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## Action Request Response

**To:** Public Service Commission of Utah

**From:** Utah Division of Public Utilities

Chris Parker, Director  
Brenda Salter, Assistant Director  
Doug Wheelwright, Utility Technical Consultant Supervisor  
Bob Davis, Utility Technical Consultant

**Date:** May 19, 2025

**Re:** **Docket No. 25-035-18**, Rocky Mountain Power's 2024 Annual Report of the Subscriber Solar Program

## Recommendation (Acknowledge)

The Division of Public Utilities (Division) recommends the Public Service Commission of Utah (Commission) acknowledge Rocky Mountain Power's (RMP) Subscriber Solar Program (Program) Annual Report (Report) for the 2024 annual reporting period. The Program continues to be nearly fully subscribed at 98.1 percent at the end of 2024. The Program's 2024 liability account ending balance of \$1,777,070 is \$67,154 less than the 2023 ending balance of \$1,844,224.

## Issue

On March 26, 2025, RMP requested an extension for the filing of its annual Subscriber Solar Annual Report to May 1, 2025. The Commission granted the extension to RMP on March 31, 2025. On April 16, 2025, RMP filed its 2024 Report with the Commission. On April 17, 2025, the Commission asked the Division to review RMP's filing for compliance and make recommendations by May 19, 2025. On April 18, 2025, the Commission issued its Notice of Filing and Comment Period asking any interested person to submit comments by May 19, 2025.



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## Background

On September 21, 2015, RMP filed the parties' settlement agreement (Agreement) in Docket No. 15-035-61. The Agreement set forth parameters and operational guidelines for the Subscriber Solar Program. The Commission approved the settlement on October 21, 2015. Pursuant to the Commission's Order in Docket No. 15-035-61, dated August 16, 2017, RMP is required to file an annual report of the Subscriber Solar Program, including various filing requirements, by March 31<sup>st</sup> of each year.

The Subscriber Solar Program is supported by a [REDACTED] facility located near Holden, Utah. The facility began commercial operation in December 2016. RMP's final PPA contract price with the solar provider was [REDACTED] when the program began operation.<sup>1</sup> The contract with the solar provider is based upon an average purchase of [REDACTED] [REDACTED] with on-peak defined as Monday through Saturday 9 a.m. to 11 p.m. and off-peak being all other hours plus holidays. However, the solar facility can generate more than [REDACTED] in which case RMP purchases all of the generation the facility produces and books the difference to net power costs (NPC).

On May 9, 2019, RMP filed its application with the Commission requesting approval for changes to its tariff Schedule No. 73, allowing subscriber solar customers, when available, the ability to subscribe for up to 100 percent of their usage from the program.<sup>2</sup> Various routine revisions have been made to Schedule No. 73 since it became effective on January 1, 2020.

RMP has filed eight reports for the Program since its inception. RMP filed its first report on July 19, 2017, for the first six months of operations. RMP's first full-year report was filed on March 30, 2018, for the full 2017 calendar year. RMP has since filed its annual status reports each year by the end of March except for this year, with RMP's request for an extension. RMP filed its report for CY 2024, on April 16, 2025.

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<sup>1</sup> The Company updated the generation cost at its July 19, 2017, Subscriber Solar Program and Plug-In Electric Vehicle Status Update with interested parties, page 9, under Docket No. 15-035-61.

<sup>2</sup> *Order Approving Tariff Changes*, Docket No. 19-035-T08, November 18, 2019, at 4, <https://pscdocs.utah.gov/electric/19docs/19035T08/31114719035T08oatc11-18-2019.pdf>.

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## Discussion

The Program offers Utah customers the opportunity to purchase 200 kilowatt-hour (kWh) blocks of electricity from RMP's solar resource near Holden, Utah.<sup>3</sup> These 200 kWh blocks are offered on a first-come, first-served basis at a fixed price for a given contract length of two, five, seven, or ten years. The Program is offered through Schedule No. 73 for residential tariff Schedules 1, 2, 3, small non-residential tariff Schedule 23, and large non-residential tariff Schedules 6, 6A, 6B, 8, 9, and 9A.

