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: July 16, 2026

Re: **Docket No. 26-066-04,** Dixie Power's Renewable Energy Final Progress Report through December 2025.

Recommendation (Acknowledge)

The Division of Public Utilities ("Division") has reviewed Dixie Power's ("Dixie" or "Cooperative") Renewable Energy Final Progress Report ("Final Progress Report") through December 2025 and recommends that the Public Service Commission of Utah ("Commission") acknowledge the Final Progress Report, as it appears to comply with the Utah Energy Resource Procurement Act, Title 54, Chapter 17, Section 604. As a cooperative association, Dixie filed its Final Progress Report with its Board of Directors prior to July 1, 2026, as required by Section 54-17-604(5), and represents that the 20 percent Renewable Portfolio Goal for 2025 was not cost effective to achieve. The Division recommends the Commission acknowledge that no further reporting under the Renewable Portfolio Goal provisions of the Act is required.

Issue

Prior to July 1, 2026, Dixie Power, a cooperative association, filed its Renewable Energy Final Progress Report through December 2025 with its Board of Directors in compliance with the Utah Energy Resource Procurement Act, Title 54, Chapter 17, Section 604(5). The Final Progress Report was presented to Dixie's Board of Directors at the June 2026 Board

Meeting and is documented in the Board minutes dated June 3, 2026. Under Section 54-17-604(12), the plan and progress reports filed by a cooperative association are made publicly available at the cooperative association's office. The Final Progress Report is the concluding report in the reporting cycle established under Title 54, Chapter 17, Part 6, and addresses actual results through the end of December 2025. In the Final Progress Report, Dixie represents that it did not achieve Utah's 20 percent Renewable Portfolio Goal for 2025 because the required purchases of qualifying electricity were not cost effective, consistent with the statutory "to the extent that it is cost effective to do so" standard, and that it was not required to substitute qualifying electricity for the resource committed under its existing all-requirements power purchase contract. This memo is in response to the Division's review of the Final Progress Report.

Discussion

Utah Code Ann. § 54-17, Part 6 establishes the Renewable Portfolio Goal ("RPG"), a voluntary, cost-effective target for privately owned electrical corporations and cooperative associations to derive 20 percent of their adjusted retail electric sales from renewable energy sources by 2025, but only to the extent that it is cost effective to do so. Under Section 54-17-604(5), by July 1, 2026, each electrical corporation must file a final progress report demonstrating either how Subsection 54-17-602(1) is satisfied for the year 2025, or the reason why it is not satisfied for the year 2025. The reporting entity reports the actual and projected amount of qualifying electricity through 2025 and the source of that qualifying electricity, provides cost or cost-effectiveness information, and describes conditions impacting renewable energy and qualifying electricity markets.

Included in the Final Progress Report is Dixie's summary of the actual amount and source of qualifying electricity through 2025. Dixie reports 2025 retail sales of 769,178,520 kWh, against which the RPG sets a target of 20 percent from qualifying renewable resources. Dixie reports total renewable energy of 65,262,251 kWh for 2025, approximately 8 percent of retail sales and below the 20 percent target.

The composition of Dixie's 2025 qualifying electricity by source is summarized below.

Source	2025 kWh	Comment
WAPA (hydro)	54,488,075	WREGIS-attested hydropower deliveries (net WAPA)
Quail Creek (hydro)	8,748,766	Hydro deliveries justified by water development serving Bloomington and Bloomington Hills
Greenway (biomass)	0	Third-party biomass project; program ended in 2020
SunSmart (solar)	305,827	Optional member solar program
Dixie Solar	299,118	Optional member solar program
Net Metering (solar)	1,420,465	Excess energy from customer-owned generation installations
Other RE (solar)	0	Market purchase to reach 20% target; never economically viable
Total Renewable Energy	**65,262,251**	Approximately 8% of 2025 retail sales; below the 20% target

Dixie's 2025 renewable energy was supplied by its WAPA hydropower deliveries and by optional, member-subscribed programs, including the Quail Creek hydro plant, SunSmart, Dixie Solar, and net metering at customer-owned generation installations. The Quail Creek purchases, although priced above market at the time, were justified by the associated water development serving Bloomington and Bloomington Hills. The "Other RE" category represents the additional renewable energy Dixie would have had to purchase on the open market to reach the 20 percent target; it is shown as zero because market prices for qualifying electricity exceeded Dixie's existing wholesale energy costs, and the Utah Code requires such purchases only "to the extent that it is cost effective to do so."

Dixie identifies conditions that impacted the cost-effectiveness of renewable energy sources and the qualifying electricity markets generally. As shown in the report's cost data, renewable energy carried a premium of more than 150 percent over Dixie's existing resource at Deseret Power, and "Other RE" would have carried roughly a 200 percent premium, assuming Dixie could have purchased solar energy at the Market-Averaged Continental Index price. Given that premium, Dixie was not required to make purchases of qualifying electricity toward the 20 percent target. In addition, under Section 54-17-602(3)(a), the RPG does not require an electrical corporation to substitute qualifying electricity for electricity from a generation source that is owned or contractually committed, or from a contractual commitment for a power purchase. Dixie is committed, through an all-requirements contract, to purchase all of its electricity from its generation and transmission provider, Deseret Power, through 2075, and Deseret Power has had excess capacity at least through 2025. Accordingly, Dixie was not seeking additional resources from the market during the reporting period.

With respect to recommended legislative or program changes, Dixie recommends that the 20 percent Renewable Portfolio Goal be eliminated from the code after 2025, given the realities of the electricity market from the program's inception to date. The Division has reviewed Dixie's methodologies and the qualifying resources listed in the Final Progress Report, including the treatment of WAPA hydropower deliveries certified through the Western Renewable Energy Generation Information System and the optional member programs, and finds that the Final Progress Report appears to comply with the reporting requirements of the Act.

Conclusion

The Division has reviewed Dixie Power's Renewable Energy Final Progress Report through December 2025 and finds that it appears to comply with the Utah Energy Resource Procurement Act, Title 54, Chapter 17, Section 604. The Final Progress Report demonstrates that Dixie derived approximately 8 percent of its 2025 retail sales from renewable energy, below the 20 percent Renewable Portfolio Goal, and explains that the additional qualifying electricity needed to reach the target was not cost effective to purchase and was not required given Dixie's existing all-requirements contract with Deseret Power. Consistent with the statutory "to the extent that it is cost effective to do so" standard and Section 54-17-602(3)(a), the Division recommends the Commission acknowledge the Final Progress Report and confirm that no further reporting under the Renewable Portfolio Goal provisions of the Act is required.

cc: Colin Jack, Dixie Power
Michele Beck, Office of Consumer Services