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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 21, 2025

Re: **Docket No. 25-035-19**, Rocky Mountain Power's 2024 Annual Report of the Blue Sky Program

Recommendation (Acknowledge)

The Division of Public Utilities (Division) recommends the Public Service Commission of Utah (Commission) acknowledge Rocky Mountain Power's (RMP) 2024 Blue Sky Annual Report (Report) filed on April 17, 2025. The 2024 Annual Report shows a January 2024 Utah program beginning liability account balance of \$6,233,630, ending balance of \$5,202,925, and an uncommitted funds balance of \$2,378,208 with \$1,926,110 of 2024 project commitments.

Issue

On March 26, 2025, RMP requested an extension for the filing of its Blue Sky Annual Report to May 1, 2025. The Commission granted the extension on March 31, 2025. On April 17, 2025, RMP filed its Report with the Commission covering Calendar Year 2024. On April 18, 2025, the Commission asked the Division to review the Report for compliance and make recommendations by May 19, 2025. On April 21, 2025, the Commission issued its Notice of Filing and Comment Period asking any interested person to file comments by May 21, 2025.



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Background

The Commission's Order in Docket No. 00-035-T01, dated April 17, 2000, directed RMP to provide an annual report of the Blue Sky Program including various filing requirements by March 31st of each year. Since this Order, additional filing requirements have been incorporated into the annual report.¹ The Division reviewed the content and format of the 2024 Blue Sky Annual Report, considering the Commission Orders, and found the report meets the filing requirements.

Discussion

The Blue Sky Annual Report shows 4,296,635 of Total Company Block sales for 2024 with 2,338,283 blocks attributable to Utah. Block sales for Utah increased 6.68 percent from 2023 to 2024. RMP's Net RECs needed for 2024 was 429,664. This is a decrease of 1.42 percent from 2023. The average price for RECs in this year's filing is [REDACTED] which is a [REDACTED] [REDACTED] from 2023. The Company's report indicates 397,000 RECs purchased for 2024. An additional 32,664 RECs are pending purchase. In accordance with the Company's tariff Schedule Nos. 70 and 72, the Company must purchase renewable energy within two

¹ The Commission's Order in Docket No. 00-035-T01, April 17, 2000, directed the Company to "account for all revenues received, blocks purchased, blocks generated or contracted for and other program costs."

The Commission's Order in Docket No. 07-035-T13, September 6, 2007, directed the Company to include the ratemaking treatment of the funds received, cost of purchases including RECs, and interest earned on the balance of funds.

The Commission's Order in Docket No. 00-035-T01, March 21, 2008, directed the Company to include: 1) the current Renewable Energy Credit balance in addition to the annual balances; 2) the Utah Beginning Available Fund Balance and the deductions leading to the Utah Available Fund Balance before Qualifying Initiatives in a manner similar to the total Company balances contained at the top of the second spreadsheet in the modified Report; 3) further detail on Qualifying Initiatives, including the total number of the applications received, the number rejected, the criteria and the evaluations underlying project selections, the locations (beyond state identification) of the awarded projects, a description of the project, and information on the facility at which each project is located; and, 4) a status report on the \$900,000 contract for future purchase of RECs and an explanation of how this expenditure of excess funds was determined to be the best use of excess funds.

Finally, the Tariff Acknowledgement Letter from the Commission in Docket No. 00-035-T01, April 29, 2010, directed the Company to include the REC Position Reconciliation report and the Community Project Funding Reconciliation report.

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years of a customer's block purchase.² REC purchases are usually certified annually in the late summer by Green-e for the prior year. The 2024 Green-e Audit was initiated in March 2025. RMP notes that Program invoice details will be submitted to the Center of Resource Solutions (CRS) for the 2024 audit cycle when all 2024 RECs have been received.³

The 2024 Annual Report shows a January 2024 Utah program beginning liability account balance of \$6,233,630 with an ending balance of \$5,202,925 composed of \$3,156,425 in Revenues, \$315,326 in Interest Revenues, \$734,548 in Program expenses, \$1,378,446 paid for REC Invoices, and \$2,389,462 in Completed Project Distributions. From the December 2024 ending liability balance, RMP reports \$2,680,134 of Blue Sky Solar Project commitments that are under contract but not completed and \$144,583 of estimated RECs that will be paid in 2025.⁴ The Utah 2023-24 year-over-year change in revenues is down 2.45 percent with an expense increase of 31.1 percent, respectively. The year-over-year increase in expenses is largely driven by an \$249,392 increase in Communication expenses offset by decreases in Business Partnerships and Customer Outreach.⁵

Since September of 2022, there has been a total of \$4,360,138 in Utah Project Commitments. Of this total, \$2,680,134 are in progress. The available uncommitted funds balance is \$2,378,208 with 2024 commitments of \$1,926,110.⁶ The Division notes the uncommitted funds balance is decreasing, partially due to the approval of the block change in February 2022.⁷ The constant average rate of change in REC prices from 2019-2024 is [REDACTED] representing REC prices from [REDACTED] to [REDACTED], respectively.⁸ Table 1

² *2024 Annual Report of the Blue Sky Program*, RMP Exhibit A – 2024 Annual Report for the Blue Sky Program (Excel), Docket No. 25-035-19, April 17, 2025, Program Summary Tab, <https://psc.utah.gov/2025/03/26/docket-no-25-035-19/>.

³ Id.

⁴ Id. Program Summary and Project Commitments Tabs.

⁵ Id. Program Summary and 2024 Block Dashboard Tab, Utah Program Expense Detail. Docket No. 24-035-14, RMP Exhibit A – 2023 Annual Report of the Blue Sky Program (Excel) 3-27-2024, 2023 Block Dashboard Tab, Utah Program Expense Detail.

⁶ Id. Project Commitments Tab.

⁷ *Commission Tariff Approval Letter*, Docket No. 21-035-T14, January 26, 2022.

⁸ Docket No. 25-035-19, *supra* note 2, and CONFIDENTIAL RMP Exhibit B – 2024 Blue Sky Renewable Energy Credits (Excel).

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illustrates the Blue Sky Program’s annual uncommitted funds balance from 2019 through 2024.

TABLE 1

Program Year	2019	2020	2021	2022	2023	2024
Average REC Price						
YE Liability Account Balance	\$ 8,663,360	\$ 7,126,250	\$ 5,654,685	\$ 5,382,263	\$ 6,407,834	\$ 5,202,925.00
Project Commitments	\$ (4,519,853.00)	\$ (2,407,858.00)	\$ (1,019,981.00)	\$ (2,282,881.00)	\$ (3,042,331.00)	\$ (2,680,134.00)
RECs Balance Estimate	\$ (250,416)	\$ (354,234)	\$ (173,796)	\$ (89,973)	\$ (89,973)	\$ (144,583.00)
Available Uncommitted Funds (calculated)	\$ 3,893,091	\$ 4,364,158	\$ 4,460,908	\$ 3,009,409	\$ 3,275,530	\$ 2,378,208.00
Available Uncommitted Funds (reported)	\$ 3,893,090	\$ 4,364,158	\$ 4,460,908.00	\$ 3,009,409.00	\$ 3,275,530	\$ 2,378,208.00

Conclusion

The Division reviewed RMP’s 2024 Annual Blue Sky Report and concludes it complies with Commission Orders and adheres to the Commission’s reporting requirements. The Division recommends the Commission acknowledge RMP’s 2024 Blue Sky Annual Report.

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