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**

SURREBUTTAL TESTIMONY OF

MARK FULMER

On Behalf of

Sierra Club

December 11, 2025

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LIST OF ATTACHMENTS

I. INTRODUCTION

Q: Please state your name.

A: My name is Mark Fulmer. I provided Direct and Rebuttal testimonies on behalf of Sierra Club in this docket.

Q: What is the purpose of this rebuttal testimony?

A: I respond to issues raised in the rebuttal testimony of Rocky Mountain Power ("RMP") Specifically, I address:

- Why the lapse of the federal renewable production tax credit must be included in the valuation of any proxy renewable resource;
- Why there continues to be no plausible way to value hypothetical lost revenue from renewable energy credits ("RECs"); and
- Why RMP's proposal not to model economic curtailment from Schedule 100 resources is unreasonable.

II. THE END OF FEDERAL PRODUCTION TAX CREDITS CANNOT BE IGNORED

Q: Please summarize RMP's Rebuttal testimony concerning Production Tax Credits ("PTCs").

A: RMP witness MacNeil notes, "while it is reasonable to consider what solar resource costs might be[,] given the many uncertainties that exist, inserting those assumptions in the Schedule No. 38 methodology is inappropriate, particularly without a broader consideration of cost-effectiveness."[1] Therefore, "it is not appropriate to modify

[1] Rebuttal Testimony of Daniel J. MacNeil at 12:248-250.

assumptions in the Schedule No. 38 methodology without a broader consideration of cost-effectiveness."[2]

Q: Do you agree?

A: No. In essence, Mr. MacNeil is characterizing the end of the PTC as one of the "*many uncertainties that exist*" around Schedule 38 modeling.[3] However, the end of the PTC is not an uncertainty but a fact. The One Big Beautiful Bill Act, signed into law on July 4, 2025, states that if a solar facility does not begin construction within one year of the Act's enactment (i.e., July 4, 2026), then PTCs are terminated unless the facility is placed in service on or before December 31, 2027. Clearly, RMP's proxy resource set to enter service in 2032 will not meet these deadlines.[4]

Furthermore, the impact of the lapsed PTC is not trivial; it reduces the cost of a renewable project such as the proxy RMP proposes to use here by up to 2.75¢/kWh.[5] To appreciate the magnitude of this change, the May 7, 2025 Schedule 38 payment to a tracking solar QF was 2.235¢/kWh.

The bottom line is that the change in the PTC is not an assumption or uncertainty but a fact that results in a major change that must be included in the valuation of a Schedule 100 project.

[2] *Id*. at 12:254-256.
[3] *Id*. at 12:247-251 (emphasis added).
[4] *See* PacifiCorp Response to CREA Data Request 5.1 (provided in Rebuttal Testimony of Kevin Higgins, Agency Exhibit 6.1).
[5] North Carolina State University, *Renewable Electricity Production Tax Credit (PTC)*, *available at* https://programs.dsireusa.org/system/program/detail/734 (last updated July 18, 2025).

III. REC VALUATION

Q: What is your primary issue concerning REC valuation?

A: RMP continues to argue for including the value of lost RECs in a Schedule 100 project's valuation. According to RMP, but for the project, other RMP renewable resources might operate and generate RECs, which RMP could sell and credit the revenue from those sales back to RMP customers. Yet, as I noted in my Direct and Rebuttal testimonies, there is no way to reasonably price future RECs, as is demonstrated by the absence of REC pricing in RMP's Integrated Resource Plan ("IRP").[6] Moreover, any valuation established would be highly speculative, given the uncertain market for Program RECs and the fact that there is no evidence that Program RECs would result in any meaningful increase in PacifiCorp's REC sales or revenue, as noted by Community Renewable Energy Agency ("CREA") witness Higgins.[7] Mr. MacNeil does not address to any of these issues.

Q: In your Direct and Rebuttal testimonies, you have argued that there should be no REC valuation. Do you still believe this?

