–BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH–

IN THE MATTER OF APPLICATION OF ROCKY MOUNTAIN POWER TO IMPLEMENT COMMUNITY CLEAN ENERGY PROGRAM AUTHORIZED BY THE COMMUNITY CLEAN ENERGY ACT	)))))))	**DOCKET NO. 25-035-06** **Exhibit No. DPU 1.0 SR** **SURREBUTTAL TESTIMONY OF ROBERT A. DAVIS**

FOR THE DIVISION OF PUBLIC UTILITIES
DEPARTMENT OF COMMERCE
STATE OF UTAH

Surrebuttal Testimony of

Robert A. Davis

December 11, 2025

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INTRODUCTION

Q: Please state your name and occupation.

A: My name is Robert A. Davis. I serve in the capacity of Utility Technical Consultant at the Utah Department of Commerce - Division of Public Utilities (Division).

Q: Are you the Robert A. Davis who pre-filed direct testimony for the Division in this proceeding?

A: Yes.

PURPOSE OF SURREBUTTAL TESTIMONY

Q: What is the purpose of your Surrebuttal testimony?

A: The purpose of my surrebuttal testimony is to respond to Community Renewable Energy Agency (CREA) witness Mr. Christopher Thomas' interpretation of the Division's concerns with the dilution of value in incremental renewable resources.[1]

I also offer the Division's general recommendation in support of the Community Clean Energy Program (Program) in addition to the recommendations proposed by the Division's other witness, Mr. Timothy Lenell.

DILUTION OF VALUE IN INCREMENTAL RESOURCES

[1] Rebuttal Test. of Christopher Thomas (November 13, 2025) at 10:186-202 ("Thomas Rebuttal").

Q. Please summarize the Division's concerns with the potential dilution of value with incremental renewable resources and how it relates to the Program.

A: As stated in my direct testimony, a dedicated resource for this Program has the potential to displace other least-cost, least-risk renewable resources that could benefit all customers which might better use available transmission capacity.[2]

Q: Why do you believe Mr. Thomas's interpretation of the Division's concern is incorrect?

A: Mr. Thomas seems to misinterpret the Division's concerns by referring to the 2026 Inter-Jurisdictional Cost Allocation Protocol proceeding currently underway in Docket No. 25-035-47.[3] Mr. Thomas discusses Utah's exposure to the Company's recent and planned increases to coal and natural gas costs as a result of changing interjurisdictional allocations.[4]

Q: Is the Division's concern Utah's cost allocation exposure?

A: The Division does not view that as a concern in this docket. Depending on where the dedicated resource for the Program is sited, transmission capacity constraints could exist. Given this, the Division suggests it might better serve the public interest to use any available transmission capacity for incremental renewable energy that benefits all customers.

[2] Direct Test. of Robert A. Davis (Oct. 10, 2025) at 3:55-58 ("Davis Direct").
[3] *See* Application of Rocky Mountain Power for Approval of the 2026 Inter-Jurisdictional Cost Allocation Protocol, Docket No. 25-035-47, https://psc.utah.gov/2025/08/06/docket-no-25-035-47/.
[4] Thomas Rebuttal at 10:189-191.

Q: Is the Division concerned by the fact that Program participants' loads will be served from the dedicated resource and other generation resources, either in part or full?

A: It is too early to determine. Load is met with multiple generation resources anywhere on the Company's system. In the context of this Program, a renewable resource(s) is offsetting the Program participants' load requirements (partial or full) and should not be construed otherwise. The public interest might be better served if an incremental renewable resource meeting all customer load is acquired rather than a resource for a subset of customers. Of course, many facts concerning specific resources and load will bear on this question. The Division's concern is real, despite the Division's current inability to forecast how and where it might arise.

Q: Are you suggesting that the Program is not in the public interest as proposed?

A: No. Utah Code section 54-17-904(3)(b) allows the Commission to approve a community clean energy program if the Commission finds the program in the public interest. The Division raises this concern because the public interest is paramount when deliberating a program like this one and requires consideration of the Program's effect on other customers' portfolio of resources.

Utah Code section 54-17-904(4)(b) further, but justifiably, complicates this Program by prohibiting any cost or benefit shifting between Program participants and non-participants. Both sets of customers could be sharing the same

resources, (e.g., transmission and distribution resources) in a manner making it nearly impossible to know who is paying for or receiving benefits from which resources. The central challenge is that a series of accounting accommodations are needed to embody a future physical resource's effects on a future system and other customers.

CONCLUSIONS AND RECOMMENDATION

Q: What are the Division's conclusions with respect to the Program?

A: The Commission must ensure that the Program does not displace resources that are part of a least-cost, least-risk portfolio for all customers, Program participants pay the costs the Program incurs, and the Program's revenues remain sufficient even if projects are limited in scope or subscription.[5]

The Division has reviewed the application as well as other parties' testimony and determines that the concepts for the Program appear to be generally in line with the legislation. Although the parties have varying concerns relating to the valuation of the resource, valuation and treatment of renewable energy certificate (RECs), and timing of the administrative reserve fund, they are generally in agreement with the other attributes of the Program. Should the Commission approve the Program, the Division also recommends the formation of a workgroup to establish an annual reporting template.

Q: What are the Division's Recommendations for the Program?

[5] Davis Direct at 10:189-192.

A: Reservedly, the Division finds that approval of the Program may be in the public interest, at least in concept, with the recommendations offered in the Division's direct and rebuttal testimonies[6] and those offered in its surrebuttal. However, the prudency of the program, at this time, is based on hypotheticals and unknown variables. This uncertainty raises concerns about whether the Program should be approved at this time without additional Program specifics. The Program's success is largely dependent upon the Commission's determination of the proper resource valuation method, treatment of RECs, and administrative reserve fund timing.

Should the Commission approve the Program, the Division recommends that it also notice a requirement for stakeholders to convene a workgroup to develop an annual reporting template. Future reporting should provide adequate accounting details to enable parties to review whether the Program is prudent and in the public interest and avoids cost and benefit shifting to non-participating customers.

The Division concludes, in concept and subject to its recommendations, that the Program is just, reasonable, and in the public interest. If approved, the Division reserves the right to offer further details or change its opinion as more

[6] Davis Direct; Direct Test. of Timothy Lenell (Oct. 10, 2025); Rebuttal Test. of Timothy Lenell (Nov. 13, 2025).

information becomes available in future filings after the Program becomes operational.

Q: Does this conclude your surrebuttal testimony?

A: Yes.