Agency Exhibit 7.1

Agency Response to OCS Data Request 2.1

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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

THE COMMUNITY RENEWABLE ENERGY AGENCY'S RESPONSE TO THE SECOND SET OF DATA REQUESTS FROM THE OFFICE OF CONSUMER SERVICES

The Community Renewable Energy Agency ("Agency") hereby responds to the Second Set of Data Requests received from the Office of Consumer Services ("Office").

DATED this 3rd day of December 2025.

JAMES DODGE RUSSELL & STEPHENS, P.C.

/s/ Phillip J Russell

Phillip J. Russell
Attorney for the Community Renewable Energy Agency

OCS 2.1: Refer to the rebuttal testimony of Christoper Thomas pp. 17-18 lines 344-369.

a. Please confirm the Agency's position that delaying the initial noticing and charging of customers by waiting for final PPA approval could potentially make the Program resource ineligible for federal Production Tax Credits (PTCs).

b. Please identify the specific federal law and associated deadline (e.g., date of commencement of construction or commercial operation date) that the Program resource risks missing if the PPA approval process is delayed.

c. Please describe, in detail, the specific events or legal requirements that must be met by the Program resource developer to satisfy the "start of construction" requirement for PTC eligibility.

d. Please confirm that the Program resource developer cannot issue a firm and final "Notice to Proceed" until the Program PPA is enforceable, and that the PPA does not become enforceable until the Resource Reserve Fund has reached its required balance (Thomas Rebuttal, lines 344-355).

Agency Response:

a. Confirm. Please see the Agency's response to OCS 2.1(b) for details.

b. The Agency objects to this request on the ground that it seeks to require the Agency to identify certain information regarding "the Program resource." The Agency notes that the Program Solicitation is ongoing and that there is no Program resource as of the date of this response. The Program Solicitation has selected an initial shortlist of bids, each of which have indicated that the bid price assumes the project is eligible for and will receive Production Tax Credits (PTCs). The Agency has not yet received analysis from PacifiCorp regarding the avoided costs associated with any bids in the Program Solicitation. Once such information is received, the Agency will determine which bids represent the best opportunity for the Program to pursue further. The Agency will conduct due diligence regarding PTC eligibility. This work has not yet been done and the Agency does not have sufficient information at this stage to conclude whether or how the projects bid into the Program Solicitation intend to satisfy the requirements for PTC eligibility discussed below. For these reasons, the Agency cannot state precisely how either "the Program resource" (which does not yet exist) or any projects bid into the Program Solicitation, will satisfy—or because of delay may fail to satisfy—PTC eligibility requirements. Notwithstanding the foregoing objection, the Agency responds to the request by discussing the federal laws and regulations at issue generally and explaining how delay imposes risk that the projects bid into the Program Solicitation may not be eligible for PTCs.

   Numerous federal laws have created, and set limits on eligibility for, PTCs. The most recent, and most relevant to this response, is the One Big Beautiful Bill Act (OBBBA), which revised various provisions of the Inflation Reduction Act (IRA) affecting PTC eligibility. Among other things, the OBBBA revised IRS Code Section 45Y for PTC eligibility, terminating PTCs for solar and wind projects placed in service after December 31, 2027 unless construction of the project began prior to July 4, 2026.

The OBBBA was signed into law on July 4, 2025. On July 7, 2025, President Trump signed Executive Order 14315, which directed federal agencies to "strictly enforce the termination of" the PTC. The Treasury Department has since issued new guidelines addressing when wind and solar projects are considered to have "begun construction" for purposes of qualifying for PTCs under Section 45Y. These new guidelines, set forth in IRS Notice 2025-42, eliminate the previous "safe harbor" rule in which a wind or solar project was deemed to have begun construction on the date by which it had paid or incurred 5% of the cost of the project.

IRS Notice 2025-42 creates the "Physical Work Test," pursuant to which construction is deemed to begin on the date that physical work of a significant nature begins. The Notice provides a non-exclusive list of on-site or off-site activities that may satisfy the physical work test. Qualifying off-site activities "may include the manufacture of components, mounting equipment, support structures such as racks and rails, inverters, and transformers and other power conditioning equipment."[1] For a solar project, qualifying on-site activities "may include the installation of racks or other structures to affix photovoltaic (PV) panels, collectors, or solar cells to a site."[2] For a wind project, qualifying on-site activities may include, among other things, "the beginning of the excavation for the foundation, the setting of anchor bolts into the ground, or the pouring of the concrete pads of the foundation."[3]

Notice 2025-42 also requires developers to meet a "continuity requirement," which requires developers to show a continuous program of construction from the date that physical work of a significant nature begins through the date that the project is placed in service. A "safe harbor" exists, such that a developer meets the "continuity requirement" if the project is placed in service within four years of the date that they physical work begins.

