VIA ELECTRONIC FILING

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BEFORE THE UTAH PUBLIC SERVICE COMMISSION

Rocky Mountain Power's 2025 Avoided Cost Input Changes Quarterly Compliance Filing	Docket No: 25-035-30 Vote Solar's Comments

I. Introduction

Vote Solar appreciates the opportunity to submit comments on Rocky Mountain Power's ("the Company's") 2025 Avoided Cost Quarterly Compliance Filings. Vote Solar is a non-profit organization working to realize a clean energy future by making solar power more affordable and accessible. Vote Solar seeks to promote the deployment and integration of solar energy, including utility-scale solar and rooftop solar alongside other distributed energy resources, in support of a cleaner, more affordable, and more resilient grid. Our comments on the 2025 avoided cost compliance filings seek to ensure that avoided cost calculations reflect fair and accurate payments for the energy and capacity provided by independent power producers, as required by the Public Utilities Policy and Regulatory Act ("PURPA").

Rocky Mountain Power's 2025 avoided cost filings propose dramatic reductions to avoided cost compensation that result from changes to the Company's 2025 Integrated Resource Plan. The first quarterly filing of 2025 proposes avoided cost prices roughly 40 percent lower than current prices. The second quarterly filing includes an additional non-routine update that proposes to

reduce avoided cost pricing for wind and solar resources by 80 to 90 percent relative to currently approved prices. The modeling approach used to develop the preferred portfolio in the 2025 IRP – a key input to the avoided cost calculation – is a substantial departure from the approach used in previous IRPs. Instead of developing a single resource portfolio based on the combined load and regulatory requirements across PacifiCorp's six-state system, the 2025 IRP used an iterative approach that starts by optimizing individual jurisdictional portfolios designed to meet each state's specific policy requirements. Additionally, the Final 2025 IRP adopts a major change to load forecasting by excluding certain large commercial and industrial customers from the forecast.

Vote Solar is concerned that the modeling approach used in the 2025 IRP results in portfolio outcomes that are not appropriate for establishing avoided cost pricing as required by PURPA. Many stakeholders have filed comments and recommendations regarding the Company's jurisdictional modeling approach and other IRP inputs in Docket No. 25-035-22, where the Utah Public Service Commission ("Commission") will make determinations about the 2025 IRP. To ensure the Commission has sufficient opportunity to evaluate the 2025 IRP, Vote Solar agrees with the recommendation of Western Resource Advocates ("WRA") and several other parties[1] that the Commission should not incorporate the 2025 IRP into avoided cost price calculations until the Commission has fully reviewed and resolved the issues and recommendations raised in the 2025 IRP Docket. Until then, current avoided cost pricing from Q4 2024 should remain in effect. We also agree that the Commission should consider changing the timing of future avoided cost updates to ensure that stakeholders have an opportunity to review the filed IRP before avoided cost changes based on inputs from that IRP take effect.

II. Comments

On May 7, 2025 Rocky Mountain Power filed its first quarterly avoided cost compliance filing of 2025. As shown in Figure 1, the proposed avoided cost price for a QF resource that comes online in 2026 is roughly 40 percent lower than the current price, depending on resource type. On September 30, 2025 Rocky Mountain Power filed its second quarterly avoided cost compliance filing and introduced an additional non-routine update affecting the portfolio used to determine avoided cost pricing. Changes in the second quarter filing result in an 80 to 90 percent decrease in avoided cost pricing for wind and solar resources, relative to the currently approved prices.

[1] Docket No 25-035-T03, Proposed Schedule 37 Tariff Revisions, Western Resource Advocates Comments, July 18, 2025 at 6. Also see September 3 Reply Comments of Salt Lake City Corp and Renewable Energy Coalition.

Figure 1. Proposed changes to 15-year levelized avoided cost payment, 2026-2040.

