the information
117 cited by Mr. Lenell should be difficult to gather or to report on.

118 Certain of the reporting information should be automated. For example,
119 Mr. Lenell’s request that RMP report on “enrollment participation counts and load
120 by community, by class, low-income participation, and number of opt-outs and
121 opt-ins”¹³ should be readily available through the software upgrade that RMP will
122 undertake to enable Program administration. RMP’s current billing software does
123 not track this information, and RMP has indicated it must upgrade its software to
124 enable that functionality. This upgrade will come at significant expense to the

¹⁰ Direct Testimony of Timothy M. Lenell at lines 310-312.

¹¹ *Id.* at lines 309-310.

¹² *Id.* at lines 736-751.

¹³ *Id.* at lines 736-738.

Program (and will be backstopped by the communities), and these software upgrades should reduce the administrative burden of gathering and reporting this data. The remaining information cited by Mr. Lenell, such as facts about Program resources (size, PPA price and terms, COD, production, etc.),¹⁴ should not be administratively burdensome to report.

In addition to the foregoing, the suggestion by Division witness Mr. Davis to form a working group to establish a template reporting process, discussed further below in my testimony, is intended to eliminate administrative burdens. The reduction in administrative burdens from such a process should further reduce the need for RMP to hire a full-time employee to satisfy reporting requirements.

To our knowledge, RMP has not hired a full-time employee to administer the subscriber solar program or the Blue Sky program, and RMP has not demonstrated the need to collect \$150,000 per year for a full-time employee to administer the Community Clean Energy Program. The Commission should not approve the inclusion of this expense in the administrative reserve fund.

Q. In your direct testimony you offered a calculation of the administrative reserve target. Have you calculated an update to that number?

A. Yes. Accepting the Division's proposal that the administrative reserve target be increased to two years of projected ongoing administrative costs, but removing the full-time program administrator and costs of paper exit confirmations (which

¹⁴ *Id.* at lines 736-751.

are not required in statute and can be delivered by a small, printed notice on customer bills), the Agency's new proposed administrative reserve target is \$1,477,358. My calculations in support of this number are set forth in Exhibit 5.1, attached hereto.

Response to Robert A. Davis (Division)

Q. Mr. Davis suggests forming a working group to address reporting requirements. Does the Agency agree?

A. The Agency supports this recommendation. A working group like the one proposed by Mr. Davis can result in long term efficiencies if the working group results in a reporting process that eases administrative burden. These efficiencies will only be realized, however, if the working group is given clear direction and has a scope limited to a specific task. Mr. Davis states that "[f]uture reporting should provide adequate accounting details to enable parties to review whether the Program is prudent and in the public interest, avoiding cost and benefit shifting to non-participating customers."¹⁵ The Agency supports this goal. If the Commission believes a working group is necessary to identify the reporting requirements to achieve it, then the Agency requests that the Commission give clear direction and limit the scope of the working group appropriately.

¹⁵ *Id.*, lines 70-72 (emphasis added).

166 **Q. Mr. Davis references the Program solicitation approved in Docket No. 24-**
167 **035-55 and notes that the Division “is skeptical that RMP and the Agency**
168 **can successfully navigate the current presidential administration’s timing**
169 **requirements to secure favorable tax treatment, equipment procurement**
170 **issues, and interconnection/transmission timing hurdles.”¹⁶ How do you**
171 **respond?**

172 A. The Agency appreciates Mr. Davis’s statements regarding the gauntlet of
173 challenges currently facing clean energy projects in the United States. The
174 Agency, as the administrator of the Program solicitation, anticipated these and
175 other concerns and required bidders to submit information to address issues like
176 those raised by Mr. Davis. The Program solicitation yielded many bids that make
177 use of tax incentives in their pricing, and bidders have provided evidence that they
178 will be able to procure appropriate equipment and reach commercial operation in
179 time to receive those tax incentives under the new rules adopted by the
180 administration. In addition, nearly all of the projects that bid into the Program
181 solicitation have signed an interconnection agreement, mitigating the concerns
182 raised about interconnection timing hurdles. As noted in my direct testimony, the
183 Agency has placed limits on its ability to procure resources that would yield
184 unacceptable increases in Program rates and the Agency will not procure
185 resources through the Program solicitation that exceed those limits.

