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Application of Dominion Energy Utah for a  
Subscription-Based Carbon Offset Program

DOCKET NO. 21-057-14

ORDER APPROVING SETTLEMENT  
STIPULATION

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ISSUED: October 20, 2021

SYNOPSIS

The Public Service Commission (PSC) approves a Settlement Stipulation that resolves the Application of Dominion Energy Utah for a Subscription-Based Carbon Offset Program.

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**1. PROCEDURAL HISTORY**

On June 30, 2021, pursuant to Utah Admin. Code R746-1-101 *et seq.* and R746-405-1 *et seq.*, Dominion Energy Utah (DEU) filed an application (“Application”) with the PSC requesting approval: (1) of a subscription-based carbon offset program (“Program”), (2) to change its Utah Natural Gas Tariff No. 500 (“Tariff”), (3) to record as a regulatory asset the costs incurred for the Program, and (4) to create Carbon Offset Account 191.5 through a deferred accounting order. DEU also submitted testimony and exhibits in support of the Application.

On July 9, 2021, the PSC issued its Scheduling Order, Notice of Technical Conference, and Notice of Hearing. On July 9, 2021, the Utah Association of Energy Users (UAE) filed a petition to Intervene, which was granted on August 2, 2021. The Division of Public Utilities (DPU) and the Office of Consumer Services (OCS) filed comments on August 13, 2021 and August 17, 2021, respectively. UAE did not file any comments.

On September 13, 2021, DEU, DPU, and OCS (the “Signatories”) jointly submitted a Settlement Stipulation resolving the issues raised in the docket (the “Stipulation”), and indicated that UAE authorized them to represent that it does not object to the Stipulation.

On September 28, 2021, the PSC held a virtual hearing during which DEU, DPU, and OCS provided testimony in support of the Stipulation.

## **2. BACKGROUND**

### **a. The Application**

According to the Application, the Program will provide DEU's customers an opportunity to buy monthly blocks of carbon offsets representing a defined amount of greenhouse gas emissions reductions offsetting customers' natural gas use for a monthly surcharge.<sup>1</sup> The Application states that the Program will be voluntary, and customers will have the option to join and leave the Program at any time throughout the year.<sup>2</sup> The Program is expected to be self-sustaining and DEU will separately account for all Program costs and revenues to ensure non-participating customers do not bear any of the Program costs.<sup>3</sup> The Application also states that DEU selected an accounting method that will ensure quality carbon offsets are purchased and retired, and that Program costs are covered.<sup>4</sup>

### **b. The Stipulation**

The Stipulation states that the PSC should approve the Application, including modifications to DEU's Tariff,<sup>5</sup> with certain additional requirements.<sup>6</sup>

First, DEU will treat Utah emission benefits as a preferential factor in selecting potential carbon offset projects.<sup>7</sup> DEU will also work with DPU and OCS to create clear, understandable

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<sup>1</sup> Application, at 1-2.

<sup>2</sup> *Id.* at 2.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> Exhibit A to the Stipulation contains proposed legislative and clean tariff formats.

<sup>6</sup> Stipulation, ¶ 8.

<sup>7</sup> *Id.*, ¶ 9.

and transparent marketing materials for customers explaining the differences between DEU's GreenTherm and the Program.<sup>8</sup> Next, DEU will maintain information about the Program, including the carbon-offset projects selected, on its website.<sup>9</sup> DEU will include in its monthly Financial Packet to the PSC, DPU, and OCS any financial activity related to the Program.<sup>10</sup> Finally, DEU will provide all Program participants with an annual report and will work with DPU and OCS to determine its content, and will file a separate annual report with the PSC showing Program costs, revenues, participation levels, and the number of carbon-offsets sold.<sup>11</sup> DEU will work with DPU and OCS to determine the content and form of this report. *Id.*

The Signatories state that the Stipulation is in the public interest and the results are just and reasonable.<sup>12</sup>

**c. Testimony at Hearing**

DEU testified that the Program, as modified in the Stipulation, will directly benefit participating customers while protecting existing customers from harm.<sup>13</sup> DPU testified it supports the Program because it could be a benefit to those who decide to participate. DPU further testified that “[w]ith it being a voluntary program, the ability to join or cancel at any time and all costs being self-contained, other [DEU] customers who choose not to participate will be held harmless.” *Id.*, at 16:17-21. OCS testified that DEU incorporated the OCS's proposed tariff changes into its tariff,<sup>14</sup> collaborated with DEU and DPU since the Program is new, and has no

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<sup>8</sup> Stipulation, ¶ 10.

<sup>9</sup> *Id.*, ¶ 11.

<sup>10</sup> *Id.*, ¶ 13.

<sup>11</sup> *Id.*, ¶ 14.

<sup>12</sup> Stipulation, ¶ 16.

<sup>13</sup> September 28, 2021 Hr'g Tr., 10:14-17.

<sup>14</sup> Hr'g. Tr., 20:8-11.

concerns regarding the implementation of the Program. *Id.*, at 20:12-17. OCS testified, therefore, that the Stipulation is just and reasonable in result and in the public interest.<sup>15</sup>

### **3. DISCUSSION, FINDINGS OF FACT, AND CONCLUSIONS OF LAW**

#### **a. Settlements**

As set forth in Utah Code Ann. § 54-7-1, settlements of matters before the PSC are encouraged at any stage of a proceeding. The PSC may adopt a settlement after considering the interests of the public and other affected persons, if the PSC finds it is in the public interest.

Having reviewed the Application, the written testimony, the testimony provided at hearing, and in the absence of any opposition to the Stipulation, the evidence supports our finding that the Stipulation is just and reasonable in result, and in the public interest.

### **4. ORDER**

Based on the findings of fact and conclusions of law we reference above, we approve the Stipulation, including without limitation, the Program, as modified therein, and the final proposed tariff.

DATED at Salt Lake City, Utah, October 20, 2021.

/s/ Yvonne R. Hogle  
Presiding Officer

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<sup>15</sup> Hr'g. Tr., 20:18-21.

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Approved and Confirmed October 20, 2021 as the Order of the Public Service  
Commission of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg  
PSC Secretary  
DW#320808

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this written order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 30 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on October 20, 2021, a true and correct copy of the foregoing was served upon the following as indicated below:

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