

SPENCER J. COX  
Governor  
DEIDRE M. HENDERSON  
Lieutenant Governor



MARGARET W. BUSSE  
Executive Director

CHRIS PARKER  
Division Director

**Redacted**

## Action Request Response

**To:** Public Service Commission of Utah

**From:** Utah Division of Public Utilities

Chris Parker, Director

Brenda Salter, Assistant Director

Abdinasir Abdulle, Utility Technical Consultant Supervisor

David Fields, Utility Analyst

**Date:** April 20, 2026

**Re:** **Docket No. 26-035-17**, Rocky Mountain Power's 2025 Annual Report of the Blue Sky Program

## Recommendation (Acknowledge with Recommendation)

The Division of Public Utilities (Division) recommends the Public Service Commission of Utah (Commission) acknowledge with recommendation Rocky Mountain Power's (RMP or Company) 2025 Annual Report of the Blue Sky Program (Report) filed on March 30, 2026. The 2025 Annual Report shows a January 2025 Utah program beginning liability account balance of \$6,560,165, a December 2025 ending balance of \$7,669,486, and an available uncommitted funds balance of \$5,066,226 with \$2,051,110 of project commitments. The Division has concerns about the continued increase in the uncommitted funds balance. Therefore, the Division recommends that the Commission require RMP to detail its plans for deployment of uncommitted funds.

## Issue

On March 30, 2026, Rocky Mountain Power filed its Annual Report of the Blue Sky Program with the Commission covering the calendar year 2025. That same day, on March 30, 2026, the Commission issued an Action Request asking the Division to review the Report for compliance and make recommendations by April 29, 2026.



Redacted

## 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 31<sup>st</sup> of each year. Since this Order, additional filing requirements have been incorporated into the annual report.<sup>1</sup> The Division reviewed the content and format of the 2025 Blue Sky Annual Report, considering the Commission Orders, and found the report meets the filing requirements.

## Discussion

The Blue Sky Annual Report shows 5,463,142 of Total Company Block sales for 2025 with 2,403,624 blocks attributable to Utah. Block sales for Utah increased 2.79 percent from 2024 to 2025. RMP's Net RECs needed for 2025 block sales was 546,322. The average REC price in the 2025 filing is [REDACTED], with a weighted REC price of [REDACTED], representing a decrease from the previous 2024 price of [REDACTED].<sup>2</sup>

The Company's report indicates 437,632 RECs were purchased for 2025 block sales. An additional 108,690 RECs are pending purchase to cover the balance. In accordance with

---

<sup>1</sup> 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.

<sup>2</sup> Docket No. 26-035-17, supra note 2, and CONFIDENTIAL RMP Exhibit B – Blue Sky Block and Bulk - Rec Purchases

**Redacted**

the Company's tariff Schedule Nos. 70 and 72, the Company must purchase renewable energy within two years of a customer's block purchase.<sup>3</sup> REC purchases are usually certified annually in the late summer by Green-e for the prior year. The 2025 Green-e Audit was initiated in March 2026. RMP notes that Program invoice details will be submitted to the Center of Resource Solutions (CRS) for the 2025 audit cycle when all 2025 RECs have been received.

The 2025 Annual Report shows a January 2025 Utah program beginning liability account balance of \$6,560,165 with a December 2025 ending balance of \$7,669,486. This is composed of \$3,193,259 in Net Revenue, \$315,849 in Interest Revenue, \$343,146 in program expenses, \$1,856,642 paid for 2024 REC Invoices, and \$200,000 in Completed Project Award Distributions. From December 2025 ending liability balance, RMP reports \$2,051,110 of Total Project Commitments (\$2,026,110 in open commitments and \$25,000 in new 2025 commitments) , and \$552,150 of estimated RECs to be paid. The Utah 2024-25 year-over-year change in program revenues grew by 1.17 percent. Notably, 2025 expenses declined significantly at both the Company and Utah levels, improving overall program cost efficiency.

There is a total of \$2,301,644 in existing Utah Project Commitments awarded since September 2022. Of this total, \$2,026,110 are considered open or in progress. The available uncommitted funds balance is \$5,066,226, with new 2025 commitments totaling \$25,000

Per Michael Snow, regulatory affairs manager for the Company, the accumulation of Blue Sky's uncommitted funds was primarily due to internal attrition: the original program manager for both Blue Sky and Subscriber Solar were frequently on medical leave over the past few years, which made it difficult to solicit projects. This resulted in the fund balance growing. PacifiCorp has since placed a new program manager in charge of both programs

---

<sup>3</sup> 2025 Annual Report of the Blue Sky Program, RMP Exhibit A – 2025 Blue Sky Block and Bulk Program - Summary Report, Docket No. 26-035-17, March 30, 2026

**Redacted**

and expects the fund balance to improve in 2027 since the high balance was a result of organizational issues rather than a lack of customer interest.

The prospect of a better year in 2027 is tied to two key factors: successfully building a new project pipeline and the outcome of the implementor's contract renewal. The current contract for the Blue Sky implementor expires at the end of 2026. A formal RFP for implementation starting in 2027 was recently launched. PacifiCorp's preference is to finalize this new contract and assess the resulting contract pricing, as well as the speed of project pipeline development, before considering an adjustment to the Blue Sky Block rate. If REC prices remain stable and the project pipeline is insufficient relative to the available funds, a rate adjustment may be considered after the new 2027 contract is established.

The plan for building the project pipeline leading into 2027 focuses on outreach and application redesign. The application process has been updated from allowing submissions only at specific times of the year to an open-call model for continuous applications. A new mandatory step requires applicants to meet directly with the program manager to review project concepts and eligibility before submitting, which is intended to reduce application rejections. PacifiCorp's outreach strategy is to utilize Regional Business Manager (RBM) community relationships to identify and qualify potential project candidates throughout Q2 and Q3 of 2026. This collaboration is expected to lead to formal project applications being received in Q4 2026 and Q1 2027, with a current anticipation of 3–4 successful project applications resulting from these efforts.

In summary, the 2025 Annual Report shows the Blue Sky Program's core financial strength, supported by growth in Utah block sales and lower REC pricing, albeit with administrative shifts that have led to a buildup of uncommitted funds. New leadership is now focused on revitalizing the project pipeline via outreach and an improved open-call application process. Future action involves securing a new implementor contract and assessing its cost and speed before considering any block rate adjustment, prioritizing programmatic health and efficient fund use.

**Redacted**

## **Conclusion**

The Division has reviewed RMP's 2025 Annual Report of the Blue Sky Program and concludes that the report is compliant with Commission Orders and adheres to the Commission's established reporting requirements. Nevertheless, the Division recommends that RMP be required to submit a plan detailing its proposal to decrease uncommitted funds. This plan should detail specific project targets and provide a definitive timeline for the utilization of the uncommitted balance, which currently stands at \$5,066,226. Should RMP fail to commit a substantial portion of these funds by the subsequent annual reporting cycle, the Commission ought to consider initiating a formal docket to either decrease the block price or increase the block size. This action is necessary to protect ratepayers from continued over-collection. Accordingly, the Division recommends that the Commission acknowledge RMP's 2025 Annual Report of the Blue Sky Program, subject to the aforementioned recommendation.

cc: Max Backlund, RMP  
Michael Snow, RMP  
Michele Beck, OCS