¹⁶ Direct Testimony of Robert A. Davis at lines 141-144.

186 **Q. Mr. Davis states that, “given much of PacifiCorp’s recent acquisition is of**
187 **renewable resources, the Division worries about the dilution of value in**
188 **incremental renewable resources.”¹⁷ How do you respond?**

189 A. While it is true that the Company has pursued clean energy resources like wind,
190 solar, and batteries, it is also true that the Company’s recent and planned actions
191 will increase Utah’s exposure to coal and natural gas costs.

192 For example, RMP is proposing to increase Utah’s share of coal and gas
193 resources starting January 1, 2026, in its proposed 2026 Protocol filing in Docket
194 No. 25-035-47. That filing attempts to address Washington’s requirement to exit
195 coal resources by 2025 but proposes to leave for a future docket any change in
196 resource allocation due to Oregon compliance requirements. The 2025 IRP
197 anticipates that Utah’s coal allocation will increase significantly due to
198 Washington and Oregon exiting their shares of PacifiCorp’s coal plants.¹⁸

199 Additionally, Utah’s exposure to natural gas price fluctuations is also increasing
200 due to the conversion of coal units to natural gas, and this exposure will increase
201 to the extent that existing gas units are reallocated from West-side states to East-
202 side states.

¹⁷ *Id.* at lines 55-58.

¹⁸ *See, e.g., In the Matter of PacifiCorp’s Integrated Resource Plan*, Docket No. 25-035-22, Initial Comment of Western Resource Advocates dated Sept. 25, 2025 at 16 (describing PacifiCorp modeling assumptions and noting that “[e]xisting coal-fired resource shares were removed from Washington’s allocation at the end of 2025 and from Oregon’s at the end of 2029 and were apparently reallocated to the UIWC jurisdiction.”).

Response to Timothy Lenell (Division)

Q. Mr. Lenell suggests that the Program should consider including limitations on re-enrollment in the Program, particularly if the final design results in the potential for negative prices during the wind-down phase.¹⁹ How do you respond?

A. The Agency concurs that it does not want participating customers to “rate hop” on and off the Program rate. It is for that reason that the Agency proposed a series of termination charges for each customer class, and we believe the proposed termination charges should be sufficient.

The Agency would prefer not to refund reserve funds to customers during the “wind down” phase as proposed by the Company, and the concern raised by Mr. Lenell is an additional reason not to adopt that proposal. As articulated in resolution 25-08, the Board’s position is that: “when a Resource Reserve holds sufficient funds to pay for the Program’s assigned share of a PPA over that Program Resource’s remaining term, the Resource Reserve balance may be expended for this purpose until exhausted.”

It is possible that in the future the Program may have fully raised its share of all Program resource costs under circumstances in which additional resource acquisition may not be warranted. Under those circumstances, then it is true that the Program rate may be reduced. However, the Program would not be harmed by new participants enrolling in the Program at that reduced rate. Indeed, if

¹⁹ Direct Testimony of Timothy M. Lenell at lines 204-207.

226 enough new customers join the Program, that additional participating load could
227 drive a need for the Program to acquire additional clean energy resources.

228 For these reasons, the Agency does not believe new Program rules are
229 needed to prevent rate-hopping or participants taking advantage of negative or
230 low pricing. Finally, I'll note that this issue need not be addressed now and can
231 be addressed in a future proceeding in the event that low or negative pricing that
232 gives rise to Mr. Lenell's concern is closer to realization.