A: Yes. Currently there is only speculation that the REC would have some unspecified value in the future, rather than using the value used in RMP's IRP (i.e., zero). For example, Mr. MacNeil hypothesizes that, "[f]uture federal policies related to taxes or emissions ***could*** include RECs as a component of compliance" and "[b]ecause California, Oregon, and Washington have greenhouse gas and clean energy policies that tighten over time, the demand for RECs (or the clean energy equivalent for nuclear or existing large hydro) in those jurisdictions ***will*** increase significantly in the coming years, ***potentially*** resulting in

[6] Direct Testimony of Mark Fulmer at 11:217-13:258; Rebuttal Testimony of Mark Fulmer at 3:46-47.
[7] Rebuttal Testimony of Kevin C. Higgins at 10:213-11:215.

higher REC prices."[8] He cannot know this; future federal policies and demand for RECs generated in Utah for compliance in other states are unknown, let alone what the resulting price for those RECs might be.

Q. If the Commission does not accept your recommendation that zero dollars be assigned to the alleged "lost" REC value of Program resources, do you have an alternative recommendation?

A. Yes. If the Commission believes it needs more information on possible RECs values, I recommend that it require RMP to provide estimates of REC values, have those values and RMP's underlying assumptions and calculations scrutinized by intervenors, and then and only then rule on whether the valuations are more appropriate than the explicit valuation in both RMP's IRP and Schedule 38, which is zero.

PacifiCorp has stated that once CREA selects the Utah Community Clean Energy Program resource(s), PacifiCorp will file an application with the Commission "identifying its proposed resource valuation and associated Program incremental cost" and it expects this application to be subject to stakeholder review.[9] This application process thus provides another opportunity for the Commission to opine on the reasonableness of any lost value of RECs.

Notably, if the Commission is inclined to approve a "lost value of RECs," CREA must be allowed to consider the authorized value and either withdraw such a resource from the Program or potentially decline to retire the REC.

[8] Rebuttal Testimony of Daniel J. MacNeil at 21:461-22:466 (emphasis added).
[9] Ex. 3.1 (PacifiCorp Response to Sierra Club Data Request 7.1(a), (b)).

Q. In your Direct testimony, you recommended that CREA be required to retire Program RECs. Has your recommendation changed?

A. In part. My primary recommendation, which remains unchanged, is that Program RECs should be retired and that participants should not be forced to pay an alleged "lost REC value" when RECs are neither monetized in PacifiCorp's IRP nor in Schedule 38. If the Commission determines that Program RECs must be monetized in Schedule 100, this could fundamentally change the economics of the Program. In his Rebuttal testimony, Mr. Higgins noted that, depending on the final authorized REC value, "the Agency will need to consider whether the Program is worth pursuing at all."[10] If the Commission orders Program RECs to be monetized and the approved valuation is so high as to render a resource economically unacceptable to CREA—which cannot be known until RMP produces a REC valuation—then my recommendation is that the Commission consider proposals from CREA and other parties on how to address the resource RECs, including authorizing non-retirement.

IV. CURTAILMENT MODELING

Q: In his Rebuttal, Mr. MacNeil states that Program (i.e., Schedule 100) projects are assumed not to be curtailed for economic purposes so as to "[maximize] the production of RECs for the Program."[11] Is this reasonable?

A: No. While the Program is designed to increase the amount of renewable power generated for Program participants, it is incorrect to assume that the Program participants have no cost limitations. Modeling Program projects as if they must operate during times of

[10] Rebuttal Testimony of Kevin C. Higgins at 12:243-244.
[11] Rebuttal Testimony of Daniel J. MacNeil at 13:271-272.

negative pricing, that is, not curtailing them when it is economically optimal to do so, and decreasing the Program project valuations as a result is unreasonable.

Q: Mr. MacNeil also offers to make available RMP's calculations for how negative prices and lack of economic curtailment will impact resource valuation to stakeholders.[12] How do you respond?

A: As a threshold matter, I do not agree that the Commission needs to wait to render its decision as to whether it is appropriate to allow Program resources to be curtailed for economic reasons. I stand by my earlier recommendations that no negative dispatch price for Program resources should be modeled and that economic curtailment be allowed.

Moreover, RMP clarified that the promised calculations would only be made available after CREA selects Program resources.[13] This is unreasonable, as it would force CREA to select resources without first understanding how much resource curtailment will impact the valuation. This should be provided to CREA in advance of its decision to bring a resource forward.

V. CONCLUSION

Q: Does this conclude your testimony?

A: Yes.

[12] Rebuttal Testimony of Daniel J. MacNeil at 13:268-283.
[13] Ex. 3.1 (PacifiCorp Response to Sierra Club Data Request 7.1(a)).