The OBBBA also eliminates PTC eligibility for developers that begin construction after December 31, 2025 and rely too heavily on goods or services sourced from Prohibited Foreign Entities (PFE). The Treasury Department has not yet issued guidance on the acceptable level of reliance on goods or services from PFEs, but developers may rely on IRS Notice 2025-08, which articulates a "material assistance test," which compares overall project costs with the portion tied to PFEs. The thresholds are intended to tighten over time, with wind and solar projects being required to show 40% non-PFE content in 2026, rising to 60% by 2030. As noted above, these requirements are imposed only on projects that "begin construction" after December 31, 2025.

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[1] IRS Notice 2025-42, Section 3.03(1).
[2] *Id*., Section 3.02(2)(b).
[3] *Id*., Section 3.02(a).

Any resource that may be selected by the Agency would not be eligible for PTCs if:

- The resource begins construction after July 4, 2026 and is not placed in service by December 31, 2027;
- The resource begins construction before July 4, 2026 and is not placed in service within four years of the date that construction began;
- The resource begins construction after December 31, 2025 and does not satisfy the PFE "material assistance test."

c. The Agency objects to this request to the extent it calls for a legal conclusion. The Agency further objects to the extent that the request seeks specificity that applicable federal laws and regulations do not provide. Notwithstanding these objections, the Agency responds as follows:

   See response to OCS 2.1(b), above. The Agency refers OCS to Section 3 of IRS Notice 2025-42, which articulates the Physical Work Test and provides a non-exclusive list of off-site and on-site physical work of a significant nature that could satisfy the test.

d. Not confirmed. The pro forma PPA issued with the Program solicitation approved in Docket No. 25-035-55 contains provisions indicating that the PPA does not become enforceable until PacifiCorp delivers a notice to the developer that the Resource Reserve Fund has reached its required balance. The only provision in the pro forma PPA that limits the developer's ability to issue a notice to proceed to its contractor is Section 3.2.15, which deals with Eagle Take Permit Applications. The Agency is not in a position to confirm whether a developer could decide to issue a "Notice to Proceed" to any contractor it has engaged to construct the facility prior to the PPA becoming enforceable.

OCS 2.2: Please quantify the difference in the PPA price (in $/MWh) that the Program resource developer would charge if the resource receives the federal PTC versus the price charged if the resource misses the federal PTC (the "step-up cost").

Agency Response:

The Agency does not have this information. The Program Solicitation did not seek or receive alternative bid pricing in the event the project at issue in each bid is not eligible for PTCs. The Agency understands that Program Solicitation bidders assumed PTC eligibility in bid pricing.

OCS 2.3: If the Commission were to adopt the OCS "PPA First" recommendation, please state the specific date by which the PPA would have to be executed to guarantee the Project could still meet the federal PTC deadlines. If the Program misses the PTC deadline, does the Agency believe the resource remains "cost-effective" enough to proceed with its acquisition? Please explain.

Agency Response:

Please refer to the Agency's response to OCS 2.1(b), above. PTC eligibility is tied to both the start of construction (which the Agency understands has already occurred for each project bid into the Program Solicitation) and to the date a project reaches commercial operation. PPA execution on any particular date will not "guarantee" that the project can meet the federal PTC deadlines. As noted in the Agency's response to OCS 2.1(d), the PPA will not become effective until the resource reserve fund reaches a particular threshold level, which level is yet to be negotiated. Once the resource reserve fund reaches the threshold level to trigger the PPA's effective date, there will be some additional unknown amount of time until the developer completes development of the project and the project reaches commercial operation.

The Agency is not in sole control of any of the interim steps that precede commercial operation and cannot provide a date by which any interim step must be completed to guarantee the project will meet the federal PTC deadlines. A delay in Program implementation will delay the PPA effective date, which will delay the commercial operation of the project.