BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

---

Application of Rocky Mountain Power to Implement Community Clean Energy Program Authorized by the Community Clean Energy Act,

Docket No. 25-035-06

---

CONTINUED PUBLIC HEARING

DATE: Wednesday, December 17, 2025

TIME: 9:02 a.m.

BEFORE: Jerry Fenn, Presiding Officer
David R. Clark, Commissioner
Dr. John Swenson Harvey, Commissioner

LOCATION: Heber M. Wells Building
160 East 300 South, Fourth Floor
Hearing Room 403
Salt Lake City, UT 84111

REPORTED BY: Delanie Bustamante

JOB NO.: 7465003

A P P E A R A N C E S

ON BEHALF OF ROCKY MOUNTAIN POWER:

KATHERINE SMITH, ESQUIRE
Rocky Mountain Power
1407 West North Temple, Suite 320
Salt Lake City, Utah 84116
katherine.smith@pacificorp.com
(435)776-6980

ASHLEY WALKER, ESQUIRE
Dorsey & Whitney LLP
111 South Main Street, Suite 2100
Salt Lake City, UT 84111
walker.ashley@dorsey.com
(801)933-7360

ON BEHALF OF COMMUNITY RENEWABLE ENERGY:

PHILLIP RUSSELL, ESQUIRE
James Dodge Russell & Stephens, P.C.
545 East 300 South
Salt Lake City, UT 84102
prussell@jdrslaw.com
(801)363-6363

A P P E A R A N C E S (Cont'd)

ON BEHALF OF DIVISION OF PUBLIC UTILITIES:

PATRICIA E. SCHMID, ESQUIRE
Attorney General of Utah
160 East 300 South, 5th Floor
Salt Lake City, UT 84114-0857
pschmid@agutah.gov
(385)229-2883

PATRICK GRECU, ESQUIRE
Attorney General of Utah
160 East 300 South, 5th Floor
Salt Lake City, UT 84114-0857
pgrecu@agutah.gov
(385)229-2883

ON BEHALF OF SIERRA CLUB:

ROSE MONAHAN, ESQUIRE
Sierra Club Environmental Law Program
2101 Webster Street, Suite 1300
Oakland, CA 94612
rose.monahan@sierraclub.org
(415) 977-5704

A P P E A R A N C E S (Cont'd)

ON BEHALF OF WESTERN RESOURCE ADVOCATES:

SOPHIE HAYES, ESQUIRE
Western Resource Advocates
307 West 200 South, Suite 2000
Salt Lake City, UT 84101
sophie.hayes@westernresources.org
(801)212-9419

ON BEHALF OF UTAH OFFICE OF CONSUMER SERVICES:

ROBERT MOORE, ESQUIRE
160 East 300 South, 5th Floor
Salt Lake City, Utah 84114-0857
rmoore@agutah.gov
(801)366-0158

ALSO PRESENT:

Melissa Pascal, Paralegal, Public Service Commission

I N D E X

I N D E X (Cont'd)



FILINGS ADMITTED INTO EVIDENCE

FILINGS ADMITTED INTO EVIDENCE (Cont'd)

P R O C E E D I N G S

PRESIDING OFFICER FENN: -- the transcription. This is being digitally recorded, and she's -- will produce a transcript using the methodology she's following this morning.

I just want to note that I think we will, on our own determination, pay for expedited transcripts. I don't know if that's something you're all going to feel is necessary, but there's so many issues here, and there may be additional proceedings. Who knows? But I think we're going to ask for expedited transcripts.

Of course, then, they would be available to all of you, so I suspect you're not unhappy about that. I suspect, if anything, that's -- you're appreciative of that.

So, as I understand, we have five more witnesses cover today. I'm not going to attempt to use my crystal ball and figure out if we're going to be done before noon or not. I have no idea. But we'll go forward as expeditiously as possible.

We'll take one break, probably close to 10:30, if we can, and then, we'll decide if we're really close. We may cause you some discomfort. We may run it until we're done. If it's -- we may get

done by one, but, if anybody is going to have a huge problem with that, see us at the break.

Okay. Well, welcome. Well, I thought it was a very helpful hearing yesterday. Some of you stayed for the public witness hearing.

I'll just note, years and years ago, I ran another state Agency when I was just a kid and was chair of the Alcoholic Beverage Control Commission at the time.

I learned, as a young person, whether you agree with somebody or not, it's really important to treat those who come, and take their time and effort to come and appear before you, with respect, and give them an opportunity to say their -- you know, make their remarks and say their piece, so to speak.

So I thought it went pretty well last night, and we tried to, without weighing in either pro or con, just let people make their comments. So I think that went well.

And some people are not used to getting a -- kind of an unlimited period of time, but I think no one abused it. I asked them to be concise, and I thought they all were pretty reasonable in the amount of time they took.

So, anyway, I think it was helpful to

get that input. And it's important, I think, to get the viewpoint of the people who feel strongly about things.

I also will say, years and years ago, I remember Richard Nixon talking about -- he's not the, I guess, best guy to use as the -- as a -- necessarily as an example -- but he talked about the silent majority.

And, you know, there's -- there are, sometimes -- because some people that come have passion, you tend to forget that there are a lot of people who just don't weigh in because they don't have the passion and intensity on issues.

And so we heard from people, particularly of those who are very concerned about renewable energies. And there are people out there who don't have that same passion about renewables, and we just didn't hear from them. And this -- that's what you would expect.

Okay. Well, with enough of that, we are going to continue today.

I think we're ready for your witness, Ms. Hayes.

MS. HAYES: Thank you. Good morning.

Western Resource Advocates calls Karl

Boothman.

PRESIDING OFFICER FENN: Great. Thank you.

Mr. Boothman, it's nice to have you with us again.

MR. BOOTHMAN: Thank you.

PRESIDING OFFICER FENN: If you'll raise your right arm to the swear.

WHEREUPON,

KARL BOOTHMAN,

called as a witness and having been first duly sworn to tell the truth, the whole truth, and nothing but the truth, was examined and testified as follows:

PRESIDING OFFICER FENN: Thank you. You may be seated.

DIRECT EXAMINATION

BY MS. HAYES:

Q Good morning, Mr. Boothman. Will you --

A Good morning, Sophie.

Q Thank you. Would you state and spell your name for the record?

A My name is Karl G. Boothman, that's K-A-R-L, middle initial G, last name, B-O-O-T-H-M-A-N.

Q By whom are you employed, and what is your position?

A I'm employed by Western Resource Advocates as a senior policy advisor, where I provide policy analysis and regulatory support to WRA in electricity industry related matters.

Q Have you previously testified before this Commission?

A Yes.

Q Given that I think it is your third time testifying for this Commission, as opposed to your fifty-first, can you provide just a little bit of background information, or a little bit of information about your background, that's relevant to this proceeding and your testimony?

A Sure. So I've been doing energy policy related work for, I think, over ten years now.

Relative to this proceeding, my testimony discusses certain modeling kind of techniques.

And, I think, relevant to my testimony, while I don't describe myself as a modeler in my current job, in a past job, I used various open source NREL based models, PVWatts system advisor model.

I was -- I assisted in the development of the Michigan state version of the energy policy simulator, created by Energy Innovation.

And I've also created a -- an open-source

capacity expansion model, called Step 8760, for various states in a past role.

Q Thank you. Did you file direct testimony and Exhibits KB1 through KB3 in this docket on October 10th?

A Yes.

Q And did you file surrebuttal testimony, along with Exhibits KB4 and 5, on December 11th?

A Yes, I did.

Q Do you have any changes or corrections to that testimony?

A No.

Q If I asked you the same questions today, would your answers be the same?

A Yes. They would.

MS. HAYES: Thank you. WRA moves the admission of the pre-filed testimony and exhibits of Karl Boothman.

PRESIDING OFFICER FENN: Okay. Thank you, Ms. Hayes.

Without objection, we'll admit the pre-filed direct and surrebuttal testimony of Mr. Boothman and the exhibits associated therewith.

//

//

(WRA pre-filed direct and surrebuttal testimony and associated exhibits of Karl Boothman were admitted into evidence.)

MS. HAYES: Thank you.

BY MS. HAYES:

Q Mr. Boothman, do you have a summary of your testimony for the Commission?

A Yes, I do.

Q Please go ahead with that.

A Okay. I wrote, "Good morning," on my testimony, thinking that maybe I would go yesterday morning, but, well, that was -- that was --

PRESIDING OFFICER FENN: Unrealistic.

MR. BOOTHMAN: -- a pipe dream.

So good morning, Chair Fenn, and Commissioners Clark and Harvey.

WRA's interest in this proceeding is to support a resource valuation method that enables an accurate quantification and equal consideration of both program resource costs and benefits and to support a workable program.

I recommend the use of the present value revenue requirement differential method, or PVRRD, which is the exact method used by the company

to justify its long-term resource procurements on behalf of all customers.

One of my concerns with a modified Schedule 38 avoided cost method was the recent volatility in avoided costs, with rates dropping by up to 75 percent for some generator types in the most recent filing.

This volatility was a direct result of material and structural changes to the company's most recent integrated resource plan, or IRP.

Careful consideration should also be given in resource valuation to the treatment of federal production tax credits, or PTCs, and I endorsed Agency witness, Higgins, recommendations on this topic.

I also recommended that endogenous portfolio selection be conducted at a system optimized level rather than a bifurcated east-west level, as filed in the recent IRP This recommendation holds, regardless of which method is ultimately endorsed by the Commission.

As any valuation method presented in this docket relies on the company's IRP, I also recommended that the Commission reject the company's proposal to charge participating customers for the

lost value of RECs, because the company has made no indication as to how this hypothetical and uncertain value would be quantified.

Moreover, charging customers for a lost value of RECs is inconsistent with how the company treats REC-generating resources in its IRP. A REC value would reduce renewable proxy resource costs, and such resources would, in turn, compete more favorably with the non-REC generating resources available in the company's IRP.

This could materially change the size and timing of proxy renewables in the preferred portfolio. However, no value is given, thus, no value should be charged.

This concludes my summary.

MS. HAYES: Thank you.

Mr. Boothman is available for questioning.

PRESIDING OFFICER FENN: Okay. Thank you for that summary, Mr. Boothman. Appreciate that very much.

Let's turn to Rocky Mountain Power.

MS. WALKER: No questions. Thank you.

PRESIDING OFFICER FENN: Okay. Okay. Thank you very much, Ms. Walker.

Mr. Russell?

MR. RUSSELL: No questions. Thank you.

PRESIDING OFFICER FENN: Okay. Ms. Monahan?

MS. MONAHAN: No questions.

PRESIDING OFFICER FENN: Okay. Mr. Grecu?

MR. GRECU: Let's continue the trend. No questions. Thank you.

PRESIDING OFFICER FENN: Mr. Moore, it's down to you.

MR. MOORE: No questions. Thank you.

PRESIDING OFFICER FENN: Okay. I'm starting to get more optimistic about this day as the time goes by.

Commissioner Clark?

COMMISSIONER CLARK: I have no questions. Thank you.

PRESIDING OFFICER FENN: If only, Commissioner Harvey?

COMMISSIONER HARVEY: I want him to feel like he actually came here for a reason.

CROSS-EXAMINATION

BY COMMISSIONER HARVEY:

Q I would like to explore this problem, what

you've termed a problem, of volatility under a modified Schedule 38.

I guess, at a core level, why is volatility, in your opinion, a problem?

A I think, when the most recent avoided costs updates came out, it's -- in -- in my experience, and I've been involved in PURPA avoided costs in other jurisdictions as well, but it's fairly rare to see avoided costs drop by that level.

Avoided costs fundamentally are supposed to represent, obviously, the avoided generation and capacity costs that the utility would otherwise incur to produce that power.

There are a number of reasons, there are a number of kind of things I could get into with -- with the IRP, but I think that there's other contexts that is important here.

So this utility, and all utilities, are in a period of kind of unprecedented load growth; right? So one of the most basic determinations of avoided costs is a utilities need.

Now, I -- I said this in my testimony, but there are assumptions that are unvetted in the company's IRP, and -- and I know that the Commission has yet to rule on them, but one of the assumptions

was removing all large data center load.

In the draft IRP, they included some large loads. In the final IRP, they removed all large loads, under the assumption that all of those data centers would bring their own resources, thus, they shouldn't be considered at all, and they're considered outside of the traditional planning process.

In my IRP comments, and I reiterated this in direct testimony, I -- I just felt like that decision was not based in certain legislation or statute, where they treated all of those loads with an extremely broad brush.

And so, whether a data center that is 25 megawatts, which is now considered small, or whether it was a gigawatt, were removed from that planning process.

The Utah statute, or SB 132, I believe, only concerns itself with loads greater than a hundred megawatts. Likewise, there is a statute in Oregon, I would have to check the number, but I think that that one deals with 50 megawatts.

So I think it's, you know, part of this, relating to the resource need, is the underlying assumption that the company will not have to serve any data center load whatsoever.

And now, again, reiterating, like I said, that -- that the load forecast is one of the biggest determinants of avoided costs and whether there are proxy resources in the preferred portfolio, and that goes into the valuation of avoided costs.

So I think that that volatility was a signal that there are -- there were significant structural changes, relative to past planning practices, in the company's IRP that should be explored a little bit more in depth.

The reason why I recommended the PVRRD method is because, in my view, that method is -- is less dependent on the timing of proxy resources and more informed by overall existing system resources; right?

So it takes the entire system as it is today and as it is projected, but it redispatches the entire system considering the current resources.

And so, in my view, you would be less likely to see those significant fluctuations using the PVRRD method, relative to a quarterly avoided cost filing update that is dependent on a unacknowledged IRP, for example.

Q Is the -- is your issue primarily with the volatility or your perception of the inaccuracy of the

result?

A I would say that I actually -- it's -- it's my opinion that the Schedule 38 avoided cost method, absent the volatility, is -- is also an inferior method for a couple of reasons.