RMP reports 2,728 total subscribers comprised of 1,955 block customers and 773 full coverage customers. This year's subscription total is slightly higher than last year's reported total subscription of 2,122 customers. RMP reports that the program sold 98.1 percent of production during CY 2024 considering cancellations and gaps between billing cycles of new customers or transitions to full coverage. This is a decrease from last year's 116 percent. The Division's analysis concludes that the commercial and residential subscription to generation output was 97.3 percent at the end of 2024 (42,457,780 kWh subscribed of the 43,630,661 kWh generated).<sup>4</sup> RMP reports 212,289 blocks subscribed at the end of 2024 comprising 79,976 residential and 132,313 commercial customers for an approximate 10.1 percent decrease from last year's 236,122 blocks. The current allocation of the [REDACTED] facility is roughly 38 percent residential and 62 percent commercial. The current subscription ratio remains reasonably close to the original design of 34 percent residential and 66 percent commercial.<sup>5</sup>

RMP purchased 375,478,226 kWh of energy over the period January 2017 through December 2024. The generation sold through this program over the same period is 373,660,358 kWh or 99.5 percent. Additional generation that is greater than the subscribed amount is purchased by RMP and flows through the Energy Balancing Account (EBA) as net power costs (NPC). In 2024, the Program subscription was 42,457,780 kWh compared

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<sup>3</sup> *Commission Order Approving Amended Settlement Agreement*, Docket No. 15-035-61, October 21, 2015, Exhibit A, at 5, ¶ 14, <https://pscdocs.utah.gov/electric/15docs/1503561/2700851503561oaasa.pdf>.

<sup>4</sup> *2024 Annual Report of the Subscriber Solar Program*, Docket No. 25-035-18, April 16, 2025, RMP Exhibit A – Program Dashboard Report (Excel), 2024 Dashboard Tab, <https://psc.utah.gov/2025/03/26/docket-no-25-035-18/>.

<sup>5</sup> *Id.*

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to the 43,630,661 kWh of resource generation. The 1,172,881 kWh deficit is accounted for as a cost to the EBA. Since RMP purchases all the energy produced by the resource and books the difference that is not used by the Subscriber Solar Program to NPC through the EBA, RMP booked \$61,928 to the EBA in this year's report. There does not appear to be any significant cost shift or obligation paid by non-participating customers through the EBA.<sup>6</sup>

RMP's intent for the Program is that participating customers pay all associated costs. RMP's cost or pricing estimates allowed for an initial ramp or subscription period through 2020. If the Program met RMP's projected ramp rate and remained fully subscribed, the Program would be underfunded in the ramp period but overfunded in the later years and over the life of the Program with subscribers fully funding the Program. If the Program did not meet the ramp rate or is undersubscribed at any point, the associated costs of the Program are borne by all ratepayers through the EBA as a net power cost. For the calendar year 2024, the Subscriber Solar program has performed better than planned and appears to be nearly fully subscribed. The Program's original design cost for the period of January 2017 through December 2024 was forecast at \$6,065,952. The actual net Program expense for the period was \$3,005,986, roughly 50 percent below the original forecast or a savings of \$3,110,466 including cancellation fees.<sup>7</sup>

The 2024 Program is composed of the following expenses and revenues: generation PPA expense of \$2,303,317; program administration and marketing expense of \$36,271; interest expense of \$92,912, for a total 2024 program expense of \$2,432,500.<sup>8</sup> These expenses are offset by revenues and cancellation fees of \$2,691,132 (revenues plus interest) for a net surplus of \$258,632.<sup>9</sup>

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<sup>6</sup> *Id.* Summary Tab.

<sup>7</sup> Costs include Administration, Marketing, and Billing for years 2015 through 2024, (21,723, 1,290,260, 349,358, 237,008, 199,267, 372,650, 139,698, 107,403, 159,436, and \$129,183 respectively). There are \$596,322 in accumulated interest expenses, and \$50,500 in accumulated cancellation fees.