	Thermal	Solar	Wind
	Price ($/MWh)	Price ($/MWh)	Price ($/MWh)
Q4 2024 (1)	$ 51.76	$ 35.56	$ 28.03
Q1 2025 (2)	$ 30.77	$ 23.41	$ 17.27
% change, 2024.Q4 to 2025.Q1	-41%	-34%	-38%
Q2 2025 (routine update) (3)	$ 31.64	$ 25.51	$ 16.90
% change, 2024.Q4 to 2025.Q2	-39%	-28%	-40%
Q2 2025 (non-routine update) (4)	$ 36.82	$ 3.84	$ 5.52
% change, 2024.Q4 to 2025.Q2	-29%	-89%	-80%

(1) Docket 24-035-35 March 18 2024 2024.Q4 compliance filing, Appendix B1 (Table 1); Appendix B2 (Table 1); Appendix B3 (Table 1)
(2) Docket 25-035-30 May 7 2025.Q1 compliance filing, Appendix B1 (Table 1); Appendix B2 (Table 1); Appendix B3 (Table 1)
(3) Docket 25-035-30 September 30 2025.Q2 compliance filing, Appendix B1 (Table 1); Appendix B2 (Table 1); Appendix B3 (Table 1)
(4) Docket 25-035-30 September 30 2025.Q2 compliance filing, Appendix D1 (Table 1); Appendix D2 (Table 1); Appendix D3 (Table 1)

PURPA was enacted to encourage competitive energy markets by preventing monopoly utilities from favoring their own generation resources over third-party producers. PURPA requires utilities to purchase electricity from qualifying cogeneration and small power production facilities ("qualifying facilities," or "QFs") at rates that are "just and reasonable to the electric consumers of the electric utility and in the public interest," and that do "not discriminate against" QFs.[2] PURPA defines avoided cost as "the incremental costs to an electric utility of electric energy or capacity or both which, but for the purchase from the qualifying facility, such utility would generate itself or purchase from another source."[3] Simply put, PURPA prohibits utilities from paying QFs less than the utility's own cost of producing energy. Fair avoided cost pricing ensures that customers are indifferent between utility-owned and third-party generation because both are compensated at the same rate: the utility's actual incremental cost.

The avoided cost calculation requires comparison with an optimized, least-cost portfolio capable of meeting system needs.

Utah's avoided cost calculation uses the IRP preferred portfolio to establish both avoided energy and capacity payments based on the Proxy/PDDRR method approved in Docket No. 03-

[2] 16 U.S. Code § 824a-3
[3] 18 CFR § 292.101(b)(6)

035-14. Avoided energy costs are calculated by modeling the cost of operating the existing utility system plus new resources that are planned to meet system needs over a 20-year period, then comparing that cost to a scenario where the output from QF replaces an equivalent amount of energy from planned future resources. The difference between the two model runs equals the avoided energy costs attributable to the QF. Avoided capacity costs are calculated using the Proxy method, which identifies the capital cost of the next generating resource in the IRP preferred portfolio that could be deferred by the QF. A QF receives compensation for capacity costs that are avoided by the removal of the proxy resource beginning in the year in which the proxy resource is planned to come online.

Critically, both the avoided energy calculation and the avoided capacity calculation depend on the IRP process to identify an optimal cost-effective portfolio of current and future resources that can meet load and reliability requirements across PacifiCorp's system over the 20-year planning horizon. Although the May 7, 2025 Q1 2025 avoided cost compliance filing identifies use of the 2025 IRP portfolio as a routine update, the modeling approach used to develop the 2025 IRP portfolio differs substantially from the approach used in previous IRPs. Briefly, the 2025 IRP developed a preferred portfolio through an iterative process. First, the Company modeled three "jurisdictional portfolios" which identified optimal portfolios of resources to meet state-specific policy requirements for Oregon, Washington, and the remaining states in PacifiCorp's system (Utah/Idaho/Wyoming/California or "UIWC").[4] The UIWC jurisdictional portfolio required the model to select resources sufficient to meet load as well as the reliability requirements of the Western Resource Adequacy Program ("WRAP").[5] However, each jurisdictional portfolio applied the WRAP planning reserve margin only to the jurisdiction's load, and not to system load.[6] As a result, the jurisdictional portfolios do not meet system-wide reliability requirements.

To merge the individual jurisdictional portfolio into a single preferred portfolio, RMP performed an "integration" step. Rather than relying on an optimization model, RMP allocated proxy resources to each jurisdiction based on the types and quantities of resources identified in their respective portfolios. As part of this step, resources located in PacifiCorp East were allocated to the UIWC jurisdictions and resources located in PacifiCorp West were allocated to Oregon and

[4] Rocky Mountain Power 2025 IRP, Volume 1 – March 31, 2025 at 206.
[5] Ibid.
[6] Docket No. 25-035-22, In the Matter of RMP's 2025 IRP, Western Resource Advocates Comments, September 25, 2025 at 40.

