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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:** October 20, 2025

**Re:** **Docket No. 25-035-30**, Rocky Mountain Power's Quarterly Compliance Filing — 2025.Q2 Avoided Cost Input Changes

## Recommendation (No Action with Recommendation)

The Division of Public Utilities (Division) concludes that Rocky Mountain Power's (RMP) 2025.Q2 Avoided Cost Quarterly Filing complies with the Public Service Commission's (Commission) Orders in Docket Nos. 03-035-14 and 14-035-140.

However, the Division recommends the Commission take no action on RMP's 2025.Q2 filing pending the outcome of RMP's 2025.Q1 proceedings.<sup>1</sup>

## Issue

On September 30, 2025, RMP filed its 2025.Q2 Quarterly Compliance Filing. The report identifies changes that have occurred in the avoided cost calculation since RMP's 2025.Q1 Quarterly Compliance Filing. On September 30, 2025, the Commission asked the Division to review RMP's filing for compliance and make recommendations by October 20, 2025.

## Discussion and Background

Based on Commission Orders dated October 31, 2005, and February 2, 2006, RMP is required to provide quarterly updates for its avoided cost indicative pricing and highlight any

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<sup>1</sup> *Comments from the Division of Public Utilities*, Docket No. 25-035-30.Q1, October 3, 2025, at 1, <https://pscdocs.utah.gov/electric/25docs/2503530/342082DPUCmnts10-3-2025.pdf>.



changes to the Proxy and Partial Displacement Differential Revenue Requirement (PDDRR) and Generation and Regulation Initiative Decision Tool (GRID-now PLEXOS) model used to calculate Schedule No. 38 avoided costs.<sup>2</sup> In Docket No. 14-035-140, the Commission approved the parties' stipulation requiring RMP to classify new and updated assumptions as either "Routine Updates" or "Non-Routine Updates." Additionally, the stipulation requires that "...parties will file a notice with the Commission within three weeks after RMP files its quarterly compliance filing, to identify which specific assumptions, if any, they intend to contest."<sup>3</sup>

In compliance with these Commission Orders, RMP filed its quarterly report for 2025.Q1 on May 7, 2025. In that filing, RMP updated the inputs and assumptions to its model since the 2024.Q4 filing leading to significant decreases in the pricing for thermal, tracking solar, and wind resources.<sup>4</sup> Since that time, the parties have sent numerous data requests to RMP seeking clarification to explain the decrease in pricing. The Division filed comments recommending, as an alternative, the Commission not approve RMP's avoided cost pricing and continue with 2024.Q4 pricing until the 2025 IRP inputs could be vetted.<sup>5</sup>

The current 2025.Q2 filing contains updates based on the same IRP metrics with some noted corrections to the escalation factors used in the 2025.Q1 modeling reported in the June 18, 2025, Technical Conference in Docket No. 25-035-T03.<sup>6</sup> The Division reviewed the accuracy and reasonableness of the calculations in RMP's 2025.Q2 filing and concludes that RMP properly documented the input changes to the avoided cost calculations.

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<sup>2</sup> *Application of PacifiCorp for Approval of an IRP-Based Avoided Cost Methodology for QF Projects Larger than One Megawatt*, Docket No. 03-035-14, <https://psc.utah.gov/2016/06/22/docket-no-03-035-14/>.

<sup>3</sup> *Order Approving Settlement Agreement on Schedule 38 Procedures*, Docket No. 14-035-140, June 9, 2015, Attachment: Settlement Agreement, ¶ 18-19, <https://pscdocs.utah.gov/electric/14docs/14035140/26679614035140oasaostep.pdf>.

<sup>4</sup> *Rocky Mountain Power's Quarterly Compliance Filing – 2025.Q1 Avoided Cost Input Changes*, Docket No. 25-035-30, May 7, 2025, <https://pscdocs.utah.gov/electric/25docs/2503530/339680RMP2025Q1AvdCstlnptChngs5-7-2025.pdf>.

<sup>5</sup> *Comments from the Division of Public Utilities*, Docket No. 25-035-30, October 3, 2025, <https://pscdocs.utah.gov/electric/25docs/2503530/342082DPUCmnts10-3-2025.pdf>.

<sup>6</sup> See RMP's Technical Conference Presentation, Docket No. 25-035-T03, slides 5-9 (June 18, 2025), <https://pscdocs.utah.gov/electric/25docs/25035T03/340262RMPPrsntnJun182025VrtlTchnclCnfrnc6-18-2025.pdf>.

The routine updates are changes to the basic model inputs to keep the PLEXOS model current. RMP reports the same routine update to potential QFs as 202 MW of nameplate capacity in the signed contract queue reported in its 2025.Q1 filing.<sup>7</sup> RMP updated its Official Forward Price Curve (OFPC) to PacifiCorp's June 30, 2025, OFPC (2506 OFPC). Market Capacity assumptions use the 48-month average of all short-term firm (STF) sales consistent with the 2025 Utah IRP. The Division agrees that these updates are correctly designated as routine.

