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## Initial Comments

**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:** July 18, 2025

**Re:** **Docket No. 25-035-T03**, Rocky Mountain Power's Proposed Tariff Revisions to Electric Service Schedule No. 37, Avoided Cost Purchases from Qualifying Facilities

## Recommendation (Approve Tariff Sheets)

The Division of Public Utilities (Division) filed comments on May 8, 2025, recommending the Public Service Commission of Utah (Commission) approve Rocky Mountain Power's (RMP) tariff revisions to Schedule No. 37. The Division's position remains the same in consideration of the minor corrections RMP made to the PLEXOS model identified during the technical conference since its initial filing. RMP appears to be following the Commission's Orders in Docket Nos. 08-035-78 and 12-035-T10. The Division finds RMP's filing just, reasonable, and in the public interest, and therefore recommends the Commission approve RMP's tariff revisions with an effective date of June 15, 2025. The Division reserves its right to make additional reply comments due September 3, 2025.

## Issue

On April 23, 2025, RMP filed its proposed tariff revisions to Schedule No. 37 – Avoided Cost Purchases from Qualifying Facilities (Filing). RMP requested an effective date of June 15, 2025. On the same day, the Commission asked the Division to investigate RMP's filing and report back by June 7, 2025. On April 29, 2025, the Commission issued its Notice of Filing



and Comment Period asking any interested person to submit comments by May 8, 2025. In subsequent comments, parties asked the Commission to suspend the tariff, pending review of the avoided cost pricing decrease. On May 21, 2025, the Commission issued its Order Suspending Tariff Schedule No. 37. On May 27, 2025, the Commission issued its Notice of Virtual Scheduling Conference. On June 9, 2025, the Commission issued its Scheduling Order and Notice of Virtual Technical Conference to be held on June 18, 2025, with Initial Comments due by July 18, 2025, and Reply Comments due by September 3, 2025. The Division has reviewed RMP's reply comments, responses to data requests, comments filed by other parties, and participated in the virtual technical conference held on June 18, 2025.

## **Background and Discussion**

In its Order, Docket No. 08-035-78,<sup>1</sup> the Commission directed RMP to annually update the avoided cost pricing in Schedule No. 37 and establish the value or credit for net excess generation of large commercial customers taking service under Schedule No. 135, Net Metering Service. In its Order, Docket No. 12-035-T10,<sup>2</sup> the Commission directed RMP to file future annual filings within 30 days of filing its Integrated Resource Plan (IRP), or by April 30<sup>th</sup> of each year, whichever comes first. Last year, RMP requested an extension to allow it time to integrate the Schedule No. 37 calculations from the Generation and Regulation Initiative Decision Tool (GRID) to the new PLEXOS tool.<sup>3</sup> This year's report relies exclusively on the PLEXOS model.

In compliance with the Commission's Order in Docket Nos. 17-035-T07 and 17-035-37, RMP provides the avoided costs rates for Schedule No. 37 reflecting the Proxy/PDDRR methodology applicable under Schedule No. 38 and with only signed QFs included in the QF queue.<sup>4</sup>

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<sup>1</sup> *Report and Order Directing Tariff Modifications*, Docket No. 08-035-78, February 12, 2009, <https://pscdocs.utah.gov/electric/08docs/0803578/0803578ROdtm.pdf>.

<sup>2</sup> *Clarification and Procedural Order*, Docket No. 12-035-T10, November 28, 2012, <https://pscdocs.utah.gov/electric/12docs/12035T10/23944112035T10capo.pdf>.

<sup>3</sup> *Correspondence from Gary L. Widerburg Granting Extension of Time*, Docket No. 24-035-T04, April 30, 2024, <https://pscdocs.utah.gov/electric/24docs/24035T04/333583CorresWiderburgGrntngExtnsnofTm4-30-2024.pdf>.

<sup>4</sup> *Order*, Docket Nos. 17-035-T07 and 17-035-37, January 23, 2018, at 33, <https://pscdocs.utah.gov/electric/17docs/17035T07/29931117035T07and1703537o1-23-2018.pdf>.

The Division is tasked, through the Commission's Orders, to investigate price changes and determine if RMP followed the Commission's Orders in method and the reasonableness of any price changes.

Changes in micro- and macro-economic conditions continue to impact RMP's avoided cost pricing. Forecasting electricity market prices along with wind and solar integration costs, capacity contributions, and resource costs all continue to add variability to the Official Forward Price Curve (OFPC). In addition to these market conditions, RMP replaced its GRID model with the PLEXOS model for its avoided cost pricing calculations in 2024, which aimed to improve price modeling with more granular inputs.<sup>5</sup> In addition, RMP uses assumptions from its 2025 IRP and Utah specific 2025 IRP to inform the PLEXOS model for this filing compared to 2024.<sup>6</sup> The Division notes that the avoided cost calculation is highly-dependent upon the current IRP filings, resulting in model assumptions that are not always vetted at the time of filing for avoided cost updates.

The Division maintains the position, with the few corrections reported by RMP to the PLEXOS model since its initial filing,<sup>7</sup> that RMP is following the Commission's Orders in Docket Nos. 08-035-78 and 12-035-T10 in the determination of Schedule No. 37 avoided cost pricing.

RMP claims that its revised tariff sheets do not constitute a violation of state law or Commission rule under Utah Administrative Code R746-405-2(D)(3)(g).

## Conclusion

The Division concludes that RMP's filing complies with the Commission's Orders and approved avoided cost methodology, and finds the proposed revisions to be just and

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<sup>5</sup> *Rocky Mountain Power's Quarterly Filing – 2023.Q4 Avoided Cost Input Changes*, Docket 23-035-28, March 26, 2024, at 1, <https://pscdocs.utah.gov/electric/23docs/2303528/333030RMP2023Q4AvdCstlnptChngs3-26-2024.pdf>.

<sup>6</sup> Docket No. 25-035-T03, *supra* note 5, Appendix 2, at 3 of 6.

<sup>7</sup> See RMP's *Technical Conference Presentation*, Docket No. 24-035-T03, June 18, 2025, Slides 5-9, "Following the filing of the 2025 IRP, PacifiCorp identified an error in the escalation rates applied to solar, wind, and storage resources: escalation rates for proxy resources started in 2025 but should have been applied from the earliest commercial operations year," <https://pscdocs.utah.gov/electric/25docs/25035T03/340262RMPPrsntnJun182025VrtlTchnclCnfrnc6-18-2025.pdf>.

reasonable, and in the public interest. Therefore, the Division recommends that the Commission approve RMP's filing with an effective date of June 15, 2025.

cc: Jana Saba, RMP  
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Michele Beck, OCS  
Alyson Anderson, OCS