



SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor

State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: The Public Service Commission of Utah

From: The Office of Consumer Services

Michele Beck, Director
Béla Vastag, Utility Analyst

Date: June 30, 2023

Subject: Docket 19-057-33

Application of Dominion Energy Utah for Approval of a Natural Gas Clean Air Project and Funding for the Intermountain Industrial Assessment Center

BACKGROUND

The Utah Sustainable Transportation and Energy Plan (STEP) Act was enacted in 2016 and amended in 2019 to include large natural gas utilities (Utah Code Section 54-20). As authorized by the amended STEP Act, Dominion Energy Utah (DEU) began its 5-year STEP pilot program on July 1, 2019. DEU's pilot program is set to end on June 30, 2024.

During the final year of a STEP pilot program, the STEP ACT requires the Utah Public Service Commission (PSC) to submit to the Utah Legislature a report and recommendation as to whether the Legislature should:

1. Extend the plan or a portion of the plan as a ratepayer funded program;
2. Implement the plan or a portion of the plan as a state funded program; or
3. Discontinue the plan or a portion of the plan.

On April 5, 2023, the PSC issued a Request for Comments asking for interested parties to comment on what actions to recommend when DEU's STEP pilot program ends on June 30, 2024. The PSC set a deadline of June 30, 2023 for initial comments and August 14, 2023 for reply comments. Pursuant to the PSC's Request, the Utah Office

of Consumer Services (OCS) submits these initial comments on whether DEU's STEP pilot program should be extended or discontinued.

OFFICE OF CONSUMER SERVICES RECOMMENDS DEU'S STEP PROGRAM BE DISCONTINUED

DEU has implemented only one project under its STEP program, a project that is managed by the University of Utah's Intermountain Industrial Assessment Center (IIAC) that started on March 1, 2021 as a 2-year pilot, with a termination date of February 28, 2023. On February 6, 2023, in Docket No. 22-057-24, the PSC approved a settlement stipulation signed by the parties on December 21, 2022 that provided additional funding and an extension of the IIAC project for an additional year, extending its termination date to February 28, 2024.

The December 2022 stipulation also provided an agreement on the future of DEU's STEP pilot program:

8. The Parties agree that, for purposes of settlement, at the completion of the one-year extension, the Company will not seek Commission approval for any additional funding for the IIAC assessment program.

9. The Parties agree that the Company will not make any additional funding requests under Utah Code § 54-20-105(3)(a)(vii) through the sunset of the STEP legislation on July 1, 2024.

The fact that DEU has not identified any additional STEP projects that are in the public interest and will not seek any additional STEP funding indicates that there is no need to implement any portion of the plan as an ongoing ratepayer or state-funded program. Thus, the OCS recommends that the PSC report to the Legislature that it should discontinue DEU's Sustainable Transportation and Energy Plan.

cc:

Jenniffer Nelson Clark, Dominion Energy Utah
Chris Parker, Division of Public Utilities
Email Service List