The cumulative routine compliance changes made by RMP from its 2025.Q1 to its 2025.Q2 filing **increased avoided cost** pricing for thermal resources by \$0.79 per MWh, **increased** tracking solar resource pricing by \$1.76 per MWh, and **decreased** wind resource pricing by \$0.36 per MWh.<sup>8</sup> In Comparison, RMP's 2025.Q1 pricing update from its 2024.Q4, saw changes of (\$21.05), (\$11.97), and (\$11.82), respectively. RMP's 2024.Q3 to 2024.Q4 input changes were (\$1.04), (\$1.85), and (\$0.67), respectively.<sup>9</sup> The Division notes that Appendix B.1 through B.3 account for the escalation rate errors.

RMP's Appendices D.1 through D.3 illustrate pricing comparisons of thermal, tracking solar, and wind resources between 2025.Q1 and 2025.Q2 using two different assumptions.<sup>10</sup> RMP compares pricing differences between 2025.Q1 (2025 IRP Utah Preferred Portfolio) and 2025.Q2 (Non-Routine 2025 IRP Preferred Portfolio) and 2025.Q2 (Routine Update (OFPC June 2025) – using 2025 IRP Utah Preferred Portfolio). Columns L, M, and N, in Appendix D, illustrate the differences between the 2025.Q2 (Non-Routine 2025 IRP Preferred Portfolio) and 2025.Q2 (Routine Update (OFPC June 2025) – using 2025 IRP Utah Preferred Portfolio) for thermal, tracking solar, and wind, while Columns O, P, and Q illustrate the difference between 2025.Q1 (2025 IRP Utah Preferred Portfolio) and 2025.Q2

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<sup>7</sup> *Rocky Mountain Power's Quarterly Compliance Filing – 2025.Q2 Avoided Cost Input Changes*, Docket No. 25-035-30, September 30, 2025, Appendix A, at 4,

<https://pscdocs.utah.gov/electric/25docs/2503530/342021RMP2025Q2AvdCstlnptChngs9-30-2025.pdf>.

<sup>8</sup> *Id.*, Attachment 1 - Appendix B.1 9-30-2025, TAB Appendix B.1, Avoided Cost Prices \$/MWh, 15-Year Levelized Prices (Nominal) at 6.38% Discount Rate for years 2025-2039.

<sup>9</sup> See RMP 25-035-30\_Q2.RMP Attachment 1 – Appendix B.1 9-30-2025, RMP Attachment 1 – Appendix B.1 5-7-2025, <https://psc.utah.gov/2025/05/07/docket-no-25-035-30/>, and RMP Attachment 1 – Appendix B.1 3-18-2025, respectively, <https://psc.utah.gov/2024/06/26/docket-no-24-035-35/>.

<sup>10</sup> *Rocky Mountain Power's 2025 Avoided Cost Input Changes Quarterly Compliance Filing*, Docket No. 25-035-30, September 30, 2025, RMP Attach. 7 through 9, <https://psc.utah.gov/2025/05/07/docket-no-25-035-30/>.

(Non-Routine 2025 IRP Preferred Portfolio) and 2025.Q2 (Non-Routine 2025 IRP Preferred Portfolio). The Division understands the difference between Appendix B and D is the result of the escalation factor corrections. While the Division finds Appendix D helpful in understanding the different IRP assumptions, it still does not explain the pricing changes between 2024.Q4 and 2025.Q1, which the Division suspects is a result of IRP inputs.

Appendices C.1 through C.3 illustrate the Indicative QF Avoided cost for thermal, tracking solar, and wind, respectively, for years 2025-2039, 2026-2040, and 2027-2041.<sup>11</sup> RMP included Indicative Avoided Cost for thermal only in its 2024.Q4 and 2025.Q1 filings. Therefore, the Division has not made any comparisons for indicative pricing.

RMP should include Appendix B.1 through B.3, C.1 through C.3, and D.1 through D.3 in future filings as they are helpful to better understand the year-over-year and quarter-to-quarter price changes.

The Division maintains its position that RMP has complied with the approved avoided cost modeling and methodology found in the Commission's Orders in Docket Nos. 03-035-14 and 14-035-140. The Division further maintains that until such time as the Commission issues its findings for 2025.Q1, the Division recommends the Commission leave the avoided cost pricing at the last approved levels while the parties gain a better understanding of the 2025 IRP inputs used to inform the PLEXOS model and direct RMP to refile its avoided cost quarterly updates once the process is complete. The Division reserves its right to change its position as the proceedings in this docket progress.

## **Conclusion**

The Division has reviewed RMP's 2025.Q2 filing and concludes that RMP's avoided cost prices are calculated according to the Commission's approved methods. However, the Division recommends the Commission take no action on RMP's 2025.Q2 filing pending its findings in the 2025.Q1 proceedings under review.

cc: Jana Saba, RMP  
Max Backlund, RMP  
Michele Beck, OCS

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<sup>11</sup> *Id.*, RMP Attach. 4 through 6.