233 **Q. Mr. Lenell suggests that "A maximum accrual threshold of the reserve target**
234 **balances both for program and resource reserve balances should be**
235 **established, i.e., 12.5 years of net resource costs and 2 years of program cost**
236 **for each reserve target. A maximum threshold would ensure that CCEP**
237 **participants do not over contribute to cost recovery, particularly in early**
238 **years when project commencement could be delayed."**²⁰ **Do you agree?**

239 **A.** The Board's position on the resource reserve fund as expressed in resolution 25-
240 08 is as follows:

241 "If Resource Security is required for a clean energy acquisition,
242 such Resource Security should be held in a dedicated resource reserve
243 fund account ("Resource Reserve"), with each Program resource having
244 its own such Resource Reserve. Furthermore, when a Resource Reserve
245 holds sufficient funds to pay for the Program's assigned share of a PPA
246 over that Program Resource's remaining term, the Resource Reserve
247 balance may be expended for this purpose until exhausted."²¹

248 Consistent with this position, the Agency would not be opposed to a cap
249 on each resource reserve account that equals the "Program's assigned share of a

²⁰ Direct Testimony of Timothy M. Lenell at lines 183-190.

²¹ Agency Exhibit 3.02 (Board Resolution 25-08), Section 2.

PPA over the Program Resource’s remaining term” but is opposed to the Division’s proposed 12.5 year cap. The Program’s ability to cover its share of assigned PPA costs through a dedicated reserve fund lowers the potential for future Program rate volatility. As discussed later in my testimony, the Board has made specific proposals for how reserve funds should be used in the event a Program resource PPA terminates or does not become effective. Finally, the resource reserve fund balance can be provided in any annual reporting required by the Commission and parties can make specific recommendations on the Program rate based on that and other information that is also reported annually. Adoption of a 12.5 year cap at this stage as Mr. Lenell suggests eliminates options that may be available to ensure price stability later. The Agency recommends that the Commission decline to adopt this proposal.

Response to Anthony Sandonato (OCS)

Q. With regard to the procedure to opt-out of the Program, Mr. Sandanato recommends “that there should be a clear and simple automated process so that customers do not have long wait times.”²² How do you respond?

A. The Agency agrees that an automated telephone system could provide a more efficient opt-out process for program-eligible customers. However, we suggest that this option only be pursued if it is more cost-effective than training and paying customer service staff to answer a dedicated Program number. To our

²² Direct Testimony of Anthony Sandonato at lines 615-617.

271 knowledge, RMP has never offered an automated phone system for customers
272 wishing to opt-in or opt-out of programs. For example, when digital meters were
273 installed beginning in 2022, Utah customers had to call a toll-free number to
274 discuss opting out of the new digital meter. Signing up for the RMP Utah Cool
275 Keeper program can be done online but if done by phone requires calling RMP
276 and speaking to a customer service representative. Similarly, a customer
277 participating in RMP's Blue Sky program may exit only by a phone call to a live
278 customer support representative. If the automated phone system is more cost-
279 effective than training and utilizing customer support staff, the Agency supports
280 this proposal so long as the administrative target reserve amount is also adjusted
281 accordingly.

282 **Q. Mr. Sandonato recommends that Program customers should not receive**
283 **notice or be charged until a PPA is signed and approved by the PSC²³ and**
284 **the PSC approves adjustments to Schedule 38 pricing methodology.²⁴ How**
285 **do you respond?**

286 A. Mr. Sandonato's proposal has procedural implications that should be thoroughly
287 explored and may jeopardize the ability of a Program resource to be eligible to
288 receive production tax credits (PTCs). Those implications are separately
289 addressed below.

²³ Direct Testimony of Anthony Sandonato at lines 103-105 & 225-228.

²⁴ *Id.* at lines 130-133 & 376-380.