Avoided costs, the nature of avoided costs, rest in the PURPA customer indifference standard, which I'm sure you're all familiar with. But my reading of that application to this case doesn't necessarily allow for an accurate quantification of benefits.

It really says, you know, customers must be indifferent. There's no opportunity for customers to benefit, should a resource be brought on that lowers system costs.

This was discussed yesterday by a few company witnesses, the -- the kind of idea of what if a resource, a program resource, lowers costs for the entire system? How do we do that?

And I think that the PVRRD method is a better holistic measure of both costs and benefits. So the outputs from the PVRRD method will, annually, but, ultimately, you can levelize kind of the cost stream, but, by resource type, the company can output basically the change in resource costs on a fixed, a

variable, an O&M basis for every resource type.

So you can see the annual impact of a resource being added to the system under this method. In an avoided cost context, this is actually a method that has been used and has been written about in economic literature going back, at least in my knowledge, to since the seventies or eighties, kind of when portfolio optimization or capacity expansion models were -- were coming online.

But -- but, in an avoided cost context, when this model is used, sometimes utilities can say, oh, the net system benefit is the lump-sum payment that would be owed to the QF, and then, kind of the rates are designed around that.

They can also take kind of a more similar approach to an avoided cost method, where they -- they look at the -- the fixed costs avoided, that would be by resource deferral or -- or delay, as well as the variable costs in the kind of system, the production cost modeling aspect, of this approach, and they could attribute certain costs to capacity and certain costs to energy under the PVRRD method.

So the other reasons why I think the PVRRD method is superior in this context is that, like I said, it's -- it's a holistic measure of costs and

benefits, which I think is supported by the statute that we're -- that's of interest in this proceeding.

And the other reason is that it mirrors the company's process for justifying their resource procurements as it is now.

So, in rate cases, you know, this output is -- is done for each resource that the company is trying to justify. And it has been done, even as recently as the last rate case, for resources that are around 50 megawatts; right?

There were a couple wind repowering projects, and one was Foot Creek, one was Rock Creek, one was Rock River. They're all -- I can't remember which is which. Lots of Rocks, lots of Creeks.

But so -- so, in my mind, there's also no size limitation on the efficacy of this method.

And I -- I would also say kind of the avoided cost, going back to Schedule 37 or 38 avoided costs, kind of inherent is -- in that model is that customers can't really benefit beyond the avoided costs; right?

So it's dependent on system costs avoided, and, if a QF accepts those terms, accepts the levelized contract, if they're able to generate energy below that avoided cost, the benefits accrue to the

QF.

In this proceeding, I think that, because of the explicit acknowledgement of quantification of costs and benefits equally, it makes sense to think about the eventualities, what could happen if a resource we're not going to be built by the company, instead was brought on by the program as a voluntary resource, and there were benefits across the system that should accrue to the program for their role in bringing the -- the project online.

COMMISSIONER HARVEY: Okay. Thank you. That's a very helpful summary. All right. That's all the questions I have.

CROSS-EXAMINATION

BY PRESIDING OFFICER FENN:

Q Mr. Boothman, I just -- I'm trying to understand a little bit more clearly about your arguments with respect to RECs, as it relates to the 2025 IRP.

And I think you testified that, with respect to RECs, REC-monetization benefits, that the 2025 IRP doesn't assign a specific dollar value, and so, that forms a basis for your determination on how they ought to be treated.

Would you just explain that a little bit

more to me?

A Sure. I think that's an accurate characterization. I think, you know, in an IRP context, costs are levelized, such that different resource types can be compared against one another.

So you have a -- you have an assumed build cost, you have an assumed operating cost, and there's no -- there's no value given to this hypothetical value of RECs associated with renewable resources.

If there were, if the company were able to forecast that confidently, which I believe we've heard testimony to the effect of it's highly uncertain as to how you would forecast the value of RECs because it is so dependent on policy and trends in the marketplace of buyers for RECs or renewable portfolio standards, but, if you could, in the hypothetical in which you could forecast that value confidently, renewable resources would compare even more favorably than they do now against other generator types.

So in a -- in a least cost optimization model or a linear optimization model, it's -- it's meeting the system need, subject to constraints, and it's finding the cheapest way to go about that.

When you -- when you think about RECs as a possible adjustment downward to the costs of renewable

resources, they would be picked more often by the -- by the model or in greater quantities to serve such load if they are close to competing with other, you know, dispatchable resources or other -- other kinds of resources.

So -- so it's my opinion that -- that, in -- in looking at the program resource and effectively charging program participants for this value, at some point in the future, when the resource displaces a resource that the company says that they would build -- I think that's a tenuous assumption, I share the same hunch as -- as Mr. Higgins, as he put it yesterday -- you just -- you don't have a good way to confidently measure that value, and I think that the treatment should be symmetrical between the IRP and between the program rate.

So I think I'll -- I'll leave it there.

Q No. I think that's helpful. So your concern was about the asymmetric valuation of RECs.

And, as I understand it, you were -- maybe this is simplifying it too much, but, essentially, that, because hypothetical REC revenues are too uncertain from the 2025 IRP in resource planning, they're too uncertain to be quantified here in this program; is that correct?

A Yes. That's -- that's kind of the bulk of my argument.

But I would also add that the -- I think that it's easy to gloss over the fact that avoided costs are also based on the IRP.

So all of the uncertainty that we see in an IRP you know, public input process, the development of the IRP, that all exists, to me, in the Schedule 37 avoided cost method.

The only difference is that there's a certain tolerance for that uncertainty because the avoided cost method takes, as given an unchangeable, the outputs of the IRP.

So I'm not trying to open a can of worms on Commission-approved avoided cost methodologies in this case, but I will note that the underlying model is a model that does not account for the value of RECs, on which we base avoided costs.

Q If the 2025 IRP update, to be filed in March of 2026, if that changed as far as to have valuation of RECs, would that -- first of all, do you think that's likely, and, if so, would it change your analysis?

A In my opinion, I don't think it's likely that the company will begin to forecast a value of

RECsand assign them to REC-generating resources in the IRP.

They're -- based on my memory, I think maybe they had done that in the distant past, but, over all of the IRP cycles that I've been engaged in in Utah with Rocky Mountain Power, there's never been a valuation of RECs, as far as -- as I remember.

I do think it would change it, though, in the hypothetical, that they are able to do that because, again, it would lower the costs, the relative costs, based on other resources in the resource supply side, resource table, as they call it, such that it would become a more economic option by which to meet system load.

I would also mention, though, that -- that, in the IRP context, you know, we're talking about timing, in the avoided cost context, we're talking about timing of proxy resources. That is a big part of whether a program resource would get a capacity payment.

And I -- I just want to reiterate what Mr. Higgins said yesterday, is that if the -- if we're talking now about the 2025 IRP update, any method, I believe, that the Commission decides on for program rate valuation has to take into account the realistic

assumptions about production tax credits and about whether the company would bring this resource on on their own; right? We're --

Q In the absence of production tax credits?

A Sure. But even going beyond that, whether the utility is in a financial position to bring on these resources.

Q Regardless of the production tax credits?

A Regardless of the production tax credits.

And I think that Mr. Eller yesterday testified something to the effect of, you know, if we -- if we see these bids from program resources, and the modeling shows that they provide a net system benefit, well, we could just call up the developer on our own and -- and offer them a contract.

I -- I don't know that that's going to happen. I think, also, Mr. MacNeil testified to the effect that they aren't picking up the phones in Utah. They are in Oregon and Washington.

So, on behalf of Utah customers, I think that it's a very tenuous assumption that the company would bring that resource on, even if it were economical.

And that gets back to kind of the -- the treatment of benefits and whether benefits should

accrue beyond -- if -- if there are net benefits after the build costs of the resource, after the PPA price, if there are still net benefits to the system.

I think that the statute explicitly allows, and I'm not a lawyer, but I think it allows the accrual of such benefits to program participants because they are taking the risk to bring on a resource on their own.

They're essentially functioning, as the company would with its own capital, but raising this -- this, you know, base revenue requirement for the program resource.

I think it's completely within the bounds of the statute, in my opinion, to have benefits accrue to program participants and have non-participating customers be no worse off.

And I think that one idea I mentioned yesterday was the concept of a bill credit, which I think is -- is a good idea to explore, if the modeling were to show net benefits after considering all of the additional costs.

PRESIDING OFFICER FENN: Okay. Thank you very much for that explanation. I appreciate it. That helps me.

I have nothing further, and we

appreciate very much you being here today, and we'll excuse you, Mr. Boothman. Thank you.

THE WITNESS: Thank you.

MS. HAYES: If it's all right with the Commission, I am going to move to allow Ms. Monahan to come sit here, so she can face you while she questions her witness.

PRESIDING OFFICER FENN: That would be great. Allow that.

Thank you, Ms. Monahan. We will turn the time over to you to call your witness.

MS. MONAHAN: Thank you very much. Sierra Club will call Mark Fulmer to the stand.

PRESIDING OFFICER FENN: Welcome, Mr. Fulmer.

MR. FULMER: Good morning.

PRESIDING OFFICER FENN: Good morning.

If you'll raise your right arm to the swear.

WHEREUPON,

MARK FULMER,

called as a witness and having been first duly sworn to tell the truth, the whole truth, and nothing but the truth, was examined and testified as follows:

PRESIDING OFFICER FENN: Thank you very

much. You may be seated.

DIRECT EXAMINATION

BY MS. MONAHAN:

Q Good morning, Mr. Fulmer. Could you please state and spell your name for the record?

A My name is Mark Fulmer. That is spelled M-A-R-K F-U-L-M-E-R.

Q By whom are you employed, and what is your position?

A I am employed at MRW & Associates. I am a principal there.

Q And on whose behalf are you testifying today?

A Sierra Club.

Q Have you provided testimony to this Commission before?

A No. I have not.

Q Could you please provide a brief description of your education and relevant work experience?

A Yes. I've been consulting in energy policy in economics for, I guess, about 34 years now. Started in 1991.

Before that, I had received a degree in engineering from the University of California in Irvine, and another degree, a master's in engineering

and public policy, from Princeton University.

During my consulting time, my relevant experience here is addressing the valuation of solar projects, often rooftop solar, but, also, community solar projects in five Western states. Utah will be number six.

I've also worked closely with the Community Choice Aggregation Policy and programs in California. That's roughly analogous to what we're doing here.

In those, I provided testimony and assistance in setting up the rules and boundaries between the Community Choice aggregators and their host utilities, as well as policy and valuation of how to deal with these stranded costs that the utilities would be incurring when the Community Choice Program community departs service from the utility.

And then, lastly, I advised a dozen or more individual cities and counties when they were considering CCA formation, in reviewing with them what are the costs and benefits of pursuing such a program.

Q Thank you. And --

PRESIDING OFFICER FENN: Before you go on, where is your office, and what state do you work out of?

MR. FULMER: I work out of California.

PRESIDING OFFICER FENN: What part of the state?

MR. FULMER: The Bay Area.

PRESIDING OFFICER FENN: Bay Area. Okay. Just curious just where you're coming from to appear here today.

MR. FULMER: Sure.

PRESIDING OFFICER FENN: So thank you for making the trip.

BY MS. MONAHAN:

Q Are you the same Mark Fulmer who submitted direct rebuttal and surrebuttal testimony, including exhibits, in this proceeding?

A Yes, I am.

Q Do you have any changes or corrections to any of your pre-filed testimony?

A No. I do not.

Q And, if I asked you the same questions in your direct rebuttal and surrebuttal testimonies today, would your answers be the same?

A Yes. They would.

MS. MONAHAN: With that, Chair, I move for the admission of Mark Fulmer's direct rebuttal and surrebuttal testimonies and accompanying exhibits.

PRESIDING OFFICER FENN: Okay. Thank

you, Ms. Monahan.

Well, without objection, we'll admit the direct rebuttal and surrebuttal testimony of Mr. Fulmer and the accompanying exhibits.

(Sierra Club direct rebuttal and surrebuttal testimony and accompanying exhibits of Mark Fulmer were admitted into evidence.)

BY MS. MONAHAN:

Q Mr. Fulmer, do you have a prepared summary of your testimony today?

A Yes, I do.

Q Please proceed.

A Thank you.

Good morning, Chair Fenn, Commissioner Clark, Commissioner Harvey. Thank you for the opportunity to provide the summary of my testimony here.

I submitted a direct rebuttal and surrebuttal testimonies on behalf of Sierra Club, addressing the valuation resources to -- to be procured under the proposed Schedule 100.

Across my testimonies, I addressed six issues: the appropriate valuation of the -- appropriate valuation framework, the treatment of

interconnection and transmission upgrade costs, REC valuation, the role of federal production tax credits, curtailment assumptions in the modeling, and price policy scenarios.

First, regarding the valuation framework, I believe that the Schedule 100 provides a reasonable foundation for valuing Schedule 100 projects, as it estimates avoided energy and capacity costs for analogous renewable -- large renewable resources.

However, I also found merit in exploring the supplemental valuation suggested by WRA witness, Mr. Boothman, that is running a system-wide present value revenue requirement differential analysis to provide additional information for you in your decision making.

I, therefore, recommend that the Commission adopt a Schedule 1 valuation that's based on Schedule 38, while also requiring Rocky Mountain Power to also produce a PVRRD calculation in the future, in order to provide some additional evidence and to serve as a check of the reasonableness of the Schedule 100 calculations.

Second, I recommended clarifying that Schedule 100 resources should bear only the interconnection and transmission upgrade costs that

are directly associated with enabling the project to physically interconnect and that no costs associated with system expansion that benefits non-participating customers also be included.

Third, throughout my testimonies, I explained that the renewable energy credits, RECs, should not be monetized and added to the Schedule 100 pricing.

The company has provided no credible or consistent basis for valuing future REC revenues. Indeed, Schedule 38 does not price RECs, nor does the IRP use RECs in its calculations.

Furthermore, retiring the REC program RECs would not reduce the total REC value to the company.

However, if the Commission believes that more information is needed, it should -- it should not decide whether to include lost REC value, until after seeing Rocky Mountain Power's calculations, which stakeholders should have an opportunity to examine and comment on.

