
Application of Rocky Mountain Power for Approval of a Waiver of the Requirement for Solicitation Process and of a Significant Energy Resource Decision and Report of Sale

DOCKET NO. 25-035-55
ORDER APPROVING THE SETTLEMENT

ISSUED: June 1, 2026

1. Procedural History

On October 20, 2025, Rocky Mountain Power (RMP) filed an application (“Application”) to waive certain requirements otherwise applicable under the Energy Resource Procurement Act (the “Act”).¹ Specifically, the Application requests waivers under Utah Code § 54-17-501 of the following: (1) the solicitation process that Utah Code § 54-17-201 otherwise requires (“Solicitation Requirement”) and (2) the requirement to obtain the Public Service Commission’s (PSC) approval prior to acquiring a “significant energy resource” (“SER”)² as Utah Code § 54-17-302 ordinarily requires (“Approval Requirement”). Further, RMP requests the PSC acknowledge the Application as “a report of the sale, transfer or other disposition’ of utility assets pursuant to Utah Admin. Code R746-401-3(B).”³

Consistent with the Act, the PSC hosted a technical conference on January 13, 2026. On January 23, 2026, the following parties filed written direct testimony: the Division of Public Utilities (DPU), Office of Consumer Services (OCS), and Western

¹ Utah Code Ann. § 54-17-101, et seq.

² SER is statutorily defined as a resource that is 100 MW or more of new generating capacity with a dependable life of 10 or more years or the purchase of electricity or electric generation capacity not less than 100 MW with a contract term of 10 or more years. Utah Code Ann. § 54-17-102(9).

³ Application at 21.

Resource Advocates (WRA). The following parties intervened but did not submit written testimony or comments: Utah Large Customer Group, Utah Clean Energy, Utah Association of Energy Users, and Nucor Steel-Utah, a division of Nucor Corporation (collectively “Intervenors”).

RMP filed written rebuttal testimony on February 13, 2026.

On March 13, 2026, RMP filed a Settlement Stipulation (“Settlement”), which RMP, DPU, OCS, and WRA (collectively, “Settling Parties”) signed.

The PSC conducted a hearing on March 31, 2026, to consider the Settlement.

2. Factual Background

RMP seeks waivers under the Act for a power purchase agreement (PPA) with US SFR Owner, LLC (“US SFR”), a subsidiary of TerraPower, to procure nuclear energy from the Natrium commercial demonstration plant, a 345 MW sodium-cooled fast reactor coupled with a molten salt integrated energy storage system in Kemmerer, Wyoming (“KU1 Project”). RMP represents the nuclear portion of the KU1 Project supports a power output of 345 MW, and the integrated energy storage system enables flexible operation from 100 to 500 MW for up to 5.5 hours.

RMP’s Application also discloses a comprehensive water use agreement (“Water Use Agreement”) that allows US SFR to use certain water rights and water delivery systems to convey water to the KU1 Project. RMP emphasizes that US SFR acquires no ownership interest in RMP’s water rights or related infrastructure under

the Water Service Agreement, preserving RMP's ownership and control over these assets.

3. The Settlement

In the Settlement, the Settling Parties agree that RMP's written rebuttal testimony sufficiently addressed requests for additional information that WRA and DPU previously raised in their respective filings. The Settlement also represents RMP provided the Settlement to the Intervenors, and none of them opposes the PSC approving it.

In the Settlement, the Settling Parties agree and recommend the PSC issue an order finding: (i) RMP's decision to enter into the PPA is in the public interest and consistent with Utah Code § 54-17-302 and applicable administrative rules; (ii) approval of RMP's request for a waiver of the solicitation process requirements under Utah Code § 54-17-501(1)(b) is in the public interest; and (iii) the Application satisfies the reporting requirements of Utah Admin. Code R746-401-3(B) concerning the sale, transfer, or other disposition of certain assets.

The Settlement provides that, until the KU1 Project is operational, RMP will evaluate portfolios both with and without KU1 in its integrated resource plans (IRP) and IRP updates, including its 2025 IRP Update to be filed on March 31, 2026. The Settlement further provides that, following the first year of the KU1 Project's

commercial operation and each year thereafter, RMP will report to the PSC and Settling Parties on the performance and other key metrics of the KU1 Project.⁴

4. Testimony at Hearing

RMP's testimony explained the characteristics of the KU1 Project, opining that "[i]f [the KU1 Project] reaches commercial operation expected, it will be a cost-effective resource that enhances [RMP's] portfolio and contributes to long-term savings."⁵ RMP emphasized the PPA contains numerous provisions intended to mitigate risk, including confidential provisions that are unique to standard power purchase agreements and tailored to mitigate RMP's and customers' risk. RMP further testified "[o]ther risk mitigation strategies for this project include the surplus interconnection where [RMP is] sharing interconnection with the Naughton plant ... [which] eliminates the need for upgrades to accommodate additional resources on the transmission system."⁶ RMP explained that it intends to keep the Naughton units available to ensure system reliability such that it will not be reliant on KU1 for capacity or reliability. Finally, RMP's testimony emphasized that the Settling Parties agree approval of the Application is in the public interest and that no party opposes its approval.