Washington.[7] This artificial limitation ignores the reality that PacifiCorp operates an integrated system and resources in one geographic location can serve load on other parts of the system, subject to transmission availability. We appreciate that the jurisdictional modeling approach is intended to identify solutions that meet divergent state policy goals and to inform decisions about how the costs of new resources should be allocated to the states that require them. We also support RMP's efforts to identify and develop energy resources that meet individual state policy goals. However, we are concerned that the jurisdictional modeling approach, and the decisions made in the portfolio integration step, do not result in portfolios that are appropriate for use in avoided cost calculations.

The 2025 Q1 avoided cost compliance filing is based on outdated and erroneous information.

The 2025 Q1 avoided filing calculates avoided cost pricing based on the "Utah 2025 IRP," which was filed with the Commission on March 31, 2025. The Utah 2025 IRP was developed and filed to comply with a Commission Order directing the Company to lock down IRP modeling inputs and assumption changes by December 31, 2024.[8] Since filing the Utah IRP, the Company has filed a "Final IRP" that includes corrections and changes to inputs and assumptions. The "Utah 2025 IRP" is substantially different from the Final 2025 IRP that RMP has requested the PSC acknowledge in the 2025 IRP docket, and so should not be used for purposes of determining avoided cost pricing.

The 2025 Q2 avoided cost filing does not reflect forecasted load.

On September 30, 2025 the Company filed its 2025 Q2 avoided cost compliance filing. The Q2 filing is also based on the "Utah 2025 IRP," but proposes an additional non-routine update to determine avoided cost pricing based on the "Final 2025 IRP." The Final 2025 IRP includes a number of changes to inputs and assumptions, including corrections to hourly solar generation profiles used for proxy resources, a process for addressing shortfalls that prevent compliance with WRAP, changes to the anticipated date the Natrium nuclear demonstration project will be complete, and the removal of large customer loads from the load forecast.[9] By removing the impact

[7] Docket No. 25-035-30, RMP's 2025 avoided cost quarterly compliance filing, RMP Q2 Avoided Cost Input Changes, September 30, 2025 at 2.
[8] Docket No. 23-035-10, Commission Order, September 24, 2024.
[9] RMP 2025 2025 Integrated Resource Plan Public Input Meeting, January 22-23, 2025 at 15 and 17. *Available at: https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/energy/integrated-resource-plan/2025-*

of certain large commercial and industrial customers from the load forecast, the Final 2025 IRP results in a portfolio is not sufficient to serve the utility's actual expected load in the coming years. Use of the Final 2025 IRP results in inaccurate avoided cost calculations because it excludes the incremental costs that will be required to serve new large load customers.

III. Conclusion

Vote Solar respectfully requests that the Commission fully review and resolve the substantial issues raised regarding the 2025 IRP in Docket No. 25-035-22 before incorporating the 2025 IRP into avoided cost pricing. As part of that review, the Commission should consider whether the portfolio modeling approach used in the 2025 IRP can accurately quantify the incremental cost of energy and capacity that a QF avoids, as PURPA requires. Utah's avoided cost calculation depends on a comparative analysis: it quantifies the difference in cost between an optimized, least-cost portfolio capable of meeting system-wide load and reliability requirements with and without the contributions of the QF. This approach requires a portfolio that reflects actual system needs. If the IRP portfolio fails to meet system-wide reliability requirements, imposes arbitrary geographic restrictions on which resources a QF can defer, or excludes forecasted load from major customers, the comparative approach will not produce accurate avoided costs. Until these fundamental questions about the 2025 IRP are resolved, Vote Solar recommends that current avoided cost pricing from Q4 2024 remain in effect. The Commission should also adjust the timing of future avoided cost updates to ensure stakeholders can review IRP modeling approaches before they affect avoided cost calculations.

Respectfully,

/s/ Kate Bowman
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Vote Solar

irp/January_22-23_2025_IRP_Public_Input_Meeting.pdf.