292 **Q. What are the procedural implications of Mr. Sandonato's proposal?**

293 A. Mr. Sandonato's recommendation effectively proposes rejection of RMP's
294 proposal to establish an initial Program rate that would subsequently be modified
295 upon acquisition of a Program resource. If customers are not noticed and/or
296 charged until an executed Program PPA is approved by the Commission, then
297 there is no initial Program rate that would apply to participating customers. The
298 rate that would apply would be the one established *after* the Program PPA is
299 approved. Commission rules establish a procedural process for Program PPA
300 consideration that is separate from Program approval, requiring a separate
301 application filed by RMP with a process that would culminate in an order within
302 75 days of the filing of the application.²⁵ If adopted by the Commission, Mr.
303 Sandonato's proposal would mean that a Program rate could only be established
304 following the conclusion of a subsequently-filed docket in which approval of a
305 Program PPA is sought.

306 In addition, the delays implicated by Mr. Sandonato's proposal would
307 negatively impact the Program for an issue over which only RMP has control.
308 The Agency has requested several times that RMP provide illustrative
309 calculations for how it plans to value Program resources, both before this docket
310 was opened and since the filing of the application in this docket, and the
311 Company has refused those requests. RMP's refusal to provide these
312 calculations has kept the Agency, the OCS, the Division, and members of the

²⁵ See Utah Admin. Code R746-314-402(6)(b). The Commission's Program rules also point to R746-450-4, which contain the same 75-day requirement.

public in the dark about the most significant issue that will determine how much the Program will cost for participants. For this reason, we believe the first time the Agency will see any kind of indicative valuation of prospective Program resources is December 6, when RMP has stated that it will provide the Agency with financial benefit numbers for the projects selected to the Program resource solicitation short list.

Because surrebuttal testimony is due December 11—the following week—the Agency will not have had sufficient time to review these numbers to determine how they were calculated or if they fairly reflect the modified Schedule 38 methodology proposed by the Company. This timing suggests that the methodology used to determine the financial benefits of Program resources may not be decided in this docket and may be decided later, presumably at the time the Commission reviews a Program resource PPA.

The Act requires eligible communities to adopt an ordinance to establish the Program within 90 days of the PSC order approving the Program.²⁶ Communities need to know how the Program may affect participating customer rates before they decide to pass an ordinance to establish the Program. The Agency strongly opposes a scenario in which its communities could conceivably be required to consider the adoption of an ordinance establishing the Program before an initial Program rate is established.

²⁶ See Utah Code § 54-17-903(3).

Mr. Sandonato's proposal, then, would effectively mean that this docket would need to remain open and the Program would not be approved until after a Program PPA is executed and approved by the Commission. This places RMP and the developer of the Program resource in the position of negotiating a PPA before the Program is approved and without knowing the design of the Program. The Agency is concerned that this set of circumstances could make it impossible to negotiate a PPA to execution.

Adoption of Mr. Sandonato's recommendation could also insert enough delay in the process that it may prevent a Program resource from being eligible to receive PTCs.

Q. How might Mr. Sandonato's recommendation prevent a Program resource from being eligible to receive PTCs?

A. Current federal rules require that a solar or wind resource must satisfy certain physical work requirements and achieve commercial operation by December 31, 2030 to be eligible to receive PTCs. Bidders in the Program resource solicitation have provided assurances that they will satisfy the timing requirements for beginning construction, but reaching commercial operation will require an enforceable PPA. As discussed in other testimony in this proceeding, the template PPA included with the Program solicitation would ensure that a PPA does not become enforceable until it has raised a resource reserve fund sufficient to cover 12.5 years of PPA production. It is unknown how long it will take for the Program to raise the funds necessary to trigger the enforceability of the Program PPA, but that process can't begin until *after* noticing and customer

collections begin. Any delay to the implementation of the Program may ultimately delay the commercial online date.

