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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
Casey J. Coleman, Utility Technical Consultant

Date: May 18, 2026

Re: **Docket No. 26-035-T06**, Rocky Mountain Power's Proposed Tariff Revisions to Electric Service Schedule No. 37, Avoided Cost Purchases from Qualifying Facilities

Recommendation (Suspend)

The Division of Public Utilities (Division) reviewed Rocky Mountain Power's (RMP) proposed revisions to Schedule No. 37 for qualifying facilities filed with the Public Service Commission of Utah (Commission). The filing follows the Commission Orders in Docket Nos. 08-035-78 and 12-035-T10. Based on the Commission's Order in Docket No. 25-035-T03 dated November 28, 2025, the Division recommends suspending the tariff change at this time.

Issue

On April 30, 2026, 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, 2026. On the same day, the Commission asked the Division to investigate RMP's filing and report back by May 14, 2026.



Background and Discussion

In its Order, Docket No. 08-035-78,¹ 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-T10,² the Commission directed RMP to file future annual filings within 30 days of filing its Integrated Resource Plan (IRP), or by April 30th of each year, whichever comes first.

In compliance with the Commission's Order in Docket Nos. 17-035-T07 and 17-035-37, RMP provides the avoided cost rates for Schedule No. 37 reflecting the Proxy/PDDRR methodology applicable under Schedule No. 38 and with only the signed QFs included in the QF queue.³

On April 29, 2025, (Docket No. 25-035-T03), the Commission issued a 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 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. On November 28, 2025, the Commission issued an order that "decline[d] to approve RMP's proposed Schedule 37 Tariff Revisions."⁴ The Commission directed RMP to "refile proposed updates to Schedule 37 avoided cost pricing within 60 days after the PSC has issued its order concerning whether to acknowledge *PacifiCorp's 2025 Integrated Resource Plan*, (RMP 2025 IRP)."⁵

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

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

³ *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>.

⁴ *Order*, Docket No. 25-035-T03, November 28, 2025, at 10. <https://pscdocs.utah.gov/electric/25docs/25035T03/34287525035T03odtas37tr11-28-2025.pdf>

⁵ *Ibid* at 10.

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 price changes. Per the Commission's Order in Docket No. 25-035-T03, the timeline for RMP filing changes to Schedule 37 should occur 60 days after the Commission issues an order in the RMP 2025 IRP. Consequently, RMP's proposed tariff changes appear premature since the Commission is still reviewing RMP's 2025 IRP.

Generally, 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.⁶ In addition, RMP uses assumptions from its 2025 IRP and Utah specific 2025 IRP to inform the PLEXOS model for this filing. 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 its position, 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, however the Division recommends suspending the proposed tariff revisions until after the Commission's Order in the 2025 IRP.

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

⁶ *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/2303528/333030RMP2023Q4AvdCstInptChngs3-26-2024.pdf>.

Alyson Anderson, OCS