

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

Rocky Mountain Power's Application for
Approval to Implement Community Clean
Energy Program Authorized by the
Community Clean Energy Act

)
)
)
)
)
)

Docket No. 25-035-06

**SUR-REBUTTAL TESTIMONY OF
ANTHONY SANDONATO
FOR THE
OFFICE OF CONSUMER SERVICES**

December 11, 2025

1 **I. Introduction and purpose**

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

3 **A.** My name is Anthony Sandonato. I am an outside consultant with J. Kennedy and
4 Associates, Inc. (“Kennedy and Associates”), whose address is 570 Colonial Park
5 Drive, Suite 305, Roswell, Georgia, 30075.

6 **Q. On whose behalf are you appearing?**

7 **A.** I am appearing on behalf of the Utah Office of Consumer Services (“OCS”).

8 **Q. Have you previously filed testimony in this docket?**

9 **A.** Yes, I filed direct testimony on October 10, 2025, and rebuttal testimony on
10 November 13, 2025.

11 **Q. What is the purpose of your sur-rebuttal testimony?**

12 **A.** The purpose of this sur-rebuttal testimony is to respond to the rebuttal testimony
13 filed by the Community Renewable Energy Agency (“Agency”), Rocky Mountain
14 Power (“RMP”), and the Division of Public Utilities (“DPU”). My testimony aligns
15 with OCS’ core mission to protect customers by ensuring that process certainty
16 and protections are in place prior to Program implementation. Any item presented
17 in the rebuttal testimony of other parties that is not specifically addressed herein
18 should not be construed as agreement or concurrence by OCS.

19

20

21

22

23

II. Program implementation and the notice requirement

Q. Please address the Agency's concern that requiring a final PPA before customer notice could jeopardize the Agency's ability to negotiate a suitable PPA.

A. OCS acknowledges the Agency's concern that the requirement for an absolute "PPA First" stance could create a procedural delay that risks making the Program resource ineligible for federal Production Tax Credits ("PTC") due to upcoming deadlines.¹ Given the importance of federal incentives to the financial evaluation of the resource, OCS acknowledges that an inflexible PPA requirement may pose a risk to the Program's initial implementation. However, the Agency's solution, moving forward without a final cost, does not resolve the central conflict: customers cannot make an informed "opt-out" decision without knowing their actual cost. For transparency reasons, RMP witness Eller "endorse[d] waiting until a resource PPA has been executed with a developer and approved by the Commission before beginning the initial notification process." However, he noted the downside to waiting would be that there would be less time to collect reserve funds with a delayed start time, and a delayed start time could lead to a greater risk of a project delay that could potentially impact the resource PPA pricing.²

Q. Are you conceding that the Agency is correct about this issue?

A. No. The Agency has presented no evidence to support the claim that deferring noticing to customers until after the PPA has been approved will eliminate the Program Resource's ability to capitalize on PTCs. It is incumbent upon the Agency

¹ Rebuttal Testimony of Christopher Thomas pp.15-17 lines 292-342

² Rebuttal Testimony of Craig M. Eller p. 29 lines 583-590.

to demonstrate the validity of its claim, if need be, at the hearing. The Agency could have offered a solution to the OCS's concerns about price transparency in the customer notification process, a solution which also would not trigger the Agency's concerns regarding the ability for Program resources to capitalize on PTCs.

Q. Do you agree with the Agency that requiring additional notices for future program resources would automatically trigger a period in which the customer may opt out of the program without being subjected to a termination fee?³

A. No. It is my position that customers who opt out in the future would still be subject to a termination fee. OCS remains convinced that for Program transparency, ongoing notification is necessary whenever RMP or the Agency acquires additional Program resources in the future. As stated above, transparency in the costs of the Program is paramount for the participants to make an educated decision whether or not to participate in the Program.

Q. How do you respond to RMP witness Eller's contention that the Commission should reject your recommendation for RMP to implement an automated process for participants to be able to opt out by telephone?

A. OCS continues to recommend that customers should be able to opt out via a clear and simple process so that customers do not have to endure problems complicating their desire to opt out, such as long call center wait times. This process should be as automated, simple, clear, and cost effective as possible. However, OCS acknowledges RMP's concerns for potential increased program

³ Rebuttal Testimony of Christopher Thomas p. 22, lines 453-455

costs, which is also a concern of the Agency, as highlighted by RMP witness Eller and agrees that keeping program costs as low as possible is important. Therefore, OCS no longer supports Recommendation #5 (regarding an automated opt-out process) as I had discussed in my direct testimony.

III. Administrative reserve fund and Program costs

Q. Please address the disagreement among the parties regarding the amount to be collected for the administrative reserve fund.

A. The Agency proposed the administrative reserve fund be set to include costs to cover one year of administrative costs, while RMP recommended recovering five years of costs, which I did not object to. In rebuttal testimony, RMP proposed to decrease the administrative reserve fund recovery term to three years.⁴ OCS views RMP's changed position to reduce the Administrative Reserve fund from five years to three years as a reasonable compromise that maintains adequate financial prudence.