The timing associated with Program implementation is illustrated in Figure 1 on Page 11 of the direct testimony of RMP witness Craig Eller. As described above, Mr. Sandonato's proposal would insert an unknown delay in Program approval. Significant delays in Program approval would push back all dates to the right of Program approval in Mr. Eller's Figure 1. This could result in a significant enough delay that the Program begins collections but that sufficient funds are not raised in time for the Program resource to achieve commercial operations. The premise of Mr. Sandonato's recommendation that the Program should not commence until a PPA is executed and approved is that PPA execution and approval reduces certain risks. However, Mr. Sandonato's recommendation represents other risks, described above, that are mitigated by the adoption of an initial rate as suggested by RMP in the application.

Q. What is the Agency's recommendation in response to Mr. Sandonato's proposal?

A. The Agency recommends that the Commission decline to adopt Mr. Sandonato's proposal and, instead, adopt an initial Program rate that maintains "the cost of the Program at no more than \$3 and \$4 per month for the average resident" as recommended by the Board in Resolution 25-08.²⁷ As described in the Program application, the initial Program rate will be used to cover Program startup costs

²⁷ Agency Exhibit 3.2 (Board Resolution 25-08), Section 3.

377 and fill the administrative and resource reserve funds to the target levels
378 established in the signed PPA.

379 In the event that a Program resource is not immediately acquired or
380 approved by the Commission or the reserve funds do not reach their specified
381 targets, the Board proposes that, “any funds raised for the purpose of Resource
382 Security but not dedicated to a Program Resource for a period of more than seven
383 years should be used for the following purposes, if approved by the Commission:
384 i. provide bill credits to Participants, ii. purchase environmental attributes of
385 incremental customer-owned clean energy, iii. fund low-income utility assistance
386 programs, or iv. fund other clean energy activities as determined by the Board.”²⁸

387 In the event that the Commission adopts Mr. Sandonato’s proposal,
388 however, the Agency strongly recommends (1) that the Commission wait to issue
389 any order that would trigger the obligation of the communities to adopt an
390 ordinance establishing the Program until the Program rate is established, and (2)
391 that the Commission expedite any subsequent proceeding brought before it to
392 approve a Program resource and/or establish the Program resource valuation
393 methodology to reduce the risk that the Program resource would be ineligible for
394 PTCs.

²⁸ Agency Exhibit 3.1 (Board Resolution 25-01) Section 4.j.

397 **Q. How do you respond to Mr. Sandonato's recommendation that Program**
398 **pricing should be on a per kWh basis for all customers?**²⁹

399 A. The Board has requested the option to have the initial Program rate be assessed as
400 a fixed charge equal to the average number of kilowatt-hours multiplied by a
401 Program rate for residential customers only. Several Board members expressed
402 that having a fixed monthly Program charge is critical to the Program's overall
403 affordability. If customers know in advance exactly how much Program
404 participation will cost, then they will be best positioned to determine if they can
405 afford to participate. Additionally, by providing a fixed monthly program charge,
406 the Agency can more easily advertise the Program, communicate its financial
407 impact for Program participants, and provide a means for enrolled participants to
408 more easily check their bills to verify that they are being charged correctly.
409 Finally, by assessing the program rate as a fixed monthly charge for residential
410 customers, the Program's proposed enhanced low-income bill credit may be sized
411 to fully offset the fixed Program charge for eligible low-income customers.

412 For the initial program rate, especially, there is no cost causation argument
413 that a residential participant using 1,200 kilowatt-hours per month is "causing"
414 twice as much cost as another residential customer using 600 kWh per month.
415 That's because the initial program rate will be designed to raise Program startup
416 costs, the administrative reserve target, and the resource reserve target. None of
417 these directly relate to the amount of energy a participating customer uses.

²⁹ Direct Testimony of Anthony Sandonato at lines 599-601. Division witness Mr. Lenell also discusses RMP's proposal to use a per kWh charge. See Direct Testimony of Timothy M. Lenell at lines 788-803.