<sup>8</sup> Docket No. 25-035-18, *Supra* note 4, 2024 Dashboard Tab, (2024 Total Management/Administrative/Marketing + Total Interest + Generation Expense) offset by (Revenues + Cancellation Fees).

<sup>9</sup> *Id.* 2024 Summary Tab and 2024 Dashboard Tab.

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The Division also monitors the Program's liability account. As of January 1, 2024, the beginning balance of the liability account was \$1,844,224. The additions of \$36,271 in expenses and \$92,881 in interest, less amortization of \$196,337, results in a liability account ending balance, as of December 31, 2024, of \$1,777,039.<sup>10</sup>

Pursuant to correspondence from the Commission filed on August 16, 2017, RMP was directed to include the following items in its annual report: (1) the total number of kWh donated broken out by the various classes of participants; (2) the avoided cost rate; and (3) the total dollar value of the donated kWh.<sup>11</sup> RMP reports that 3,091,334 kWh were donated to the Low Income Assistance Fund in 2024, consisting of 2,887,748 kWh from Commercial customers, 2,600 kWh from Industrial customers, and 200,986 kWh from Residential customers.<sup>12</sup> The avoided cost rates used to calculate the credit consist of the allocated summer and winter, on and off-peak rates from concurrent Schedule No. 37,<sup>13</sup> Avoided Cost Purchases from Qualifying Facilities, Non-Levelized Tracking Solar Facility.<sup>14</sup> Using the June 1, 2023, and June 15, 2024, authorized rates for Non-Levelized Tracking Solar for on and off-peak times for winter and summer, the reported total dollar amount of donated kWh was \$110,623 in 2024. The Division's analysis discovered a discrepancy between the \$110,623 reported on the Solar Credits Donated Tab and the Summary Tab in RMP Exhibit A. The Division clarified with RMP staff through email that the discrepancy was due to an oversight and RMP agrees the correct value is \$110,623.<sup>15</sup>

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<sup>10</sup> Docket No. 25-035-18, *Supra* note 4, Summary Tab.

<sup>11</sup> *Public Service Commission Correspondence from Gary L. Widerburg*, Docket No. 15-035-61, August 16, 2017, at page 2, <https://pscdocs.utah.gov/electric/15docs/1503561/295997CorresWiderburg8-16-2017.pdf>.

<sup>12</sup> Docket No. 25-035-18, *Supra* note 4, Solar Credits Donated Tab.

<sup>13</sup> The avoided cost rate is first allocated by on-peak/off-peak time per day, then allocated again by number of summer and winter months.

<sup>14</sup> *RMP Electric Service Schedule No. 37, Avoided Cost Purchases From Qualifying Facilities*, Tracking Solar Facility, Non-Levelized Prices, 23-035-T06 - Effective June 1, 2023, for Winter 2024, and 24-035-T04 - Effective June 15, 2024, for Summer 2024, <https://pscdocs.utah.gov/electric/23docs/23035T06/327806Tariff4-28-2023.pdf>, and <https://pscdocs.utah.gov/electric/24docs/24035T04/333747RMPSchdl37QFPrcngUpdt5-15-2024.pdf>, respectively.

<sup>15</sup> *Correspondence between the Division and RMP*, Docket No. 25-035-18, April 23, 2025,

"Upon review, I think this is an inadvertent error. The correct number should be the number in the Solar Credits Donated tab. Our Program Manager is out on medical leave, so some of this report was pulled

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The Renewable Energy Credits (RECs) produced by the solar generation facility are transferred to RMP's Western Renewable Energy Generation Information System (WREGIS) account on behalf of the subscribers and retired. Schedule No. 73, under special condition nine, allows customers to request that RMP deposit RECs to their own WREGIS accounts at their own expense.<sup>16</sup> Salt Lake City supported 4,510,351 kWh through its Subscriber Solar account and therefore requested that RMP deposit 4,511 RECs to its WREGIS account to be retired.<sup>17</sup>