If, after that review, nothing credible has been shown, then, the value should remain at zero, which should be the default coming out of this proceeding.

Fourth, my testimonies addressed federal

solar production tax credits, or PTCs, which will not be available to the proxy of resource avoided or displaced here in the PacifiCorps. IRP avoided cost calculations.

As I note, the -- the loss of the PTC is a fact and not a simple assumption, and it can have a very significant impact on the avoided cost calculations, and, as such, must be addressed and the modeling for the pricing of the program.

Fifth, I recommended that Schedule 100 resources not be modeled assuming a zero economic curtailment.

Requiring program resources to generate, even though periods of negative market prices, would unreasonably and arbitrarily increase the costs for the program participants without necessarily increasing total renewable generation on the system.

While Rocky Mountain Power has suggested that parties will have an opportunity to comment on the prudency of its Schedule 100 modeling, the Commission need not wait to see future Schedule 100 calculations to decide today that program resources should be economically curtailed in the modeling.

And, finally, I recommend that Rocky Mountain Power present avoided cost analysis for

Schedule 1 projects. It should include information for informational purposes, the results from the social -- social cost of greenhouse gas price policy scenario, if it's used in its IRP.

This scenario incorporates the environmental externalities that the Commission has long recognized as real non-zero cost that would, thus, provide a fuller picture of the social benefits of adding renewable resources, even if those externalities are not directly monetized in these Schedule 100 prices.

This concludes my summary. Thank you.

PRESIDING OFFICER FENN: Thank you very much, Mr. Fulmer.

MS. MONAHAN: Thank you Mr. Fulmer.

Mr. Fulmer is now available for cross-examination.

PRESIDING OFFICER FENN: Okay. Thank you, Ms. Monahan.

Okay. Let's turn to Ms. Walker.

MS. WALKER: No questions. Thank you.

PRESIDING OFFICER FENN: Okay. Thank you.

Mr. Russell?

MR. RUSSELL: No questions. Thank you.

PRESIDING OFFICER FENN: Ms. Hayes?

MS. HAYES: Also no questions.
PRESIDING OFFICER FENN: Okay. Mr. Grecu?
MR. GRECU: No questions. Thank you.
PRESIDING OFFICER FENN: Mr. Moore?
MR. MOORE: No questions. Thank you.
PRESIDING OFFICER FENN: Commissioner Clark?
COMMISSIONER CLARK: I have no questions. Thank you for being here and for your testimony.
PRESIDING OFFICER FENN: Sooner or later, I hope the pressure gets to you, Commissioner Harvey, but, for some reason, I think it won't.
So I'm just teasing. No. We actually appreciate your questions. I tease you about it, but we appreciate them.
So go ahead.
COMMISSIONER HARVEY: Can tell we have a good relationship going here.

CROSS-EXAMINATION

BY COMMISSIONER HARVEY:

Q All right. I have two areas I want to talk to you about, so thank you for being here.

And this first one is talking about the PTCs

not being available to the company. And this has been mentioned many times in the hearing so far, and I guess you're the witness that's lucky enough or unlucky enough that I decide to ask him about it.

So is the -- well, so, first of all, the -- I'm assuming, from that statement, that it's your belief that -- and probably based on knowledge, that the PTCs are available to the projects that are under consideration for this program.

A That's -- that is my assumption. And I think one of the reasons that we're -- that -- that the Agency, you know, and Sierra Club are hoping that this moves forward in an expeditious way is that they can meet those deadlines that have been set by the federal government and the IRS, in order to capture those PTC credits.

With respect to the utility, they have discovery saying that no, they don't see the displaced projects being eligible.

Q Okay. So they've answered that in discovery?

A Yes. They have.

Q Okay.

A That should be -- it's one of the attachments to, I think, my surrebuttal. I don't

recall which, but it's in the record.

Q All right. Thank you. Then, the second is examining the issue of curtailment.

A Yes.

Q And, when I'm looking at your testimony, I'm -- I guess I see two aspects there, and I want to clarify what I'm getting out of it, and, then, you tell me if I've understood it correctly, and, if not, fix my misunderstanding.

But the two aspects that I'm seeing are, one, that it would result in an incorrect REC value because, without them, REC -- with them not curtailing when a -- do so, you'd have a different value of RECs produced.

But then, the second aspect is that, not acting on the economics of dispatch would mess up the cost benefit analysis.

Are those the two main issues or there others that I'm missing?

A The second issue is the main point, that it does mess up the -- the economics.

Pretty much, there's -- we don't -- at least I would not want the program participants paying an excessive amount for the RECs that they would be retiring because they were running during times of

negative pricing.

With respect to how to -- how it values the RECs, that -- the curtailment is not necessarily -- the way the -- the REC valuation might occur in the curtailment would be like this.

If you think about it, a renewable project would want to run, of course, as long as that -- or as long as there's a positive cash flow to it.

They don't want to run when they're losing money. So they would be willing to run as long as the price that they receive is -- is positive, and the price that they would receive would be, effectively, the production tax credit amount.

And, so if you have a negative price in the market, they would be willing to eat into that production tax credit a certain amount to a negative amount.

And, once it hits that, it's -- let's just not even run because we have a negative cash flow because of that.

So, you get below that, and then, it just is not -- not economic to run, which actually gets us back to the first one.

But the value of the REC, if you have a known buyer for it, then, yeah, maybe you could sort

of add that to the value.

But, as we've been saying, you just don't -- particularly now, the -- the market is unknown into the future, so that really shouldn't be entering into the calculations because as -- as we've heard from the prior witnesses that -- for the modeling for the IRPs, they assume nothing and they assume a zero value for that.

I think I'm going a little bit in circles, but is this answering your question?

COMMISSIONER HARVEY: Yes. That does. I appreciate it. That's all I have. Thanks.

THE WITNESS: Yes. And I -- I would have been disappointed if you didn't have questions for me.

CROSS-EXAMINATION

BY PRESIDING OFFICER FENN:

Q I think we've pretty thoroughly heard testimony from various witnesses about the lost value of RECs proposal.

But you talk about that and this alternative proposal that was, I think, raised by Mr. Higgins, to retire the RECs and turn them over to PacifiCorp in support of the system.

You don't support that proposal?

A That would not be my first choice. I would much prefer to have them retired and taken out of commission.

I do see the Agency's position that, if that kills the project, then, that's -- that's not an optimal solution in my mind. I think -- I think, in Sierra Club, we would rather see these renewables built, even if their RECs are not retired directly, even though that's the preference.

It's better to have it there and have the RECs transferred than to not have it there at all.

PRESIDING OFFICER FENN: Okay. All right. Thank you. Appreciate that.

All right. Mr. Fulmer, that was pretty quick and almost painless, I suspect. Thank you for your summary and appreciate you being here, but I think we can excuse you.

THE WITNESS: Yes. Thank you.

PRESIDING OFFICER FENN: Okay. All right. Let's turn now to -- I think we're ready to go to the Division.

We're going to do the Division first, then, the Office, is the plan.

And so, who are you going to call first, Mr. Grecu?

MR. GRECU: I'm going to call Robert Davis first.

PRESIDING OFFICER FENN: Okay. Mr. Davis, you knew that already. You're on your way up here.

MR. DAVIS: I anticipated that.

PRESIDING OFFICER FENN: Yes, you did.

Will you raise your right arm to the swear?

WHEREUPON,

ROBERT DAVIS,

called as a witness and having been first duly sworn to tell the truth, the whole truth, and nothing but the truth, was examined and testified as follows:

PRESIDING OFFICER FENN: Thank you. You may be seated.

DIRECT EXAMINATION

BY MR. GRECU:

Q Good morning, Mr. Davis.

A Good morning.

Q Could you please state and spell your name for the record?

A Robert A. Davis, R-O-B-E-R-T, A., last name, Davis, D-A-V-I-S.

Q And by whom are you employed, and what is

your position?
A I'm employed by the Division of Public Utility as a utility technical consultant.
Q And what's your business address?
A 160 East 300 South, Salt Lake City.
Q And have you participated in this docket on behalf of the Division?
A Yes.
Q Can you briefly describe the scope of your participation?
A Most of my work has -- has dealt with the policy side of it and the Division's overall position in this matter.
Q And did you review the company's application, exhibits, and supporting testimony, along with all the other parties' filings in this docket?
A Yes, I did.
Q And did you also review the parties' responses to data requests?
A I did.
Q And did you prepare and cause to be filed your direct testimony and DPU Exhibit 1.1 on October 10, 2025 and your surrebuttal testimony filed on December 11, 2025?
A Yes.

Q And do you have any changes or corrections to either of those?
A No.
Q And, if I asked you the same questions that were posed in those testimonies today, would you provide the same answers?
A Yes.
Q And do you adopt the contents of your pre-filed testimony as part of your testimony today?
A Yes.
MR. GRECU: At this point, I'd like to move for admission of Mr. Davis' testimonies and associated exhibits.
PRESIDING OFFICER FENN: Okay. Without objection, we will admit Mr. Davis' direct testimony with its accompanying exhibit his surrebuttal testimony.
(DPU direct testimony with accompanying exhibit and surrebuttal testimony of Robert Davis was admitted into evidence.)
MR. GRECU: Thank you.
BY MR. GRECU:
Q Mr. Davis, do you have a summary to share today?

A I do.
Q Please proceed.
A I had both morning and afternoon on my --
Good Morning, Chair Fenn, Commissioners Clark, and Commissioner Harvey.
The Division has reviewed Rocky Mountain Power's application, supporting documentation, responses to data requests, and the parties' testimony in this docket, as well as having discussions with the parties.
With its recommendations, the Division generally supports the concept of the Community Clean Energy Program.
Under the Community Clean Energy Act and related Commission rules, the Commission may approve the program, if it finds that the program is in the public interest and the approved rates may not result in a shifting of costs or benefits to non-participating customers.
The Division has the responsibility to evaluate programs such as this one, to ensure the program is prudent and in the public interest.
The Division's main concerns in this docket are avoiding shifting program costs or benefits to non-participants, providing transparency to program

participants within the communities, and allowing customers to opt out, should they choose not participate in the program.

The Division is aware of the complexities of designing the Community Renewal Program, without knowing the specifics that lend to the prudency of the program.

The Commission must ensure that the program participants pay the cost the program incurs, and reap the benefits the program provides, and the program's revenues remain sufficient, even if projects are limited in scope or subscription.

The Commission must also take into consideration that the program does not displace resources that are part of the least cost, least risk portfolio for all customers.

The Division has reviewed the application as well as other parties' testimony and concludes that the program concept appears generally -- appears to align with the legislation.

Although the parties have varying concerns relating to the valuation of the resource, valuation and treatment of renewable energy certificate, or RECs, and amount of the administrative reserve fund limit, they seem to generally be in agreement with

other attributes of the program.

The Division's other -- other witness, Mr. Tim Lenell of Daymark Energy Advisors, will offer his recommendations regarding the valuation method of the generation resource, the level of the reserve fund balance, and measurable costs.

While it has reservations regarding the details of the program, the Division finds that approval of the program may be in the public interest, if it incorporates the recommendations offered in the Division's direct rebuttal and surrebuttal testimonies.

However, at this time, the prudency of the program is based on hypotheticals and unknown variables. This uncertainty raises concerns about whether the program should be approved at this time without program specifics.

The program's success is largely dependent upon the Commission's determination of the resource valuation method, treatment of RECs, and administrative reserves fund balance.

Should the Commission approve the program, the Division recommends that it also notice a requirement for stakeholders to convene a work group 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.

In conclusion, in concept and subject to its recommendation, the Division believes the program is just, reasonable in result, and in the public interest.

If approved, the Division reserves the right to offer further details or change its opinion, as more information becomes available in future filings after the program becomes operational.

This concludes my summary. Thank you.

MR. GRECU: Thank you.

Mr. Davis is now available for cross-examination and questions from the Commission.

PRESIDING OFFICER FENN: Okay. Thank you for your summary, Mr. Davis.

Turn to Rocky Mount Power?

MS. WALKER: No questions. Thank you.

PRESIDING OFFICER FENN: Okay. Mr. Russell?

MR. RUSSELL: I do have some questions. I hope this will be very brief.

PRESIDING OFFICER FENN: Okay.

CROSS-EXAMINATION

BY MR. RUSSELL:

Q Mr. Davis, I'm going to ask you a couple questions from your -- that are going to be based on some testimony in your surrebuttal.

I'm going to have you turn to page two of that now, if you would.

A Okay. Page two.

Q Yeah. The question at the top, starting on line 19, expresses a concern related, I gather, to the potential for a program resource to displace some other resource that may otherwise be acquired for all customers; right?

A Yes.

Q Okay. And you say, "As stated in my direct testimony, a dedicated resource for this program has the potential to displace other least costs, least risk, renewable resources that could benefit all customers, which might better use available transmission capacity."

My question about that statement is, do you have some reason to believe that a program resource will make less efficient use of the available transmission capacity than a resource that's in a

preferred portfolio?

A I -- I put that in there just as a concern. I -- I don't think it's necessarily a large concern. It's just something that I think the Commission should take into consideration.

Possibly, later on, as the program develops, and more -- and more dedicated program resources are brought online, there's that potential. That's -- that's why it's in the -- in the -- in my testimony.

Q Okay. Thank you for that. I'm going to have you turn to page three of your surrebuttal.

A Okay.

Q Again, the question at the top, and I think this is on the same topic, right, that there's a potential for, or an expression of concern about, displacement of resources from a least cost, least risk portfolio.

And I'm going to have -- I'm going to read from your statement, starting at line 44, where you say, "The public interest might be better served if an incremental renewable resource meeting all customer load is acquired, rather than a resource for a subject -- excuse me -- 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."

Can I summarize that by you saying we have a concern, but we can't really quantify it at this time?

A Correct.

Q Okay. And then, down towards the bottom of this page, you identify -- you make citation to some of the statutory provisions that are applicable here; right?