Q. Do you agree with DPU's annual reporting requirements?

A. Yes. OCS supports DPU's position that RMP, as part of the Program reporting, should provide the PSC with a "list that details and explains the input changes for which updates will be annually reported."⁵ OCS agrees with the reporting elements proposed by the DPU including requiring RMP to report any changes to the resource valuation methodology.

⁴ Rebuttal Testimony of Craig M. Eller p. 8, lines 151-154.

⁵ Rebuttal Testimony of Timothy M Lenell, p. 5, lines 95-97.

90 **Q. Do you support the tariff changes proposed by RMP witness Elder?**

91 **A.** Yes. OCS continues to maintain that its initial Recommendation #7 is reasonable,
92 which states: “RMP should be required to publish the per kWh charges of the
93 Program Resources, the Resource Reserve and Administrative Reserve funds,
94 and the per month Surcharge to fund Low Income Assistance credits on the
95 Schedule 100 tariff.”⁶ RMP addressed this by proposing to include separate,
96 labeled line items for both the Administrative and Resource costs on the Schedule
97 100 tariff, customer bills, and in the proposed notice.⁷ OCS agrees with this
98 proposal as this is a clear improvement in transparency for customers.
99

100 **IV. Rate design and resource valuation**

101 **Q. How does OCS respond to the Agency’s continued support for a fixed**
102 **monthly charge for residential customers?**

103 **A.** OCS continues to strongly oppose the Agency’s request for a fixed residential
104 customer charge for the community renewable energy program. A fixed rate
105 violates the fundamental principle of cost causation. Charging a customer that
106 owns a large home the same flat fee as a customer that rents a small, low energy-
107 usage residential apartment will result in intra-class subsidies, which will force low-
108 usage customers to subsidize high-usage customers.⁸ The Program is designed
109 so the participants receive the benefit of energy generated by a renewable
110 resource and these benefits should match their actual energy consumption. To that

⁶ Direct Testimony of Anthony M. Sandonato p. 6, lines 123-126.

⁷ Rebuttal Testimony of Kenneth Lee Elder, Jr. p. 7, lines 139-141.

⁸ *Id.*, Jr. pp. 3-4, lines 64-81.

point, the resource reserve fund, which makes up approximately 72%⁹ of the initial estimated costs in this proceeding, covers energy that participating customers will benefit from in the future. Therefore, it is reasonable that program participants should be charged based on a volumetric rate. Furthermore, the Agency concluded this was not a significant issue as Agency witness Thomas stated in his rebuttal testimony, “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.”¹⁰ Additionally, a volumetric rate will maintain an appropriate price signal to promote energy efficiency, whereas a fixed monthly charge may discourage conservation.

Q. What is your recommendation for addressing the lack of transparency in the resource valuation?

A. As recommended in my direct and rebuttal testimony, OCS emphasizes the need for a Program Implementation and Valuation Plan. Since RMP has yet to file the final valuation (the indicative valuation of the resources will be provided to the Agency on December 6th),¹¹ OCS recommends the PSC direct RMP to file a comprehensive Program Implementation and Valuation Plan. This plan must include the specific process for calculating the final incremental cost, thereby making the entire regulatory process transparent and predictable. I reiterate that OCS is not recommending that the valuation be constrained to a specific formula but rather acknowledges that some elements of the valuation will require some

⁹ RMP Meredith Workpapers – Annual Schedule 100 Forecast Model 6-4-2025, Reserve Fund Price (\$/kWh)/Total Price \$/kWh (before low income assistance) starting 7/1/2026.

¹⁰ Rebuttal Testimony of Christopher Thomas, p. 21, lines 418-420.

¹¹ Rebuttal Testimony of Christopher Thomas, p. 16, lines 314-318.

flexibility to respond to different circumstances at the time new resources are acquired. OCS is simply recommending that the overall process must be clearly laid out as is the normal course of business for all regulated utility programs.

Q. Please comment on the Agency's position regarding the lost value of RECs.

A. OCS continues to support the "No Harm" Standard, which requires the System to be compensated for the lost value of RECs. However, it would be reasonable that the Agency is not charged for the lost value of RECs in years prior to the proxy resource coming online as proposed by the Agency.¹² During the period when the Program resource avoids a renewable resource (for example, a planned solar resource), non-participating customers would lose the value of the RECs generated by that resource.

If RMP were to retain the RECs, then all customers would benefit from the potential sale of the RECs. However, if the RECs were to be assigned to the Program and retired in fulfillment of the Program goals, then the System must be compensated to prevent a cost shift to non-participating customers. The REC valuation process should be included as a required component of the Program Implementation and Valuation Plan. The REC valuation does not need to be a specific formula but rather RMP should include a process and approach that is transparent for valuing the RECs generated by the Program Resource, and a process to allow for input from other parties.

Q. Does this conclude your sur-rebuttal testimony?

A. Yes, it does.

¹² Rebuttal Testimony of Kevin C. Higgins pp. 18-19, lines 384-386.