⁴ The Settling Parties agree to confer prior to the first such report to determine the appropriate information to include in the report.

⁵ Hr'g Tr. at 6:17-20.

⁶ *Id.* at 6:1-4.

DPU testimony affirmed DPU's support of the Settlement. DPU also testified about the issues raised in its written direct testimony, clarifying the earlier testimony recommended approval of the Application on the condition that RMP perform additional analysis comparing KU1 to an optimized alternative portfolio.

Subsequently, RMP filed written rebuttal testimony and the Settling Parties “engag[ed] in good faith, arms-length settlement negotiation[s], [where they] eventually reached an agreement” that obviated DPU’s earlier request that the PSC condition approval on the DPU’s requested analysis.⁷ DPU testified it “believes that this [S]ettlement is just and reasonable in result[,] and that the approval of the [S]ettlement ... is in the public interest.”⁸

OCS testified that its “analysis showed that the KU1 [P]roject is in the public interest” because “KU1 will provide dispatchable power with the reactor running continuously as baseload and molten salt storage ramping its output to meet variable demand, resulting in high-capacity factor generation at a reasonable average cost.”⁹ OCS further testified the “PPA structure ... provides appropriate cost and price protections and offers potential net benefits to ratepayers.”¹⁰ Like DPU, OCS testified it “believe[s] that the [S]ettlement is just and reasonable in result and in the public interest[,]” and OCS “recommend[ed] that the PSC approve the [A]pplication.”¹¹

⁷ *Id.* at 16:30-32.

⁸ *Id.* at 17:1-3.

⁹ *Id.* at 21:37-41.

¹⁰ *Id.* at 21:41-43.

¹¹ *Id.* at 22:6-7.

WRA testified that it participated in negotiations, adding that RMP was responsive to the requests for additional information WRA expressed in its written direct testimony. WRA's testimony affirmed its support of the Settlement and its belief that it is just and reasonable in result.

5. Discussion, Findings, and Conclusions

The Legislature statutorily encourages settlement, by negotiated agreement of the parties, of matters pending before the PSC.¹² The PSC may approve a settlement agreement after considering the interests of the public and other affected persons,¹³ if it finds the agreement is just and reasonable in result based on the evidence in the record.¹⁴ We are presented with a negotiated Settlement that no party opposes. All parties offering testimony at hearing testified that the Settlement is just and reasonable in result and that approval of the Settlement is just, reasonable, and in the public interest. RMP also represented that none of the Intervenors oppose the Settlement, and none appeared at hearing to testify in opposition nor provided notice of any objection to our approval of the Settlement.

The Settling Parties and Intervenors, collectively, represent substantial, broad, and varying interests. The PSC gives substantial weight to the Settling Parties unanimous and supportive testimony and the absence of opposition from any party.

¹² Utah Code § 54-7-1.

¹³ See Utah Code § 54-7-1(2)(a).

¹⁴ See Utah Code § 54-7-1(3)(d).

Accordingly, given the overwhelming weight of evidence supports finding that the Settlement is just and reasonable in result, the PSC approves the Settlement. The PSC further finds the record demonstrates the KU1 Project presents a unique, time-limited opportunity such that waiving the otherwise applicable solicitation and SER approval requirements under Utah Code §§ 54-17-201 and 54-17-302 is in the public interest. Therefore, consistent with the Settlement, the PSC approves RMP's Application and attendant request for these waivers pursuant to Utah Code § 54-17-501.

The PSC is confident the Settling Parties will amicably collaborate when they meet and confer to determine the contents of the annual reports the Settlement requires RMP to provide after the KU1 Project commences commercial operation. Though not an exhaustive list, the PSC gives notice that such reporting should include the following metrics: (i) Net Generation: the total amount of electricity the KU1 Project generates during the pertinent period; (ii) Availability: data regarding the percentage of time the plant was operational and capable of providing power; (iii) Capacity Factor: the ratio of the actual electrical energy output over the period to the maximum possible output over the same period; (iv) Integration and Dispatch: a summary of how the KU1 Project was integrated into RMP's overall system and how it was dispatched to meet load requirements; (v) Thermal Storage Utilization: reporting on the use and performance of the facility's specific thermal storage capabilities.

Finally, the PSC acknowledges the Application and supporting materials fulfill RMP's obligation under Utah Admin. Code R746-401-3(B) to report the transactions underlying the Water Use Agreement.

6. Order

For the foregoing reasons, the Settlement and Application are approved.

DATED at Salt Lake City, Utah, June 1, 2026.

/s/ Jerry D. Fenn, Chair

/s David R. Clark, Commissioner

/s John S. Harvey, Ph.D., Commissioner

Attest:

/s Gary L. Widerburg
PSC Secretary
DW#345623

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 30 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on June 1, 2026, a true and correct copy of the foregoing was delivered upon the following as indicated below:

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