A Uh-huh.

Q In one of those, starting at line 57, is a reference to Section 904(4)(b), which you say justifiably complicates this program by prohibiting any cost or benefit shifting between program participants and non-participants; right?

A Yeah.

Q Okay. I know you're not a lawyer, but you've referenced the statute.

Is it your understanding that the statute directs the Commission to consider quantifiable costs and benefits?

A That's my understanding. Yes.

MR. RUSSELL: Okay. Thank you. That's all I have.

THE WITNESS: Thank you.

PRESIDING OFFICER FENN: Thank you, Mr. Russell. Appreciate that.

Ms. Hayes?

MS. HAYES: No questions. Thank you

PRESIDING OFFICER FENN: Ms. Monahan?

MS. MONAHAN: No questions.

PRESIDING OFFICER FENN: Mr. Moore?

MR. MOORE: No questions from the OCS.

PRESIDING OFFICER FENN: Okay. Thank you.

Commissioner Clark?

COMMISSIONER CLARK: I don't have any questions either. Thank you.

PRESIDING OFFICER FENN: Commissioner Harvey?

CROSS-EXAMINATION

BY COMMISSIONER HARVEY:

Q Good morning.

A Good morning.

Q I was actually on the exact same page on my screen as Mr. Russell referred you to, so he shortened some of my questions.

I'm assuming you were here or listening to the hearings yesterday; is that a correct assumption?

A Correct.
Q Okay. So I'd like to explore a little bit with you how the resource that would be acquired by the company for this program would function.
Is that something you think you can talk with me about?
A How the -- how the resource would function?
Q On the system?
A Well, it's like -- I mean, in reality, it's like any other resource. Doesn't depend -- not dependent on the technology type. It's going to be putting energy to the grid.
Q Okay.
A Is that
Q That where I want to start. Yes.
A Okay.
Q Okay. So we heard, yesterday, that the program is what's been termed a "net program," meaning there's not an attempt to match up the actual usage on -- at a time, at a moment in time, with actual production in a moment of time, whether it's a total amount over some large amount of time.
Is that your understanding of it?
A Yes.
Q Okay. So is it your understanding that this

resource would be dispatched, in the sense that it might be occasionally turned off, in the same manner that any other resource the company owns of the same type, as time plays out?

A Yeah. After hearing the testimony yesterday, I have a better understanding, and that's -- I would agree to that. Yes.

Q Okay. So, if it's treated exactly the same as any other system resource, can it be said to be using transmission or distribution more or less inefficiently than any other system resource?

A I -- I think that's true.

Q It's true that it can be said it's inefficient or efficient or that it can't be said?

A Yeah. What -- what you said. Yes.

Q Okay.

A Sorry.

Q All right. No. That's no problem. I should have asked it better.

A Your questions are hard.

COMMISSIONER HARVEY: That's my job. All right. All right. I think that's all I have for you. Thank you.

THE WITNESS: Thank you.

CROSS-EXAMINATION

BY PRESIDING OFFICER FENN:

Q Mr. Davis, I just have a question about page five of your surrebuttal testimony, on lines 84 through 85. Well, let me actually start on 82 and have you read this. So I'll read it to you.

"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."

I'm not sure what that -- what your proposal is, then. What do you think the Commission should do?

A The way I wrote that, reading and hearing it now, and probably strong words, but we're -- we're -- what we're concerned with, from the Division's perspective, is -- is tests for the next step.

The program probably has to be approved to move on. It's a chicken and egg kind of thing.

Q Sure.

A I -- I think what we're really focusing on is -- is, if the Commission approves this program, approves the resource, somewhere in the future, the program gets up and running, how are we going to ensure that it's prudent, and then there is no shifting of costs and benefits to non-participating

parties?

I think that's the Division's responsibility, going forward with this program, is to make sure that it's prudent. So we -- we want to make sure.

And, basically, that's what I'm saying is, we're -- we're not a hundred percent sure what that is right now. It -- it looks good in concept. Going forward, we need a little more solidification, so we can make sure that it's prudent, which is under the statute.

Q Okay. I didn't interpret your statement to mean that we should reject the program. I was -- and so I think that you've clarified that.

"At this time," is the language I was a little concerned about.

But what I'm hearing you saying now is that you understand, and the Division doesn't have an objection to approving the program, but what you're really saying is that there should -- perhaps this is too strong of a word -- it should be a conditional approval or that there should be ongoing oversight, and that's what you're really saying?

A That's correct. And that -- that's why we suggest that the Commission, if they approve the

program, is to also notice a work group, so the parties can -- can determine what that reporting -- I'll use the word "template" -- what that is going forward, which is what we've done in other projects, just to -- just so we can make sure that, not only the -- the Division can ensure that the program is operating prudent -- and that would be a work in progress, I'm sure -- but also, all other stakeholders.

Q Okay. So that's helpful. So this working group would develop an annual reporting template.

Anything else that you think are specifics with respect to this program?

Your statement was whether the program should be approved at this time without additional program specifics.

Are there -- is there anything you can identify, as you're sitting here today, that you think your deficiencies that this work group, beyond the annual reporting template, would address?

A No. I don't think so.

PRESIDING OFFICER FENN: Okay. All right. Thank you. That's helpful.

All right. Thank you, Mr. Davis. We'll excuse you. Appreciate you being here today.

THE WITNESS: Thank you.

PRESIDING OFFICER FENN: Turn back to Mr. Grecu.

MR. GRECU: Thank you. The Division would like to call Mr. Timothy Lenell.

PRESIDING OFFICER FENN: Mr. Lenell, welcome.

Will you raise your right arm to the swear?

WHEREUPON,

TIMOTHY LENELL,

called as a witness and having been first duly sworn to tell the truth, the whole truth, and nothing but the truth, was examined and testified as follows:

PRESIDING OFFICER FENN: Thank you. You may be seated.

DIRECT EXAMINATION

BY MR. GRECU:

Q Good morning.

A Morning.

Q Could you please state and spell your name for the record?

A My name is Timothy Lenell, T-I-M-O-T-H-Y L-E-N-E-L-L.

Q And what is your business address?

A My business address is 370 Main Street, Suite 325, Worcester, Massachusetts 01608.
Q And by whom are you employed, and in what capacity?
A I'm employed by Daymark Energy Advisors as a senior consultant.
Q And can you please provide just a brief description of Daymark in its business?
A Daymark provides integrated policy planning and strategic decision support services to North American electric and natural gas industries, serves diverse clientele by providing consulting services to organizations involved with energy markets, including renewable energy producers, private and public utilities, transmission owners, energy producers and traders, energy consumers, and consumer advocates, regulatory agencies, and public policy and energy resource organizations.
And I will stop there.
Q And have you participated in this docket on behalf of the Division?
A Yes.
Q And can you briefly describe your scope of work in this docket?
A The Division retained Daymark to assist in

evaluating the Rocky Mountain Power's application and proposed methodologies, to ensure that the Community Clean Energy Program meets the statutory requirements.

Q And have you provided testimony to this Commission before?

A No.

Q Can you provide just a brief overview of your education and relevant work experience?

A Certainly. I have a bachelor's degree in economics from Northern Illinois University and a master's degree in economics from Iowa State University.

I'm an economist with over six years of economic analysis experience from the state of Nebraska. I have an additional five years of experience in rate pricing for electric utilities.

I worked for Omaha Public Power District, OPPD, in various roles, concluding my tenure as the manager of pricing and rates before joining Daymark.

At OPPD, I led the development of several technical studies, including the cost of service study, the load loss study, development of demand management programs, design of rates and renewable rider offerings, and a number of associated studies.

Since joining Daymark, I have assisted

clients in rate design, cost of service analysis, revenue requirement analysis, in Massachusetts and Louisiana, as well as other projects throughout the US.

I have also submitted direct testimony in support of Concordia Electric Co-op's general rate case before the Louisiana Public Service Commission in docket U-37586.

Q And did you review the company's application, exhibits, and supporting testimony, along with all the other parties' filings in this docket?

A Yes.

Q Have you also reviewed parties' responses to data requests?

A Yes.

Q And did you prepare and cause to be filed your direct testimony and DPU Exhibits 2.1 through 2.3, filed on October 10th, your rebuttal testimony and DPU Exhibit 2.1-R, filed on November 13, 2025, and your surrebuttal testimony, filed on December 11, 2025?

A Yes.

Q Do you have any changes or corrections to those filings?

A No.

Q And, if I ask you the same questions posed in that testimony today, would you provide the same answers?
A Yes.
Q Do you adopt your pre-filed testimony as part of your testimony today?
A Yes.
MR. GRECU: I'd like to move to admit Mr. Lenell's testimonies and associated exhibits filed in this docket.
PRESIDING OFFICER FENN: Okay. Thank you, Mr. Grecu.
Well, without objection, we will admit Mr. Lenell's direct testimony with the accompanying exhibits, his rebuttal testimony with the exhibit, and his surrebuttal testimony.
(DPU direct testimony with accompanying exhibits, rebuttal testimony with exhibit, and surrebuttal testimony of Timothy Lenell were admitted into evidence.)
MR. GRECU: Thank you.
//
BY MR. GRECU:
Q Mr. Lenell, do you have a summary to share

today?

A Yes.

Q Please proceed.

A Good morning, Chair Finn, Commissioner Clark, Commissioner Harvey.

Daymark was retained by the Division to assist in reviewing the company's application seeking Commission approval to implement the Community Clean Energy Program.

My testimony evaluates whether the methodologies proposed in this proceeding comply with the statutory requirements for the program set forth in Utah Code Section 54-17-904, which, among other things, requires that the rates approved by the Commission for participating customers may not result in any cost shifts or benefits to any non-participant customers or any other customer of the qualified utility, beyond the participating community boundaries.

My recommendations focus on ensuring that the Commission can rely on the proposed methodologies to prevent cost shifts and benefits to non-participants through the life of the program.

Have three primary recommendations.

The first, resource valuation. The company

proposed to utilize a one-time resource valuation according to the Schedule 38 methodology for estimating the avoided cost benefits of the program resources.

In my view, the static approach may result misalignment with actual benefits throughout the lifetime of this program, which could violate the statute's no cost shift mandate to non-participants.

As an alternative, I suggest the utilization of Schedule 38 for the quantified energy benefits, updated annually according to the most recent Schedule 38 quarterly update, to reflect the marginal cost of energy according to the most current market conditions.

For capacity benefits, I suggest the company develop a capacity valuation method consistent with its existing planning processes to better capture the incremental capacity benefits of the program resources, rather than relying on the timing of a displacement proxy resource for capacity valuation.

This approach better satisfies the statute's mandate to account for any quantifiable benefits.

Two, annual reconciliation and reserve balance target. I recommend an annual reconciliation process to ensure target balances are achieved

throughout -- through rate adjustments that are supported by clear governance processes which address program modifications and annual reporting requirements, such as the participation rates, renewable production, interest rates, and other costs.

Additionally, in my rebuttal testimony, the company -- in its rebuttal testimony, the company stated it was willing to reduce the administrative reserve fund limit to three years instead of the five years originally proposed by the company.

As I noted in my testimony, the reserve fund limit should be based on a quantitative analysis supporting the proposed duration.

Three, inclusion of measurable costs. Consistent with statutory requirement, the program rights may not result in the shifting of cost or benefits to any non-participants.

I recommend that measurable costs be included in the program rate, as they become known and verifiable to the company. This would include any additional administrative costs for maintenance of the program throughout its lifetime, as well as updates to transmission costs if -- as they become available.

These recommendations seek to ensure that the methodologies utilized produce accurate costs and

benefits, and that those are allocated to program participants, consistent with the statutory requirements to protect non-participating customers.

Thank you. That concludes my summary.

PRESIDING OFFICER FENN: Okay. Thank you, Mr. Lenell.

MR. GRECU: Thank you. The witness is now available for cross-examination and questions from the Commission.

PRESIDING OFFICER FENN: Thank you.

Ms. Walker?

CROSS-EXAMINATION

BY MS. WALKER:

Q I just have one or two questions for you.

Does the DPU take a position with respect to the company's request to prioritize replenishment of the administrative reserve fund --

A I don't think I'm understanding the question. Yeah.

Q In his rebuttal testimony, Mr. Eller agreed to a three year reserve fund contingent upon the ability to prioritize replenishment of the administrative reserve fund.

I believe the Agency and -- has expressed support for that proposal, and I'm just curious if the

DPU -- I don't think that you took a position in your surrebuttal testimony.

A Sure. Yeah. Thank you for that. And I think it's -- the intent is not to have those hair -- as -- as it was referred to, those hairline situations, and -- and the program terminate prematurely.

So the ordering of the replenishing, I -- I don't think there's any issue with that.

MS. WALKER: Okay. Thank you. No further questions.

PRESIDING OFFICER FENN: Okay. Thank you.

Mr. Russell, let's go to you next.

MR. RUSSELL: Thank you.

CROSS-EXAMINATION

BY MR. RUSSELL:

Q Good morning, Mr. Lenell.

A Good morning.

MR. RUSSELL: Actually, before I get to questions of Mr. Lenell, I just want to make a clarification.

Ms. Walker's question made reference to the Agency's position, with respect to the replenishment of the administrative reserve fund.

The Agency has, and this is in Christopher Thomas' surrebuttal testimony, supported prioritization of the replenishment of that fund, but not the three-year position that the company has -- those are -- two things are sort of combined in the question. I just want to make clear what the Agency's position is here, before we get started.

PRESIDING OFFICER FENN: Sure.

MR. RUSSELL: And, again, that's in Mr. Thomas' surrebuttal testimony.

BY MR. RUSSELL:

Q Mr. Lenell, I want to talk, probably not surprisingly, about the Division's proposal to conduct an annual cost benefit analysis of the program resource.

You have indicated, in your surrebuttal testimony, that there needs to be some way that -- to find, you know, a capacity benefit, but that you haven't proposed one; right?

A My -- my proposal is to align with the company's process for determining capacity benefits for the incremental resource.