From the Agency's perspective, it does not matter whether the startup costs and reserve targets are funded through the application of a Program rate or a fixed charge, only whether they are reached. If the Agency feels that the best way to reach the appropriate funding level is through the application of a fixed charge for residential participants and a rate for all other participants, we simply ask that the Commission defer to the Agency's judgment in this regard, especially for the initial Program rate.

Q. Mr. Sandonato recommends that, in the event of Program termination, RMP be required to evaluate whether the Program resource should be retained for all customers, rather than simply terminating them.⁶ How do you respond?

A. The Agency agrees with this recommendation. The Board has proposed a specific sequence of events in the event of Program termination. As detailed in my direct testimony:

“...the Board's position as articulated in resolution 25-08 is that funds raised from participating customers and held in a dedicated Resource Reserve fund for a contracted Program resource should be used to cover the Program's assigned share of that resource's cost until the Resource Reserve is exhausted.”³⁰

If sufficient funds are raised to allow a Program resource to become effective, then we believe those funds should be used for their intended purpose – that is, covering the Program's assigned share of the Program resource until the Resource Reserve is exhausted. If the Commission adopts this recommended

³⁰ Direct Testimony of Christopher Thomas at lines 502-506.

441 termination procedure, we believe it will provide confidence to PPA developers
442 that they will be able to sell the output of their project for at least 12.5 years.

443 In the lead up to the exhaustion of remaining Resource Reserves, we agree
444 with the OCS's suggestion that RMP should evaluate the value of any Program
445 resources to the system at that time before automatically terminating their PPAs.
446 However, since this evaluation is for the benefit of all customers, the cost of this
447 evaluation should be borne by all customers and not by the Program.

448 **Q. Mr. Sandonato recommends that customer notices should be sent out when**
449 **future tranches of renewable resources are procured.³¹ How do you**
450 **respond?**

451 A. The Agency recommends that the Commission reject this proposal. The Act
452 contemplates noticing when a customer becomes eligible to participate in the
453 Program, not when each Program resource is acquired. The noticing provisions in
454 the Act trigger a period in which the customer may opt out of the Program
455 without being subject to a termination fee. It is unclear whether Mr. Sandonato
456 intends this same opt-out period to follow the notices he proposes would go out
457 with each Program resource acquisition. As discussed below, adoption of Mr.
458 Sandonato's proposal would create significant costs and risks for the Program.

459 The noticing provisions contemplated in the Act are designed to ensure
460 that customers are made fully aware of their opportunity to opt out of the
461 Program. Once the opt-out period referenced in the notice period has concluded

³¹ Direct Testimony of Anthony Sandonato at lines 618-620.

462 and the customer is a participating customer, the Agency must account for that
463 customer and may acquire additional clean energy resources based on the
464 assumption that the customer will either remain a customer or will pay a
465 termination fee to exit the Program. If an additional notice period is triggered
466 whenever a new Program resource is acquired, and if the period during which a
467 customer could opt out without paying a termination fee is re-opened with each
468 such notice period, the Agency will have no way to forecast the potential Program
469 revenues that may be available to acquire the new resource.

470 In addition, the provision of notices to customers by mail is expensive, and
471 Mr. Sandonato's proposal would increase the costs of acquiring a new Program
472 resource. Such additional costs are not necessary to notify participating
473 customers of the new Program resource. Program resource acquisition will
474 require multiple public Board votes, a solicitation process, and two Commission
475 approvals, both of which will be done in public dockets before this Commission.
476 The Agency also utilizes multiple channels of communication about the Program
477 and will make public announcements about any future decision to acquire
478 additional Program resources. These public processes and communication efforts
479 provide ample opportunity for participating customers to express concerns about
480 the acquisition of new resources. Finally, to the extent that Mr. Sandonato's
481 proposal is borne out of a concern for the increase in Program costs resulting from
482 the acquisition of future Program resources, I believe the Agency's existing
483 limitations on the acquisition of new resources is sufficient. As discussed in my
484 direct testimony:

485 “Affordability has always been a top concern of the Agency. For
486 example, the Agency’s governance agreement specifies that any resource
487 acquisition that would raise participants’ bills by 10% or more relative to
488 non-participants’ bills would need to be approved by a two-thirds vote of
489 the Board, both by number and by participating load.”³²

490 RMP does not separately notice customers whenever it acquires a resource
491 or files an application for a rate increase, and Participating customers should not
492 be required to bear the costs associated with such noticing here. Mr. Sandonato’s
493 proposal would create significant cost and risk for the ongoing administration of
494 the Program, and the Commission should reject it.

495
496 **Costs and Benefits**

497 **Q. Do you have any general observations about the recommendations of other**
498 **parties in this docket regarding the issue of whether costs and benefits of the**
499 **Program are shifted to non-participating customers?**

500 **A.** Yes. As multiple witnesses have noted, the Act requires that the Program rate be
501 set such that participating customers pay all of the quantifiable costs and receive
502 all of the quantifiable benefits of the Program and that neither are shifted to non-
503 participating customers. The Act does not prioritize costs over benefits or vice
504 versa. Rather, the Act makes it equally important that Program benefits are
505 provided to Program participants as it is that Program costs are not imposed on
506 non-participating customers.

³² Direct Testimony of Christopher Thomas at lines 88-92.

From the Agency's perspective, most of the proposals submitted by other parties have sought to ensure that costs are not shifted to non-participating customers. Fewer proposals have focused on ensuring that the benefits are retained by the participating customers. As the Commission considers the various proposals before it, the Agency requests that it seek to maintain the balance intended by the Act.

Overview Conclusions

Q. Please summarize your rebuttal testimony.

A. Without limiting any of the foregoing, I offer the following summary of my rebuttal testimony:

- If the Commission believes that the administrative reserve costs should include more than one year of forecasted costs, I recommend that the Commission adopt the position proposed by Division witness Mr. Lenell to establish an administrative reserve fund sufficient to cover two years of administrative costs;
- I continue to recommend that the Commission decline to conclude that the administrative reserve fund be required to raise funds to pay a full-time Company employee \$150,000 per year. The Program is paying to automate RMP's billing software and associated Program administration tasks and reporting, which should reduce administrative burdens;
- The Agency does not oppose Mr. Davis's recommendation to establish a working group, but only if the Commission determines that this group's efforts will reduce long-term administrative burdens and only if the scope of the working group is limited to reporting purposes;
- The Agency does not oppose Mr. Sandonato's recommendation that RMP create a simple, automated process to opt-out by phone, but only if RMP demonstrates that this can be done cost-effectively;
- If the Commission adopts Mr. Sandonato's proposal that Program customers not be noticed or charged until a Program resource is approved by the Commission and a pricing methodology is established, the Commission should also wait until these milestones are met to issue an

539 order that would trigger the ordinance requirement and should address the
540 pricing methodology in an expedited Program resource approval docket;

541 • The Commission should reject Mr. Sandonato's proposal to require per
542 kWh pricing for all customer classes and instead defer to the URC Board,
543 who has indicated it would like the option to have the initial Program rate
544 applied as a fixed monthly charge for residential customers only;

545 • The Commission should approve Mr. Sandonato's proposal that, in the
546 event of Program termination, RMP should be required to evaluate whether
547 Program resources should be retained for all customers, but should clarify
548 that any administrative costs associated with such analysis should be borne
549 by all customers and not by the Program;

550 • The Commission should reject Mr. Sandonato's proposal to require
551 customer notices when each new Program resource is acquired;

552 • The Commission should, for now, decline to adopt Mr. Lenell's proposal to
553 establish rules barring customers from re-enrolling in the Program at times
554 when Program rates are low, since this issue can be addressed in the future.

555 **Q. Does this conclude your direct testimony?**

556 **A.** Yes, it does.