

May 18, 2026

***VIA ELECTRONIC FILING***

Public Service Commission of Utah  
Heber M. Wells Building, 4<sup>th</sup> Floor  
160 East 300 South  
Salt Lake City, UT 84114

Attention: Gary Widerburg  
Commission Secretary

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

On April 1, 2026, the Public Service Commission of Utah ("Commission") issued a Notice of Filing and Comment period in the above referenced matter, allowing parties to file comments on Rocky Mountain Power's (the "Company") 2025 Annual Blue Sky Report ("2025 Report") by May 1, 2026, and reply comments by May 18, 2026. The Division of Public Utilities ("Division") filed comments April 20, 2026. The Company submits these reply comments in response to the Division's comments.

**DISCUSSION**

The Division recommended the Commission acknowledge the Company's 2025 Report as compliant with Commission orders. The Division also recommended the Company submit a plan detailing its proposal to decrease uncommitted funds.

To address the Division's recommendation for a plan, attached hereto as Exhibit A is a strategic plan that identifies challenges, solutions, metrics, timelines, and other details that support building a pipeline of projects in Utah for the Blue Sky program in an effort to decrease uncommitted funds by mid-2027.

The Division also noted in their comments that the 2025 Green-e Audit was initiated in March 2026. However, pursuant to the Advice Letter filed September 19, 2024 in Docket No. 24-035-T08 ("Advice Letter"), language related to Green-e certification was removed from Schedules 70 and 72. The Advice Letter was approved in the Commission's Order issued October 17, 2024, effective November 1, 2024. As a result of Green-e certification language being removed from Schedules 70 and 72, there is no Green-e audit being conducted for the 2025 reporting year. However, as stated in the Advice Letter, the Company will continue to meet many of the hallmark best practices that were part of Green-e certification.

Public Service Commission of Utah

May 18, 2026

Page 2

## CONCLUSION

Based on the comments submitted by the Division, the Company respectfully requests the Commission acknowledge the 2025 Report as complying with Commission orders.

Sincerely,

A handwritten signature in blue ink that reads "Michael S. Snow". The signature is fluid and cursive, with the first name being the most prominent.

Michael S. Snow  
Manager, Regulatory Affairs

Enclosure

## EXHIBIT A

# Strategic Plan for Blue Sky Project Pipeline

## Utah Blue Sky 2026-2027

### Summary

The Blue Sky program currently has excess available funds relative to the number of qualified renewable project applications being submitted. While customer participation in Blue Sky block purchases remains stable, the pace of funded project development has not kept up with available balances. Without intervention, this imbalance may persist into 2027, limiting the program's ability to deliver tangible renewable energy outcomes and community benefits.

This project plan aims to address the funding–application imbalance through a dual strategy:

- Build and mature a stronger project pipeline to support increased solar and battery storage deployments beginning in late 2026 and continuing into 2027.
- Investigate the practicality of expanding the scope of Blue Sky grants in accordance with Qualifying Initiative 2 under Schedules 70 and 72.

### **The Challenge: Narrow Tariff Scope**

One of the primary challenges confronting organizations is the limited scope of the current tariff. This narrow scope restricts eligible projects for funding, making it more difficult to allocate grants effectively and address wider community needs. As a result, innovation and expansion opportunities may be constrained, hindering broader adoption of renewable energy solutions.

### **The Challenge: Increasing Expenses, Maintenance, and Operational Expenses**

In addition to tariff limitations, organizations are experiencing rising operational costs. Also, costs associated with the installation and upkeep of solar and battery systems create budget barriers. These escalating expenses can strain budgets and resources, potentially impacting the number of organizations with the financial resources to invest in renewable energy. Nonprofit organizations, in particular, are facing unprecedented donor instability and increased competition. While solar and battery projects speak to sustainability goals, operational stability is often a priority.

## The Solution

### *Pipeline Development*

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/block 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 addition, the Rocky Mountain Power Foundation receives applications for projects that align with Blue Sky grant objectives. By implementing a coordinated communication process and integrating this information into the RBM project pipeline, we can proactively identify nonprofit organizations that are progressing toward solar and battery storage installations.

### *Key Metrics*

- **Pipeline volume:**
  - 60-150 unqualified leads identified by RBMs and Foundation intake
  - 10-20 customer qualifications
  - 3-4 Grant Awards
- **Cycle time:** average days from concept meeting to award decision (goal: reduce rework and rejections).
- **R&D performance:** number of R&D proposals received/awarded and milestone completion rate for funded projects.

## ***Risk and Mitigation Strategies***

| <b>Risk</b>  | <b>Mitigation</b>  |
|--|--|
| Pipeline does not mature fast enough to commit available funds.                                    | RBM outreach sprint (Q2–Q3 2026), Foundation intake coordination, and open-call applications with mandatory concept review to reduce rejections. |
| 2027 implementor contracting or pricing uncertainty delays awards or reduces purchasing power.     | Finalize potential project plans early, ahead of annual budget cycles and grant awards ahead of the new fiscal cycle.                            |
| Applicants lack capacity to develop viable solar + storage projects (time, expertise, cost share). | Stage-gate the application (concept → full application) to reduce burden.  |

## ***Work Breakdown Structure***

### **Pipeline Development (Solar + Battery Storage Deployments)**

- Outreach & lead generation (RBM network; Foundation intake)
- Pre-application concept reviews (mandatory meeting; eligibility screening)
- Application support & process improvements (open-call guidance, templates)
- Evaluation & award recommendations (scoring, shortlisting, commitments)
- Implementation oversight (onboarding, milestones, reporting, closeout)

## ***RACI (Roles & Responsibilities)***

*Legend:* Responsible (does the work), Accountable (final owner/decision), Consulted (inputs), Informed (kept up to date).

### **Pipeline Development**

| <b>Task</b>                      | <b>Responsible</b> | <b>Accountable</b> | <b>Consult</b>    | <b>Inform</b> |
|----------------------------------|--------------------|--------------------|-------------------|---------------|
| Outreach and Lead Generation     | PM, RBM            | PM                 | Foundation<br>RBM |               |
| Pre-application concept review   | PM                 | PM                 | RBM               | Customer      |
| Application Process              | Customer           | PM                 | RBM               | RBM           |
| Application Evaluation and Award | PM                 | PM                 |                   | RBM, Customer |
| Implementation oversight         | PM                 | PM                 | RBM               | RBM           |

## ***2026–2027 Quarter-by-Quarter Timeline (High Level)***

- **2026 Q2**
  - **Pipeline Development (Solar + Storage Deployments):**
    - Launch RBM outreach sprint
    - Identify candidate nonprofits/communities
    - Kick off Foundation coordination intake
- **2026 Q3**
  - **Pipeline Development (Solar + Storage Deployments):**
    - Continue outreach + qualification
    - Evaluation
    - Mandatory pre-application meetings with program manager
- **2026 Q4**
  - **Pipeline Development (Solar + Storage Deployments):**
    - Receive first wave of formal applications
    - Eligibility screening + scoring
    - Funding decisions
- **2027 Q1**
  - **Pipeline Development (Solar + Storage Deployments):**
    - Receive additional applications
    - Award/commit funds to ~3–4 projects (target)
    - Begin implementation onboarding
- **2027 Q2**
  - **Pipeline Development (Solar + Storage Deployments):**
    - Evaluation

**CERTIFICATE OF SERVICE**

Docket No. 26-035-17

I hereby certify that on May 18, 2026, a true and correct copy of the foregoing was served by electronic mail to the following:

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