Q Right. But the -- well, but the company's position on that is that it does all of it all at once, which -- and they do at once; right?

A That's the current applications.
Q Okay. And, to your understanding, does the company have some way of doing capacity on a different sort of time horizon than the energy of what it costs?
A I -- I don't think it would be any different from something like the -- how the company would do non-wire alternatives to estimate capacity deferral of investment in a feeder line or whatever the case -- so it -- it would follow their -- their procedures for estimating, in this case, a -- the specific resource, the incremental benefits, the capacity benefits for the program resource.

So I think they have methods in place to -- to estimate that.
Q And just -- I'm trying to understand what your understanding is about that because, what the company's proposal to do, would be to conduct a calculation, using avoided cost methodology, once at the beginning.

And your proposal is to do, well, we're going to do that energy kind of on an annual basis.

When is it that you understand the company would be doing the avoided cost on the capacity basis?
A When the -- when it secured the resource -- or it -- determining specifically for the resource.

So it could be -- a capacity is -- is different than energy, in the sense that, once they have that question and answer that question, those -- that doesn't need to be annually updated, right, that, over time, the fixed cost associated with capacity additions can be answered when the program resources is selected.

Q So you would have the company do it on a different time horizon than what you're proposing for the company to do with respect to the energy valuation; yes?

A They -- they could occur at the same time, but then, it doesn't have to annually update like the energy benefits.

Q Okay. But, with respect to, let's say, the very first year of the resource, you're doing the energy valuation and the capacity valuation based on the same forward-looking outlook.

But then, you would, after that point, never do the capacity valuation again, you would only do the energy valuation, and you do it again every year; right?

A I wouldn't state that you would never do the capacity valuation again.

So it -- it wouldn't need to be done

annually. But, as IRP assumptions change, as -- as you update things like the marginal cost of -- of capacity, those inputs -- so it might update just less frequently, such as with IRP updates.

Q And the IRP updates every year; right?

A Yeah.

Q Okay.

A To my understanding.

Q Okay. Let's set the capacity part aside for now and just focus on the energy and how those annual IRP updates may affect what's happening.

You, in your rebuttal testimony, and I can refer you to a line if you need to, but refer to the program as a "but for" program; right?

A Yes.

Q Okay. And it's on line, I think, 43, if my handwriting -- it's bad -- I think it's line 43.

And, by that, I gather you mean, in the absence of the program, it wouldn't be adding a program resource; right?

A Correct.

Q When you say that it's a "but for" program, are you anticipating that these sort of annual updates will allow us to make a determination about what benefits can be associated with the resource in a sort

of "but for" world?

A I'm not understanding the question --

Q Well, so, at the very outset, we can look at the addition of the resource versus what the plan is now, and we can say, here's what the benefits of that resource are compared to what we would otherwise be doing, assuming nothing else changes; right?

A Uh-huh.

Q Okay. Is that a "yes"?

A Yes.

Q For purposes of the record.

And then, we're going to do that again next year, and the year after that, and the year after that; right?

A Yes.

Q And is it your sort of understanding that, every year that we do that, we'll be able to get an understanding of what the benefits are of the program by assuming that the program otherwise wouldn't -- or the program resource otherwise wouldn't have been acquired?

A So the -- the benefits are connected to -- the energy would be connected to the avoided costs of the Schedule 38, and then, the capacity benefits would separately be incrementally estimated, based on

does -- does it defer capacity or answering those questions, or does it provide incremental capacity benefits?

Q Right. But, in order to identify the benefits, the benefit is sort of defined as how that resource changes the system; right? And you calculate the --

A Correct.

Q Yes; right?

A Correct.

Q Okay. And is it your belief that we'll be able to do that every year down -- like, let's say, it's year seven, we've been doing it every year, some assumptions have changed in the IRP.

Are you assuming that, by doing that avoided cost valuation in year seven, that we'll be able to isolate the benefits of that program or that resource?

A The incremental benefits of the resource can be quantifiable. Yes.

Q Okay. And I'm going to give you a scenario that I think is a not unrealistic scenario for how things may play out.

At the beginning, we'll be able -- as I said, we'll be able to look at how the resource plays with the plan that the company has already, you know,

formed in its IRP; right? It didn't include this resource in its IRP because it's supposed to be incremental or something.

And now, we can quantify the benefits; right?

A Yes.

Q And then, once the PPA is executed and approved, the company, then, adds that as an existing resource in its IRP; right?

A Correct.

Q In every IRP that follows, that resource is part of the mix of resources that will serve the system; right?

A Correct.

Q Okay. And, as a result of having that resource available to serve the system, future decisions about what resources we may add will, or may, change; right?

A Yes. And that's why this is not dependent on a proxy resource; right? The incremental valuation is not dependent on displacing something else.

Q Right. But, as a result of having this resource on the system -- and there will be other changes; right? In every IRP, we may change the forward price curve.

A Sure.
Q Resource costs may change. You know, load forecasts may change. But all of those things will be changing with the program resource included in the resource mix; right?
A Correct.
Q And so we'll be able to tell how the company will, in each successive IRP, have reacted to those various changes without the resource?
A Yeah. So I -- and I think, think this is where the capacity valuation, by the -- by the Commission's opinion, whether or not there should be annually updated capacity valuation or should that be addressed on the onset, to acknowledge the fact that, when it's included within the IRP, that we're -- we're in a different -- we've now included those -- those resources in our optimization of the system.
Q Okay. And I really just kind of want to focus on the energy part of it because that's --
A Okay.
Q -- your proposal. I'm -- so I'm not really talking about what it might displace, in terms of capacity or other resources, but, rather, what sort of energy benefits it may bring.
A So -- so the energy benefits, yeah, let's --

I -- I think that's more clear, is it brings the -- the estimate of the Schedule 38 provides the marginal energy benefits, the marginal energy benefits for the program resource.

Q Okay. But if, in year seven of the program resource, we've had, you know, six IRPs that have -- or IRP updates that have occurred since the time that the resource was first included, again, pricing has changed, load forecasts have changed, company's decision making about everything in each IRP has changed, and some of that includes the existence of this resource; right?

A Yeah. But, also, the forecast, a static forecast, would have significant variations from actual -- the actual benefits that the resource provides.

So, if you use Schedule 38, but statically, seven years down the road, whatever that number is, $20 per megawatt, whatever that number is, will be significantly different than what the company would estimate that -- that value to be.

If they were in -- if we were in 2027, estimated 2028, that estimated energy value is much different with a one-year lag time than it is when you're two years prior.

So there's -- there's that same issue with a static.

Q Well, what you don't have in a static, as you term it, valuation is the company's subsequent resource decision changes or resource sort of planning assumptions that update and that update as a result of the inclusion of the resource or potentially as an inclusion of the resource; right?

A But this -- this program is expected to estimate the actual no -- with the no cost shift, it's the actual benefits.

So what those changes actually -- now, if the -- if the market saturates with solar, and now, solar is less valuable, that is what the -- the program -- that's what the -- the no cost shift mandate is trying to -- what is the actual benefit?

So we actually do want to measure that. We actually do want to measure the -- the benefit of -- of the resource as it progressives through time, because there might be a dilution or the opposite; right? Solar might be much more valuable.

And we want to have the program participants realize the actual benefits, and that's what the annual benefit does.

So we actually -- that's not a -- that's not

a critique of the program. That's actually a design and intent to show that this is actually the value this marginal resource is producing, this incremental "but for" program is -- is producing, is -- is the -- the marginal energy.

We -- we want that to be part of the program.

Q I understand that that's your point. I'm questioning whether you can actually do that.

And here's -- I mean, what I've been trying to get at is, if, in -- I keep using year seven, if, in year seven, where it's attempting to isolate the impacts of a resource on the system, but there have been many changes to forward price curves, load forecast, et cetera, and other decisions have been made, can we actually isolate how the company would have reacted to those other things in the absence of that resource?

A It's not what they would have done in the -- in the past. It's forward-looking. It's this is the value that that resource is actually bringing going forward.

So it's always the forward-looking rate. We're not -- we're not retroactively looking or saying what would have been the case.

We're -- we're trying to answer what is the value of this incremental resource, and it's best estimated by a marginal basis of -- of energy, which the company can estimate through the Schedule 38 methodology process.

Q And so you're saying that the company, having made decisions as a result of -- partially as a result of the resource being added, that otherwise lower market prices, but only lower market prices because of the addition of that resource, you're saying we can somehow isolate the program resources' contribution to that?

A I'm saying that this program is trying to allow a resource that otherwise wouldn't be built, so we're not taking into account proxy deferral, we're not taking into account the company's -- the -- the planning. This is "but for" program.

And so, in -- in being a "but for" program, you are -- you are trying to estimate the -- the actual benefits that this resource is bringing that's best estimated by the marginal energy benefits that could be -- and we can utilize the existing framework within the Schedule 38 valuation.

Q Yeah. I understand that's your point. I'm just questioning, you know, how would you determine

what the market benefits of a resource are, absent the decision to include the resource seven years down the road? And you can't do that; can you?

A I don't -- I don't understand the concern. The -- the seven years down the road, we will be estimating the next year's marginal energy benefit, and the company can provide an estimated marginal energy cost for the -- the resource, based on the current market conditions.

Q And can it tell us what resources it would currently have available, what market choices, front office transactions that otherwise would have engaged in, in the absence of the resource because, you know, maybe when the resource was added, we subsequently decided other resources now make more sense, even if they're not like for like, that, to optimize the portfolio, we need other things or don't need other things?

Can we do that? Can we do that exercise seven years from now?

A I don't think the counterfactual exercise that you're suggesting is one that's required.

Q How would you ensure that the program participants enjoy the benefits of bringing their -- this resource on, if you don't do that?

A The program benefits would receive the value of the marginal value of their -- their -- the energy costs.

The program -- the program participants will receive both the energy valuation from the Schedule 38, updated annually, and then, an estimation of capacity benefits, based on the incremental benefits that the program resource brings.

Q And that would be based, in part, on all of the decisions that the company has made, from the time that the program resource is acquired until today, whenever today is, in terms of your annual energy valuation; right?

A So the -- each year, there would be an update of the -- the forecasting metrics and a more accurate representation of the marginal value of -- of the energy as we proceed forward through time.

Q Okay. I think we've probably exhausted where we can get with this.

Let me ask you about the resource balance. You understand that the resource reserve balance is intended to act as a backstop for the program; right? Or the program resource?

A Correct.

Q Okay. And that the value of that resource

reserve balance, at least as is contemplated by the parties, would be twelve and a half years of the programs share of the cost of the resource; right?

A Correct.

Q And, if we're going to update the avoided energy costs every year, is that resource reserve target a moving target?

A So the -- it's always a moving target because you have participation rates changes, you have changes in administration costs, so your reserve targets -- so my suggestion is that the target, the annual update should -- the annual rate adjustment should update to ensure that the targets are met.

That twelve and a half years, every year, you're going to not be at twelve and a half years, due to changes in, like I said, participation rights and other -- other things.

So yes. It -- it would create a change, but that change is expected to occur from all the other inputs within the -- the Schedule 100 rate.

Q Changes in the participation rate may change the program rate, but they wouldn't change the reserve target; would they? The resource reserve target?

A Well, the -- the reserve -- resource reserve target is -- a net of the, a net of the program costs

minus the avoided costs.

And -- and so, in a -- I see what you're saying. Okay.

So you're saying, in the static approach, the twelve and a half year balance remains the same dollar figure; correct?

Q I think so. I think, if you do a, you know, one valuation of the resource at the outset, the administrative reserve target, I agree, will change, kind of depending on where there's a delta between forecast of costs and actual costs, but the resource reserve target will be set.

A Sure.

Q The rate may need to adjust, based on participation --

A Correct.

Q -- to ensure that we keep it, but the resource reserve target would be known at the outset.

Under an annual energy valuation, though, that, assuming it's based on a, you know, forward look of the number of years, that would need to change every year, the target would need to change every year; would it not?

A I think -- I think it would change the reserve target --

Q Okay.
A -- of twelve and a half years.
MR. RUSSELL: Okay. Thank you. That's all I have.
PRESIDING OFFICER FENN: Okay. Thank you, Mr. Russell.
Let's turn to Ms. Hayes.
MS. HAYES: Thank you. I have a few questions.
PRESIDING OFFICER FENN: Okay.
CROSS-EXAMINATION
BY MS. HAYES:
Q Good morning, Mr. Lenell. It's nice to meet you.
A Good morning.
Q You've been involved in public utility rate regulation for five years; is that correct?
A Yes.
Q And, in your capacity as a public utility expert, are you familiar with traditional regulatory principles, such as that rates and regulations need to be just and reasonable?
A Yes.
Q Are you familiar with the traditional regulatory principle that forbids unreasonable or

undue discrimination between types of customers?

A Yes.

Q As a matter of regulatory policy, would you agree that customers participating in the Community Clean Energy Program are entitled to traditional regulatory safeguards, such as protection from unduly discriminatory rates?

A Yes.

Q Okay. So you agree then that participants of the Community Clean Energy Program should be granted the same regulatory protections as all rate payers?

A Yes. With -- with -- and just to clarify, too, this is a voluntary program, and, being such, there might be, you know, volatility. There might be -- the voluntary nature allows for program participants to -- to not be part of the program, should they -- they feel like, you know, the program rate is -- is not desirable or that they just don't want to participate for any reason.

Q Right. So but participating in the program doesn't change foundational rate making considerations for participants relative to non-participants, does it?

A No. I don't think it does.

MS. HAYES: Okay. That's all I have.
PRESIDING OFFICER FENN: Okay. Thank you, Ms. Hayes.
Next attorney, Ms. Monahan?
MS. MONAHAN: No questions. Thank you.
PRESIDING OFFICER FENN: Okay. Mr. Moore?
MR. MOORE: No questions. Thank you.
PRESIDING OFFICER FENN: Okay. Let's turn to Commissioner Clark.
COMMISSIONER CLARK: I have no questions.
PRESIDING OFFICER FENN: Okay. Commissioner Harvey?