The Division has noted in prior reports that RMP should update its Program Cost Model, Proprietary Exhibit B, annually to reflect current tax laws due to federal tax reforms under the Trump administration.<sup>18</sup> The Division notes that this year's tax rate has not changed from last year. The tax rate does not have a material impact on the spreadsheet, or this year's Subscriber Solar annual results. However, the tax rate is an input to the spreadsheet model and should match RMP's current tax rate. The Division reiterates that RMP should update its Program Cost Model, Proprietary Exhibit B, to reflect all current conditions where applicable. The Division's review of RMP Exhibit B did not produce any changes from last year's report.

The Division reviews the Program annually to ensure the Program does not become over-subscribed or undersubscribed year-over-year. In past reports, invoiced program kWh exceeded the energy generated by the facility at Holden, UT. This year's report illustrates a slight decrease in subscription to generation. The Division also recognizes that perfectly

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together in her absence. I updated the Solar Credits tab with what I believed to be the accurate Sch. 37 rates. When I updated the rates, it updated the amount in Cell F31, but failed to also update the amount in the Summary Tab. Probably should have the Summary tab updated to pull from the Solar Credits tab so this doesn't happen again".

<sup>16</sup> *RMP Electric Service Schedule No. 73, Subscriber Solar Program Rider – Optional, Special Condition 9, 73.3, Effective January 1, 2021*, [https://www.rockymountainpower.net/content/dam/pcorp/documents/en/rockymountainpower/rates-regulation/utah/rates/073\\_Subscriber\\_Solar\\_Program\\_Rider\\_Optional.pdf](https://www.rockymountainpower.net/content/dam/pcorp/documents/en/rockymountainpower/rates-regulation/utah/rates/073_Subscriber_Solar_Program_Rider_Optional.pdf).

<sup>17</sup> 25-035-18, *supra* note 4, Summary Tab.

<sup>18</sup> *Division Comments on RMP's Subscriber Solar Annual Status Report for 2018*, Docket No. 19-035-15, April 29, 2019, at page 5, <https://pscdocs.utah.gov/electric/19docs/1903515/307868RdctdDPUCmnts4-29-2019.pdf>.

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predicting production is impossible, making marginal under-and over-subscription likely in some years.

Table 1 illustrates how the resource performance is trending year-over-year.<sup>19</sup>

<b>Table 1 - Resource Performance</b>					
	<b>Total KWH Generated</b>	<b>KWH Sold</b>	<b>Generation to Sales</b>	<b>Percent Sales to Generation</b>	<b>Resource Production</b>
<b>2017</b>	48,146,997	43,417,636	4,729,361	90.2%	
<b>2018</b>	50,511,859	47,704,730	2,807,129	94.4%	4.9%
<b>2019</b>	48,133,302	47,749,442	383,860	99.2%	-4.7%
<b>2020</b>	49,992,944	48,489,550	1,503,394	97.0%	3.9%
<b>2021</b>	48,263,412	47,361,700	901,712	98.1%	-3.5%
<b>2022</b>	46,040,080	49,016,395	-2,976,315	106.5%	-4.6%
<b>2023</b>	40,758,963	47,224,325	-6,465,362	115.9%	-11.5%
<b>2024</b>	43,630,661	42,457,780	1,172,881	97.3%	7.0%

## **Conclusion**

The Division has reviewed RMP’s Subscriber Solar Report for the 2024 annual reporting period. The Program’s subscription continues to be nearly fully subscribed at 98.1 percent. The Program is running better than expected with a liability account CY ending 2024 balance of \$1,777,070 compared to a \$1,844,224 beginning balance, a decrease of \$67,154.

The Division recommends the Commission acknowledge RMP’s 2024 Subscriber Solar Status Report.

cc: Jana Saba, RMP  
Michael Snow, RMP  
Michele Beck, OCS

<sup>19</sup> Docket No. 25-035-18, *supra* note 4, 2024 Dashboard Tab, Division Analysis.