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DEPARTMENT OF COMMERCE
Office of Consumer Services

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Director

To: The Public Service Commission of Utah

From: The Office of Consumer Services

Michele Beck, Director
Béla Vastag, Utility Analyst

Date: August 4, 2023

Subject: Docket 19-057-T04

**Dominion Energy Utah's GreenTherm Annual Report for the Year
Ending December 31, 2022**

INTRODUCTION

On June 30, 2023, Dominion Energy Utah ("DEU") filed with the Utah Public Service Commission ("PSC") its 2022 GreenTherm Annual Report. The Report provides information on DEU's voluntary renewable natural gas ("RNG") program, which DEU has trademarked as the "GreenThermSM" program. On July 5, 2023, the PSC issued a Notice of Filing and Comment Period that set a deadline of August 4, 2023 for parties to file initial comments and August 21, 2023 for reply comments on DEU's 2022 GreenTherm Report. Pursuant to the PSC's Notice, the Utah Office of Consumer Services ("OCS") submits these initial comments on DEU's Report.

OFFICE OF CONSUMER SERVICES COMMENTS

Reporting Requirements

The GreenTherm voluntary RNG program was authorized by the PSC in its July 30, 2019 Order which approved a July 9, 2019 settlement stipulation involving DEU, the OCS, the Utah Division of Public Utilities ("DPU") and the Utah Association of Energy Users ("UAE"). Paragraph 13 of the stipulation states that DEU will file an annual report

with the PSC on the GreenTherm program and that the report will include details on the following five items:

1. The number of participating customers,
2. The amount of RNG purchased,
3. The number of RNG blocks sold,
4. The total customer contributions, and
5. Program expenses.

In addition to the program details listed above, the stipulation also stated that DEU would include in the annual report the following information:

- A showing that actual administrative costs were equal to or less than 30% of total actual costs¹
- An update on the status of the creation and adoption of an RNG green attribute verification standard²

OCS Review

The OCS has reviewed DEU's 2022 GreenTherm Report and found that DEU has included all the stipulated information listed above. The OCS also reviewed DEU's April 18, 2023 confidential internal audit report which was not filed with the 2022 Annual Report but provided separately to the OCS and the DPU. DEU's April 2023 audit of the GreenTherm program, an annual requirement included in the July 2019 GreenTherm stipulation,³ found no issues with the purchase, production or retirement of the RNG green attributes utilized in the program for 2022. The internal audit report is intended to be a substitute for a national verification standard for tracking RNG green attributes. Such a standard did not exist when the GreenTherm Program began in 2019.

In the 2022 GreenTherm Report, DEU states that it has been following the development of a national standard for RNG green attributes and that it is now ready to utilize the Midwest Renewable Energy Tracking System or M-RETS for verification and tracking of the RNG green attributes beginning with program year 2023. DEU held a meeting on June 5, 2023 with the OCS and the DPU to discuss M-RETS – how it works, how DEU will use it and its associated additional costs to the GreenTherm program. Based on the information received at this briefing, the OCS believes that M-RETS is a reasonable choice for the needed RNG green attribute verification standard.

The OCS notes that DEU made a large purchase of 300,000 blocks of RNG green attributes in April 2022 such that the program ended 2022 with a block balance of

¹ July 9, 2019 Settlement Stipulation, Paragraph 7, subsection c.

² Id., Paragraph 14.

³ Id., Paragraph 10.

255,583 and a negative account balance of (\$838,972).⁴ This block purchase appears large when compared to the actual blocks sold to customers in 2021 and 2022 of 38,297 and 65,568, respectively. Due to the large unsold block balance, the program incurred interest expense (or a carrying charge) of \$15,906 in 2022. The OCS requests that DEU explain the large 300,000 block purchase and whether it was advantageous for the program to acquire the blocks at that time when doing so would incur approximately \$16,000 in carrying charges in 2022 (and most likely additional large carrying charges in 2023 and 2024).

RECOMMENDATION

The OCS finds that DEU's 2022 GreenTherm Annual Report meets all the requirements outlined in the 2019 Stipulation and recommends that the PSC approve the Report. The OCS also requests that DEU explain the April 2022 purchase of 300,000 blocks of RNG green attributes as discussed above.

cc:

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Email Service List

⁴ See page 2 of DEU's CY 2022 GreenTherm Report.