CROSS-EXAMINATION

BY COMMISSIONER HARVEY:

Q Good morning.
A Morning.
Q I'd like to ask you a couple of questions about the statute that you reference about not shifting costs or benefits. Would that be okay?
A Yeah.
Q All right. So the reference, for the record, is Title 54-17-904(4). That's where you're citing; correct? That sound familiar?

A Yes. Yes, it does.
Q Okay. So I would like to -- and you can take this subject to check, but I'm just going to read a little bit of that statute, and then, I want to ask you some questions about it. Is that all right?
A Yes.
Q All right. So 4, the Section 4, says, "The rates approved by the Commission for participating customers," and then, it has an A, B, C.
And the A says, "Shall be based on the factors included in Subsection 2D and any other factor determined by the Commission to be in the public interest."
And then, B is the one that talks about not shifting costs or benefits.
And then, C is the one that talks about, "shall take into account any quantifiable benefits to the qualified utility."
Does that all seem consistent with what you remember?
A Yes, it does.
Q Okay. So, looking at the section right above it, then, this 2D, that it says we're supposed to consider these factors, D starts out, "Projected rates for participating customers," and then, it lists

two subsections, and the second subsection lists three subsections, and then, there's a third part under the first one.

But that third part says, "the ongoing costs at the time of the application."

All right. So I'm curious about, when you're talking about the annual update, is there anything in that statute that specifically references an annual update versus these provisions that talk about the time of the application and projected rates?

A Yeah. That's a good question. So I don't think it -- the statute mentions an annual update.

So the idea of the annual update is to ensure that the -- the energy or the -- the benefits that are quantified, as we progress through time, we know that that forecast is -- is, you know, going to be in the air over time.

And so, by annually updating, we're getting the most recent and -- and best estimate for the value, for the -- the energy benefits for the -- for the resource itself.

So -- so, to answer your question directly, it doesn't say an annual update within -- within the program, but implies that -- no -- no cost shifts mandate implies that, to the best of the ability,

that, if we know that the value of the energy is something other than what it is seven years down the road, we realize that that estimate for energy was far different, just based on the realities of where we are today.

That annual update will be able to best address that, opposed to having that one-time static valuation.

Q So it's your testimony that the -- that there's an implied mandate in 4B, this no shifting, that overrides the explicit mandate to set projected rates at the time of the application?

A It -- it's not -- there's not -- my -- I wouldn't say "overrides." I -- I'd say is in alignment with the -- if -- if we set -- on the onset of the application, if -- if you determine that the best way, on the onset of the application, is to have a annually updating rate, I think that would be consistent with that.

But I'm -- I'm not an attorney so that -- that -- but that -- that would be my -- that they could be in alignment, both of those statements.

Q All right. Thank you for that. A couple of other questions.

So a lot of the things that I had written

down were, at least tangentially, addressed in your previous cross with Mr. Russell, but I would like to explore the idea of recursive estimations, in terms of doing this annually.

Based on the qualifications that you mentioned at the start of your testimony, I'm assuming you've had some economic training in modeling, and particularly, time series modeling?

A Yes.

Q Okay. And so you're familiar, then, that, when you have a time series that has a recursive term, meaning referencing either a previous or a future period in the current equation, that that introduces some complications into estimation?

A Yes.

Q Okay. And, in this case, as Mr. Russell pointed out, the complication that would be introduced is that the resource exists, and that, once it exists, it's difficult to figure out any counterfactuals; is that correct?

A Yeah. That -- that is what he was describing.

Q Okay. And then, my understanding of your response to that was, you didn't think that mattered?

A My -- my response was to -- not that it

doesn't matter, but that the annual updates provided the most accurate forward-looking estimate for energy going forward through the entire program. That's, you know, over the next 20 years, that that -- that would be a better estimate.

Q But you acknowledge that that future value, whether it's estimated in year 7, or 10, or 20, that it's impacted by the fact that the resource now exists; correct?

A Sure. Yes.

Q Okay. And do you also agree that a similar level of scrutiny is never applied to a company, a regular company, resource?

A You mean this level of update and --

Q An annual review to decide whether company resources --

A Sure. And I -- I think that this level of review is -- is unique to this program, and -- and it's -- yeah. Go ahead.

Q And you would base that, the justification for this proposed level of review, on the 4(b), the no cost shifting or benefit -- cost or benefit shifting?

A And (c), 4(b) and (c).

Q Then, it's --

A -- quantified --

Q Quantified. Okay.
A -- that impacts the cost of service.
Q Okay. Were you either here or listening to the proceeding yesterday, when the project -- or the Agency's witness, Higgins, testified?
A Yes.
Q Okay. He made a distinction, in terms of an update, to talk about that there's a difference between revaluing the resource every year versus updating inputs. Okay?
And I'm assuming, given the extensive nature of the update that you're proposing, that you would say it's more of an -- a value of the resource update?
A Yes.
Q Okay. What type of additional cost to the program would you anticipate -- to both the program and to the company, would you anticipate this type of an update would cause?
A Yeah. That's -- that's a good question. I was -- the -- the intent is to rely on existing methodologies, such as the Schedule 38, for the annual update for the energy, and then, the capacity valuation to be based on the company's, you know, existing processes for doing that.
So the hope is that, by leveraging that, it

would introduce -- there's some recognition that it will introduce administrative costs to -- to perform those, but the hopes is that that wouldn't be significant.

Q So you're saying there wouldn't need to be -- other than maybe the first time, there wouldn't need to be any new procedures developed, but that the actual work would still have to take place?

A That actual work. Yes.

COMMISSIONER HARVEY: Okay. I think the rest of my questions were covered already, so I'll leave it there. Thank you.

THE WITNESS: Thank you.

PRESIDING OFFICER FENN: Okay. Mr. Grecu, I think I neglected to give you an opportunity, given the cross that occurred, if you had any redirect for Mr. Lenell?

MR. GRECU: I don't. Thank you.

PRESIDING OFFICER FENN: Okay. And, just to make sure we are clear on the record, I also did not give you an opportunity to -- there was some limited cross of Mr. Davis.

Do you have any redirect for Mr. Davis? We can recall him, if you do.

MR. GRECU: No, I don't. Thank you.

PRESIDING OFFICER FENN: Okay. All right. Thank you.

I have no questions, Mr. Lenell. Thank you very much for being here, and you can step down.

THE WITNESS: Thank you.

PRESIDING OFFICER FENN: Okay. We're going to take a break until eleven o'clock or just a couple minutes after. Well, let's just say five after eleven, and then, we'll finish our last witness. Okay?

(Off the record.)

PRESIDING OFFICER FENN: Okay. We'll go back on the record.

And we'll turn to the Office of Consumer Services, Mr. Moore.

MR. MOORE: The Office of Consumer Services calls Anthony Sandonato to the stand and asks that he be sworn.

PRESIDING OFFICER FENN: Mr. Sandonato, welcome.

Will you raise your right arm to the swear?

//

WHEREUPON,

ANTHONY SANDONATO,

called as a witness and having been first duly sworn to tell the truth, the whole truth, and nothing but the truth, was examined and testified as follows:

PRESIDING OFFICER FENN: Thank you. You may be seated.

DIRECT EXAMINATION

BY MR. MOORE:

Q Could you please state and spell your name for the record?

A My name is Anthony Sandonato. That's A-N-T-H-O-N-Y S-A-N-D-O-N-A-T-O.

Q How are you employed, and what is your business address?

A I'm an outside consultant for J. Kennedy and Associates. My business address is 570 Colonial Park Drive, Suite 305, Roswell, Georgia.

Q For whom are you testifying today?

A I'm appearing on -- on behalf of the Utah Office of Consumer Services.

Q Have you testified before this Commission before?

A No. I have not.

Q Would you like to give a brief background of your work and educational experience?

A Certainly. After receiving my undergraduate

degree in nuclear engineering, I began working in energy efficiency programs, where I worked in the southeast designing and administering both residential and commercial energy efficiency program, satisfying multiple state legislative and regulatory requirements.

After that, I -- I worked for approximately seven years at the South Carolina Office of Regulatory Staff, participating in water, wastewater, natural gas, and electric rate proceedings and annual filings.

Ultimately, I served as the deputy director for Energy Planning and Emerging Technology, where I prepared and functioned as an expert witness this before the Public Service Commission of South Carolina.

After that, I worked at Lawrence Berkeley National Lab, where I conducted research and presented findings on state energy efficiency policy, electrification, distributed energy planning, and cost recovery.

During that time I helped administer the National Community Solar Partnership, which offered technical assistance and education to solar developers, state, local, and tribal organizations.

I currently work as an outside consultant

for J. Kennedy and Associates and provide support to clients in areas of utility resource planning, energy efficiency, cost recovery, and grid modernization across the United States.

Q And have you reviewed the filings, testimony, and discovery in this docket?

A Yes, I have.

Q On October 10, 2025, you caused to be filed direct testimony together with OCS Exhibits 1.1D and 1.2D?

A Yes, I did.

Q On November 13, 2025, did you cause to be filed rebuttal testimony in this docket?

A Yes.

Q On the December 11, 2025, did you cause to be filed surrebuttal testimony in this docket?

A Yes, I did.

Q Do you have any changes you'd like to make to this testimony at this time?

A No. I do not.

Q If I asked you the same questions or -- as are presented in your written testimony, would your answers be the same?

A Yes. They would.

MR. MOORE: At this point, the OCS

would offer -- would ask for the admission of the direct rebuttal and surrebuttal testimony and accompanying exhibits.

PRESIDING OFFICER FENN: Okay. Thank you, Mr. Moore.

Seeing no objections, we'll admit Mr. Sandonato's direct testimony and exhibits, his rebuttal, and his surrebuttal testimony. Thank you.

(OCS direct testimony and exhibits, rebuttal testimony, and surrebuttal testimony of Anthony Sandonato were admitted into evidence.)

BY MR. MOORE:

Q Have you prepared a statement summarizing the Office of Consumer Service's position in this docket?

A Yes, I have.

Q Please proceed.

A Good morning, Chair Fenn, Commissioners Clark and Harvey.

My direct rebuttal and surrebuttal testimony focused on representing OCS's role in this proceeding to ensure the interest of all residential and commercial customers are protected, both participants and non-participants alike.

My testimony is guided by the principal of Utah Code 54-17-904(4)(b) requirement, which mandates programs shall not result in any shift of cost or benefits to any non-participating customer or any other customer of the qualified utility, beyond the participating community boundaries.

To do this, my direct and rebuttal -- my direct rebuttal and surrebuttal testimony focused on the following key items.

The need -- first, the need for the clear program implementation and valuation plan that outlines the specific process for calculating the final incremental cost, inclusive of the proposed renewable energy certificates, or REC, valuation so that the entire regulatory process is transparent and clear.

Second, the need for transparent program pricing, which should be as accurate as possible. This is applicable for both noticing and billing and should continue as the program acquires additional resources.

Future notices could be simplified into bill inserts, rather than following the prescriptive requirements for the initial noticing.

Third, the initial opt-out notice provision

should be done in a timely manner, after the Commission approve the PPA and the initial program rates. The opt-out process should be as clear, simple, and automated, if cost effective.

Four, the need for cost causation basis for a volumetric rate pricing for the program.

And, lastly, the need for the program to be designed in a way to protect both participants and non-participants from any shifting of cost or benefits.

This requires fair compensation for the participants for the lost value of RECs and retirement of RECs and the establishment of both the administrative and resource reserve fund.

Based on my review, OCS recommends the following.

First, no noticing or charting of participants should take place until after there is a specific PPA that has been executed by RMP and approved by the PSC.

Alternatively, there should be a transparent process for updating prices and protections in place to ensure customers have adequate information to make a well-informed decision about the program.

Second, participants should be required to

pay for both a twelve and a half year resource reserve and three year administrative reserve fund, as proposed by RMP and rebuttal testimony.

OCS supports the use of annual true-ups to ensure that all incremental program costs are paid by the participants and reflect the actual cost to administer the program.

Third, all participants should be charged on a per kWh basis for the program. Fixed monthly rates create intraclass subsidies and reduce price signals that promote energy efficiency usage.

Fourth two opt-out notifications should be sent to the US customers, with a second notification sent electronically, if it's not the customer's preferred -- if it is the customer's preferred method of contact, and participants should not be required to pay an opt-out fee if they choose to opt out for the first six months after the commencement date.

Fifth additional notices should be sent when future tranches of renewable resources are procured, as the Agency works towards its goal of a hundred percent net renewable energy.

This would not exempt participating customers who opt out in subsequent tranches from not paying the termination fee, but, rather, act as

another way to clearly and transparently identify costs of the program.

Six, OCS agrees with RMP's proposal to include separate label line items for both the administrative and resource costs on the Schedule 100 tariff customer bills and in the proposed notice, which is a clear improvement in transparency for customers.

RMP should be required to reevaluate the PPA, in the event of program termination, to determine if continuing to purchase energy from the resource would benefit all rate payers.

RMP and the Agency should finalize requests and receive approval of the adjustments that we made to Schedule 38 for the pricing the cost associated with Schedule 100 prior to the beginning of the notification process.

RMP should file a program implementation and valuation plan that outlines a clear procedural schedule that identifies one, the -- how they would evaluate the bids, a process which might differ, depending on whether the Agency or RMP is the entity conducting the RFP, when and how RMP will perform the resource valuation calculations used to determine the portion of the costs that are incremental to system

cost. These costs will be assigned to the program and collected as part of Schedule 100.

While the process approved in this docket may not need to specify the resource valuation calculations, such that they're reduced to set formulas, it should be described in full to provide transparency, filing of the winning PPAs and the final calculated resource valuation with the Commission, opportunities for interested stakeholders to review and provide comment on the final proposed valuation, in its entirety, in its filing.

The company should include specific adjustments, supporting analysis data and information regarding the models used and how the results were determined, and evidentiary support for the price policy scenarios that were used in the request for when the Commission's final approval for the PPA, and new Schedule 100 rates are needed when the customer notification begins.

Lastly, that RMP retains ownership of the RECs and retires them on behalf of the participants and the program should reimburse the system to account for the lost value of RECs under certain circumstances.

As required, when implementing avoided cost

under Schedule 38, the system retains the value of the RECs during the years the program resource avoids a planned renewable resource in the IRP. In those years, the program must compensate the system for the lost value of RECs.

This concludes my summary.

MR. MOORE: Mr. Sandonato is now available for cross and questions from the Commission.

PRESIDING OFFICER FENN: Okay. Thank you very much, Mr. Sandonato, for your summary of your testimony.

We'll turn, first, to Rocky Mountain Power.

MS. WALKER: No questions. Thank you.

PRESIDING OFFICER FENN: Okay. Mr. Russell?

MR. RUSSELL: I do have some questions.

CROSS-EXAMINATION

BY MR. RUSSELL:

Q Good -- are we still morning? Good morning, Mr. Sandonato.

A Still morning.

Q Still there.

A Good morning, Mr. Russell.

Q We'll get there eventually.

I want to talk about your, or the Office's, proposal to delay the noticing to customers until after program approval and until after a PPA is approved.

In your summary, you articulated that, as being the proposal, and then, had an alternative, or expressed an alternative, that -- for there to be transparent process to update prices.

Am I -- did I follow that correctly?

A Yes. That's correct.

Q Okay. I want to talk about both, but let's talk about the first one.

In your surrebuttal testimony, you acknowledged some of the concerns that have been raised by the Agency about the potential for delay to risk the eligibility of production tax credits for a program resource; right?

A That's correct.

Q Okay. But you also say that we haven't demonstrated that any such delay will result in the loss of those PTCs; right?

A That's correct as well.

Q Okay. I guess I want to just focus on what we have discussed with the Office and what's in the record, and see where that can take us.

You, I think, have been here since the beginning of the hearing; is that right?

A Correct.

Q Okay. And were you here when I was cross-examining Mr. Eller from the company?

A Yes, I was.

Q Okay. And, during that discussion, Mr. Eller articulated his understanding of what the new tax rules are regarding the eligibility for PTCs. Do you recall that?

A Yes, I do.

Q Okay. And do you have an understanding of those tax laws?

A Yes. And I am thankful for the Agency for providing that outline as part of response to OCS discovery request 2.1, which was included and as an exhibit to witness Thomas' surrebuttal testimony.

Q Right. Yeah. It's exhibit -- Agency Exhibit 7.1 attached to Mr. Thomas' surrebuttal testimony, for those who would like to follow along.

And I just want to -- just so we can get on the same page about that, the tax laws, I'm generally speaking, say that you have to begin construction by not later than -- I think it's July 4th of next year; is that right?

A Yes. I believe so.
Q Okay. And that, once construction has begun, you need to complete that -- well, you need to bring the resource online within four years of the date that you begin construction; right?
A Yes. That -- that is what was included in the response so --
Q Okay. And do you have a different understanding?
A No.
Q Okay. And we also indicated in that response that, it is our understanding, that the developers that have bid into the program have already begun construction; right?
A Yes.
Q Okay. And so the time period during which those projects have to get to the commercial operation has already begun, that four-year period has already started; right?
A Subject to check, I -- I would agree.
Q Okay. I -- the response about the developers already having begun construction is actually in the response to OCS 2.3.
A Yep.
Q Okay. And so, the delay, any delay to

the -- sort of the implementation of the program just gives those developers less time to get to COD and qualify for production tax credits than they otherwise would if there were no delay; right?

A Yes. It could -- it could delay it.

Q Right. And, in order -- some of the functions of the other, you know, sort of variables here are that we have to build up this resource reserve target for the PPA to become effective; right?

A Yes. That's correct.

Q Okay. And we can't really know, sitting here today, when that might occur, in part, because we don't have a valuation for the resource, we don't know what the participation rate in that resource will be, and how quickly that fund might get built up; right?

A Yes. That's correct.

Q Okay. So all of those are variables that, you know, we'll need to account for at some point, but, because we don't know them now, we can't say, here's the date by which we would need to, say, execute a PPA so that, you know -- in order for it to qualify for PTCs; right?

A Yes. I would agree.

Q Okay. And so, you know, maybe just to close this off, you acknowledge that there is a risk that

the delay could -- well, do you acknowledge that the delay that you propose poses an additional risk for the eligibility for PTCs for a program resource?

A There -- there could be a delay, based on the notification.

But what I want to highlight is, what we're requesting is, you know, this is a new one-of-a-kind program, where it's opt-out only, and it's so important that customers completely understand what the price of the program would be, and that's what should be included in noticing.

And, if there -- you know, if the Agency or the company are unable to agree, there should be, potentially, a process in place that would, you know, allow customers to truly understand what the costs are because that -- that's the concern.

How do you make an educated guess to opt out of a program without knowing what the cost will be?

Q Sure. And that may bring us to your alternative proposal here.

Not -- I'm not suggesting that you've abandoned your original one, but I -- that brings me, anyway, to your alternative proposal, which is for there to be a transparent process to update prices.

Is that something that, you know, could

happen during the noticing, in your view?

A That is something that could happen during noticing, and, if there's, you know, significant pricing increases or changes, then, it would be expected that that's communicated to -- to the customers because, again, the point of this recommendation isn't to just have an arbitrary value, it's rather to inform customers, so they can decide.

And we -- we see and there's customer support to it, but they should accurately be given the cost of the program, prior to being charged the rates for the program.

Q Understood. In his live testimony yesterday, Mr. Eller and I had a conversation about the potential schedule for PPA execution and PPA approval. Were you here for that?

A Yes. I was.

Q Okay. And, understanding that this is something of a forecast that may not play out this way, but Mr. Eller's, surrebuttal testimony introduced the idea that we could get to PPA execution in March with a filing with the Commission seeking PPA approval at sometime in May. His original schedule had notices, I think, going out in November.

With that, you know, there's a bunch of

uncertainty about the schedule, but, with that, is it possible that we could get to a point where we would have updated rates to put into those notices that go out to customers that is based on the resource decisions that have been approved by the Commission?

A Not that have been approved by the Commission, but would have been proposed by the company.

And then, there would be the possibility to true-up and re-notice, if possible, if the pricing was significantly different than what the company files.

Q Well, so, if we're sending those notices out after the Commission approves the PPA, which I think is what your proposal is --

A Correct.

Q Yeah. I guess what I'm pointing out is that I think your proposal to send the notices out after the PPA is approved lines up with the schedule that Mr. Eller had, you know, contemplated in his surrebuttal testimony; right?

A Yes.

Q Okay. It's just that, if we wait to approve the program until after we have a PPA, then, the delay that occurs is -- you know, pushes the noticing out an additional, you know, potentially, seven months;

right?

A Yes.

Q Okay. So, if we get to a point where we have a PPA approved before the notices go out, you know, could we send notices that include a rate that is based on that, the -- an updated rate that's based on that program resource approval?

A Can you restate that question? Because, to me, it sounded like, if the PPA was approved, could you send out notices based on that rate? And the answer would be yes.

Q That is what I asked. Okay.

I did want to make one other note, and it's not related to this issue.

I just -- I wanted to acknowledge that there was some confusion on the -- in the testimony regarding your proposal to send out new notices related to additional resources.

I think we had just sort of misinterpreted your -- what you were trying to get at, and I just kind of want to acknowledge you've -- we've kind of clarified positions, you've clarified positions, and we no longer have that misinterpretation so I think we're on the same page.

A No. Thank you. And, just to clarify for

the Commission, this is not that a whole new additional noticing process would be required each time a resource comes on, but, rather, you would just need to inform the customers of what their perspective new bill would be.

So thank you for clarifying that as well.

Q Yeah. Yeah. And, on that point, is it the addition of a new resource that's most important to you, or is it the rate change that would be, you know, associated with it?

A The rate change that's associated with it.

And that brings an interesting question because, the way that the company has designed and proposed rates with the buildup maintenance and drawdown phase, is something that could be included in those notice as well.

Q So would you propose, then, to have the sort of projected rates be included in the notice?

A I would propose the immediate impact, so customers can weigh their decision and decide whether or not to continue to participate in the program.

Q Okay. I thought you were just proposing to have the structure, which has a buildup, maintenance, and drawdown phase be included. I -- is that what you were saying? I'm -- maybe I'm just not following.

A No. I was saying that's something that could be included. But the most important thing is that customers are noticed what their rate impact will be so that they can make an educated decision whether or not to continue to participate.

MR. RUSSELL: Okay. Thank you very much. That's all I have.

THE WITNESS: Thank you.

PRESIDING OFFICER FENN: Okay. Thank you very much, Mr. Russell.

Ms. Hayes?

MS. HAYES: I have no questions. Thank you.

PRESIDING OFFICER FENN: Okay. Ms. Monahan?

MS. MONAHAN: No questions. Thank you.

PRESIDING OFFICER FENN: Okay. Let's turn to Mr. Grecu.

MR. GRECU: No questions. Thank you.

PRESIDING OFFICER FENN: Okay. Mr. Moore, do you have any redirect?

MR. MOORE: I have none. Thank you.

PRESIDING OFFICER FENN: Okay. Commissioner Clark?

COMMISSIONER CLARK: Thanks.

CROSS-EXAMINATION

BY COMMISSIONER CLARK:

Q I have a couple questions for you. Welcome.

I believe the Office, and I think I might have attributed this to the Division yesterday, but were you not recommending that the initial opt-out period be longer than was initially proposed by the company? And, if so, how does that affect your other recommendations?

A That doesn't affect any of our other recommendations, but we did support the six month opt-out period as proposed by the Agency, and I believe agreed to buy RMP.

Q Okay. And, regarding the effects of subsequent resources being added, and this really relates to the conversation you were just having with Mr. Russell, is -- are you stating that, somehow, the cost implications or the right implications of a yet to be executed PPA would somehow be noticed to the customers, or would the notice come when the PPA has been approved by the Commission and the rate impacts are known and certain?

A Yes, Commissioner. It would definitely be best if their rate impacts were known and certain, and the PPA had been approved by the Commission, and then,

that would inform all of the customers of what the projected program pricing would be, again, and just to be as transparent as possible, so they can make their decision whether or not to continue participating in the program.

Q Okay. And now, moving to a different topic, you identified some uncertainties in the valuation methodology that the company has proposed or some imprecision, I guess, or -- and would you -- are you proposing that the precise valuation methodology, then, be made clear in detail when the PPA is proposed for approval and that the Commission would take that opportunity to refine its understanding of the valuation methodology along with consideration of the PPA?

A Yeah. And -- and, just to be clear, we're not proposing that there's a specific resource valuation methodology for each subsequent PPA, but, rather, that there's a clear standard process, which would involve, you know, intervenor feedback and allow for you to review.

And there could certainly be adjustments, based on when the PPA is procured, based on changes to, as you heard, discussion and changes to the IRP year over year, what's going on.

And so it's not that the valuation is set, but that, having a clear understanding of what that process would look like, is especially helpful for all parties who want to make sure that they're -- they're able to apply comments and ensure that the resource i valued as accurately as possible.

Because, ultimately, you know, we want to make sure that, as everyone has been saying, you know, no cost or benefits shift from participants to non-participants.

So it's not the valuation methodology, but, rather, the process at which they would come before the Commission for approval of that.

Q And so are your concerns in that area adequately addressed if we consider the precise methodology that has been used to value a resource when we consider approving the PPA associated with that resource?

A Yes.

COMMISSIONER CLARK: Okay. Those are all my questions. Thank you.

THE WITNESS: Thank you.

PRESIDING OFFICER FENN: Thank you, Commissioner Clark.

Commissioner Harvey?

CROSS-EXAMINATION

BY COMMISSIONER HARVEY:

Q Good morning.

A Good morning.

Q I'd like to kind of step through a number of things, just to get a little bit more clarity for my sake on the alternative.

And you did a lot of the groundwork with the answering questions of Mr. Russell here, but assuming the PSC decides to go with the alternative instead of your main recommendation, the type of clarity -- well, let me -- sorry, let me give a bit more background.

Assume the PSC wants to go with the alternative instead of your main recommendation, in order to advance the calendar, to move things forward as quickly as possible, to -- because of those PTC concerns.

What type of additional clarity or what type of things should we be looking for, in your opinion?

A To me, you know, and -- and this is throughout my testimony, is just ensuring that the customers accurately understand what the cost of the programs would be.

So if RMP and the Agency are able to develop an estimate of cost to use in noticing, you know, that

could be reasonable. But, if it comes back that it's significantly higher, lower, or outside of those bounds, you would -- you, as a -- or myself, as a prospective, you know, participating customer, would want to understand that.

And then, you could have a potential additional noticing or have language in that, that would caveat it is what it would be, just to ensure because, you know, I -- I hate to keep saying it because I know you guys are probably sick of it, is, you know, that the transparent pricing of the program is just -- it's paramount. It's fundamental to understanding what type of utility program you're participating in.

Q Okay. And you confirmed earlier that you were here yesterday.

Did you hear various witnesses talk about that you could target a price on the bills by adjusting a lot of other factors, in terms of how quickly things were collected and various things like that? Were you here for those discussions?

A I did. And, to my recollection, it was targeting a pricing on the bills would basically size the amount of resource you'd be able to procure.

Q Okay. So we had testimony that the Agency

was very interested in keeping the total bill impact for a residential customer in the three to four dollar range. Do you recall that?

A Yes, I do.

Q So would it be your understanding that, if that was an objective that the Agency was going to follow, that that would represent clarity as to what, at least for the foreseeable future, the program costs would be to the customers?

A I -- I think that could be a step, as long as there was caveats, understanding how they arrived at that, and, again, you know, how that $4 would be reflected on the customer's bill.

Q I guess what I'm asking, is if the notification process said something along the lines of we're targeting a range of X to Y, here's what would go into that, is that sufficient to give clarity?

A I --

Q And transparency?

A Yeah. I -- I think it provides clarity, but, again, you know, if you could be more accurate, you know, outlining the actual impacts, it would -- would be better. But that would give customers clarity.

And then, you know, the concern would be

that holding them to that three to four dollar impact and not just allowing them to end up with -- you know, actually it's a six-dollar-a-month resource or whatever.

It's not that I expect that to happen, but, you know, that is a concern, which is why you want to make sure that, if that amount is noticed, it's -- the program cost is held to a specific range.

Q Okay. And you were here for the discussions where they talked about that the rates that were initially collected under this program would go to developing these various reserve accounts, and, because the PPA is not going to be -- or not the PPA -- but, because the project itself will not be delivering energy for quite some time, that, at least for several years, the rates are going to those accounts, those reserve accounts?

A Yes.

Q Okay. All right. Okay. That's enough for that I think.

Okay. We'd like to discuss the Office's preference for a volumetric charge versus the Agency's preference for a fixed charge.

A Yep.

Q Yes. Taking this subject to check, but,

when I took the numbers that were thrown out in hearing yesterday, I think it was three eighty-four and an average use of six hundred and seventy-five kilowatt hours, I came up with something just over slightly half a cent per kilowatt hour.

Does that seem to be similar to what your calculations would --

A That -- that seems reasonable, Commissioner.

Q Okay. All right. Does a half a cent have, from an economic price elasticity, or marginal value, or whatever analysis you want to do, does that have the -- much of an impact on behavior?

A I -- I couldn't say how much of an impact it would, but it is a price signal, whether it's going up or down.

And, you know, sometimes it's easy to get lost in the magnitude of these increases, you know, when they seem so minuscule but it -- that's not the case for all customers, and it -- it could make a difference.

Q Okay. In terms of the noticing, if the notice said we expect to charge your bill $3.84 per month versus we expect to add a half a cent to your energy usage charge, just for the average residential customer, which would grab their attention the most,

do you think?

A I think that either one would -- would grab attention, but, obviously, they would look at the larger value more.

But, you know, at the same time, if you say that there's a half a cent increase per kWh, then, you would expect that you would also give an average cost increase as well, which would be similar to that three to four dollar threshold.

So they -- they both would grab their attention.

Q Okay. Thanks for that clarification. Let's see.

Okay. With respect to the PPA being reevaluated, if the program were terminated, I'm trying, in my mind, to think of the hypothetical situation where it doesn't make sense to have the program, but it does make sense to have the resource.

And I guess, in my mind, I see two factors that might impact that, and I want to see if you have anything else to add.

One would be if, for some reason, customers simply decided not to participate en masse, and the individual charges just got astronomical, the customer -- and then, that would cause more customers

to stop.

The second is just simply that the administrative costs, the administrative burden, gets too high, and that drives prices up.

Can you think of any other things that would tend to make a situation where the program didn't make sense, but the resource itself for the whole system did?

A I'm sure there's other ones, but I would -- I would agree, those are two -- the two like biggest impacts that would be a reason why the program would not work but the resource could.

Q Okay. So if, from a public policy perspective, the PSC says, well, we want to implement the statute, make this available to people, it would make sense to try to minimize the total administrative cost of the program?

A Yes. Yes. I agree.

Q Okay. All right. Let me talk about renewable -- excuse me, renewable energy certificates.

The Office's position is that those ought to be retired as part of the program; is that correct?

A Yes.

Q Okay. What would you describe a renewable energy certificate as being? What is it?

A I would describe it as the environmental attributes attributed with power generated by a renewable resource.

Q Okay. So, if the entity that's responsible for were those RECs existing, which, in my opinion, it would be the Agency, wants to treat them in any particular way, why does the Office care about that?

A I -- I think that's a fair question because, you know, throughout this proceeding, we've seen a shift from community renewable energy program, away from focusing on that, to, rather, focusing on clean energy resources being developed.

And, you know, to me, looking at a renewable energy program, you would assume that the attributes attributed to a resource developed for that would be retired as a result of the program.

Q Well, you say you would assume.

A Fair point there.

Q I might not assume; is that a fair point as well?

A Yes.

Q Okay. So a not hypothetical but real situation, I have solar panels on my home. I've had them several years.

I've never gone to the trouble of

registering with Regis [ph] to get RECs. I think I would qualify for about 150 of them, I think, by now, if I had.

But the benefit that I get, whether that's a bill benefit or psychological benefit from having those panels, is the same, I would argue, whether RECs exists for them or not. And what I'm going to ask is whether or not you agree with that statement.

But the qualification is, in my mind, the energy has been produced. The 150, whatever amounts I -- the amount I've produced over the -- or my panels have produced over time, has offset a certain amount of a "dirty energy" that would have been produced otherwise.

So does it make any difference whether RECs were even created, or, if they had been created, if I had retired them?

A I -- I think it makes a difference that they have been created.

And, you know, to -- to your point, I -- I think this is a perfect opportunity, when we go back to how resource valuation changes, like some of the earlier questions, is this is something that will be decided when that resource is brought before you.

And so, you know, it doesn't have to be all

or nothing or -- or something immediately. It -- it's something that will be decided as part of that future resource valuation because, as of now, you know, we don't even have what the potential REC value pricing would be to estimate it to.

So I -- I get -- I understand your point, but I just wanted to make that clear, from my perspective. Sorry.

Q And why don't we have a REC price?

A There was not one proposed or produced.

Q No. But why not?

A I -- I do not think I'm the witness to ask that, sir. I'm sorry.

Q Well, but you are advocating positions that would dramatically increase the cost of the program, based on the idea that there should be a REC price.

A I -- I think it could increase cost, depending on what a proposed REC price -- REC price would be.

Q Well, if it was zero, it wouldn't increase cost; right?

A Yeah. Exactly.

Q So, if every party would agree to a zero price, we could not worry about it?

A Yes.

COMMISSIONER HARVEY: Okay. I think that's all my questions. Thanks.

THE WITNESS: Thank you, Commissioner.

PRESIDING OFFICER FENN: Okay. Thank you, Commissioner Harvey.

CROSS-EXAMINATION

BY PRESIDING OFFICER FENN:

Q Mr. Sandonato, I think most of my questions have been asked, except I do want to draw your attention to page 3 of your surrebuttal, line 60 through 71. Give you a chance to turn there.

A Luckily, I had it open to that page.

Q Well, I wish I could say you were anticipating my question, but probably not.

This is Rocky Mountain Power's witness, Mr. Eller, contending that we should reject the recommendation for RMP to implement an automated process for participants to opt out by telephone.

I -- my understanding is that you have -- you basically agreed that it doesn't need to be an automated process to opt out by telephone, after you've heard all the testimony, read all the other testimony; is that correct?

A Yeah. That's -- that's correct because we echo the Agency and RMP's concern for keeping

administrative costs as low as possible. So yes.

Q Great. And you were -- say that, it's -- you're concerned about increased program cost.

But you still believe in the principle that it should be a clear and simple process for a customer to opt out, so they don't have to endure, you know, problems with respect to uncertainty, or long waits, and that kind of stuff. That -- the principles, you still support; is that correct?

A Yes. That's correct.

Q Okay. Okay. So my question is, what do you now think is an appropriate process by which a customer opts out?

They've received the notices that they can opt out. How do you propose that, you know, for those customers who, if they do nothing, they are considered in the program, how do you propose they -- a process -- well, what process do you propose to be utilized for a customer to opt out?

A For a customer to opt out or for -- sorry, just to make sure I --

Q No. For the customer to opt out. I'm -- we're -- the customer has to give notice that they're opting out.

A Yes. And -- and so, is the question, if the

customer opts out, what should their notification be like, or what should --

Q Yeah. What should they have to do?

A They -- they should be able to, you know, just call up the dedicated number, or submit a form online, and -- and be able to easily opt out.

And then, they should also be notified that that has actually happened.

Q Okay. So that -- and that was what I was getting for -- to you.

You don't talk in this section of your testimony, but you're contemplating, after they give notice, whether it's filling out a form, or calling in, it's not -- you're -- you've acknowledged it doesn't have to be an automated line. They may have to endure some waiting in line.

A Unfortunately, yes.

Q Yeah. But that, then, there has to be a confirmation that they receive what?

So tell me about your viewpoint of how that process works, the -- what is the process for confirmation of opt-out?

A Yes. And I believe the company, yesterday, they -- they spoke, you know, in great detail about notification going out via mail.

And one of the things that we've agreed on, as part of the program notification, is that, you know, first notice by mail, second notice, if the customer elects to have their communication via email, it could go through that.

And I think a similar stance for opt-out would be reasonable, with whatever their selected delivery service is.

Q Okay. So, if their choice is to receive their bills by electronic means, do you think that an opt-out confirmation is sufficient by electronic means, or do they also still need to be able to receive one -- kind of a dual opt-out confirmation?

Do they need a mailed confirmation and an electronic notification that their opt-out information has been received, or what -- just what do you propose there?

A Yeah. I mean, I -- I think I dual confirmation, obviously, would get them more or ensure they're informed better.

But having, you know, whatever, an email confirmation would be a way to potentially continue to reduce program costs, so I see pros and cons to either one, and I think that, you know, both -- both have merit.

But it -- it would be, you know, do we want to ensure notification or ensure notification and reduce costs? And I think that's a question for you.

Q Okay. So, after the customer utilizes the mechanism available to them to opt out, you think it would be adequate that, whatever method they've chosen to receive their bills, either by mail or by electronic delivery, could also be the method by which they can receive confirmation of opting out, without it being duplicated?

A I -- I think that would be adequate.

PRESIDING OFFICER FENN: Okay. All right. That's all I had. All right. Thank you. Appreciate it very much.

Mr. Sandonato, thank you for -- you can be excused.

THE WITNESS: Thank you.

PRESIDING OFFICER FENN: Okay. Are there any other matters that need to come before the Commission today before we adjourn?

Okay. I just want to note, I'd said earlier that we would request an expedited transcript, but, my understanding is, is that the transcripts will be available by January 5th without expedition, so we don't need to expedite the transcripts.

I would be very surprised if anybody is going to spend any time looking at these transcripts between now and the end of the holiday season.

So I'm just modifying that --

COMMISSIONER CLARK: Except for me. I'll be studying them.

PRESIDING OFFICER FENN: Yeah. Yeah. As you're sitting by the pool in St. George. I know.

Okay. So we're going to expect that the transcripts will be delivered by January 5, 2026.

I just want to say thank you, again. I thought this hearing has -- I'm always impressed, having spent many years of my life in a courtroom environment, either in federal or state court, where the process is -- tends to be more litigious and the adversarial nature of that process sometimes is reduced to almost ad hominum attacks.

I just want to say how much I appreciate the professionalism of counsel. It's been uniform throughout the -- well, we have -- you know, we've been -- I'm, personally, very impressed with how you conduct yourselves with professionalism and courtesy, and I just thought I ought to say that.

It's really -- given the many years I practiced law and also, before that, clerking for a

federal judge, it's a breath of fresh air to see, I would think, the collegiality and professionalism, so I wanted to say that as we adjourn.

And I want to wish you all a very happy holiday season, and we are now adjourned.

(Whereupon, at 11:58 a.m., the proceeding was concluded.)

CERTIFICATE

I, DELANIE BUSTAMANTE, the officer before

whom the foregoing proceedings were taken, do hereby certify that any witness(es) in the foregoing proceedings, prior to testifying, were duly sworn; that the proceedings were recorded by me and thereafter reduced to typewriting by a qualified transcriptionist; that said digital audio recording of said proceedings are a true and accurate record to the best of my knowledge, skills, and ability; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this was taken; and, further, that I am not a relative or employee of any counsel or attorney employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

DELANIE BUSTAMANTE
Notary Public in and for the
State of Utah

CERTIFICATE OF TRANSCRIBER

I, DAWN STCLAIR, do hereby certify that this

transcript was prepared from the digital audio recording of the foregoing proceeding, that said transcript is a true and accurate record of the proceedings to the best of my knowledge, skills, and ability; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this was taken; and, further, that I am not a relative or employee of any counsel or attorney employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

DAWN STCLAIR

**[conducted - cost]**

**[saturates - shortened]**

**[wrote - zero]**

Utah Rules of Civil Procedure

Part V. Depositions and Discovery

Rule 30

(E) Submission to Witness; Changes; Signing. Within 28 days after being notified by the officer that the transcript or recording is available, a witness may sign a statement of changes to the form or substance of the transcript or recording and the reasons for the changes. The officer shall append any changes timely made by the witness.

VERITEXT LEGAL SOLUTIONS

COMPANY CERTIFICATE AND DISCLOSURE STATEMENT

Veritext Legal Solutions represents that the foregoing transcript is a true, correct and complete transcript of the colloquies, questions and answers as submitted by the court reporter. Veritext Legal Solutions further represents that the attached exhibits, if any, are true, correct and complete documents as submitted by the court reporter and/or attorneys in relation to this deposition and that the documents were processed in accordance with our litigation support and production standards.

Veritext Legal Solutions is committed to maintaining the confidentiality of client and witness information, in accordance with the regulations promulgated under the Health Insurance Portability and Accountability Act (HIPAA), as amended with respect to protected health information and the Gramm-Leach-Bliley Act, as amended, with respect to Personally Identifiable Information (PII). Physical transcripts and exhibits are managed under strict facility and personnel access controls. Electronic files of documents are stored

in encrypted form and are transmitted in an encrypted fashion to authenticated parties who are permitted to access the material. Our data is hosted in a Tier 4 SSAE 16 certified facility.

Veritext Legal Solutions complies with all federal and State regulations with respect to the provision of court reporting services, and maintains its neutrality and independence regardless of relationship or the financial outcome of any litigation. Veritext requires adherence to the foregoing professional and ethical standards from all of its subcontractors in their independent contractor agreements.

Inquiries about Veritext Legal Solutions' confidentiality and security policies and practices should be directed to Veritext's Client Services Associates indicated on the cover of this document or at www.veritext.com.