

March 27, 2024

VIA ELECTRONIC FILING

Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Gary Widerburg
Commission Administrator

RE: **Docket No. 24-999-11**
Investigation, Regarding Carbon Reduction Progress Report Outstanding
Issues

Docket No. 23-035-57
Rocky Mountain Power's Utah Carbon Reduction Progress Report
RMP's Comments in Advance of Technical Conference

In accordance with the Notice of Docket and Technical Conference issued by the Public Service Commission of Utah ("Commission") on March 8, 2024, in the above referenced matters ("Notice"), Rocky Mountain Power ("the Company") submits its comments in advance of the technical conference scheduled for April 9, 2024.

I. Background

Utah enacted the Emission Reduction Initiative, S.B. 202, in March 2008. The Emission Reduction Initiative requires periodic reports to the Commission that include: (a) the actual and projected amount of qualifying electricity through 2025; (b) the source of the qualifying electricity; (c) an analysis of cost-effectiveness of renewable energy sources; (d) a discussion of conditions impacting the renewable energy source and qualifying electricity markets; (e) any recommendation for a suggested legislative or program change; and (f) any other information requested by the Commission or considered relevant by the electrical corporation.¹ The Company filed its most recent progress report on December 29, 2023 ("2024 Report").²

In its 2024 Report, the Company raised the following outstanding issues that may require legislative or program changes in accordance with Utah Code § 54-17-604(3).

1. Tracking and Verification of Renewable Energy Credits of Certificates
 - a. The recognition or issuance of RECs that predate Western Renewable Energy Generation Information System (WREGIS) certification;

¹ Utah Code Ann. § 54-17-604(3).

² Rocky Mountain Power's Utah Carbon Reduction Progress Report, Docket No. 23-035-57 (Dec. 29, 2023).

- b. How credits will be applied towards the target for the 2.4 multiplier for the amount for photovoltaic and solar energy as contemplated in Utah Code Ann. § 54-17-603(6);
2. Clarification on whether the 20 percent target becomes an annual target in post-2025 under Utah Code Ann. § 54-17-602; and
3. Retirement of RECs for Utah Voluntary Renewable Energy Programs.

On February 7, 2024, the Company received a letter from the Commission acknowledging the Company's 2024 Report as meeting the reporting requirements under the Utah Energy Resource Procurement Act ("Act"), Title 54 Chapter 17 Section 604. The Commission also stated its intention to open a miscellaneous docket seeking stakeholder input to inform the additional guidance on the matters raised by the Company. The Commission also noted that a prior process had been initiated in 2017 regarding the use of WREGIS for management and tracking of RECs, which recognized PacifiCorp's use of WREGIS for managing RECs for its Renewable Energy Balancing Account.³

As indicated, the Commission initiated a proceeding through the Notice, for which the Commission requested stakeholder input on the following issues:

1. The recognition or issuance of Renewable Energy Credits (RECs) that predate Western Renewable Energy Generation Information System (WREGIS) certification;
2. How credit will be applied towards the target for the 2.4 multiplier for the amount for photovoltaic and solar energy as contemplated in Utah Code Ann. § 54-17-603(6);
3. Clarification on whether the 20 percent target becomes an annual target in post-2025 under Utah Code Ann. § 54-17-602; and
4. Whether additional action on the process for the issuance, monitoring, accounting, transfer, recognition, and use of a REC with respect to Utah Code Ann. § 54-17-601 to -607 ("Part 6") is necessary.

The Commission requested that the Company provide further explanation about the outstanding issues mentioned above, including how the other states within its service territory recognize RECs that predate WREGIS certification, at the beginning of the technical conference. The Notice also encouraged stakeholders to file proposals on the recognition of pre-WREGIS REC certification and preliminary positions as to items (2)-(4) by April 1, 2024.

At the Commission's request and to facilitate the discussion, the Company files these comments in advance of the technical conference to provide additional information and explanation on the issues.

³ Docket No. 17-999-06. In the Matter of the Public Service Commission's Process for Recognition or Issuance of Renewable Energy Certificates, Request for Comments, March 3, 2017 ("2017 REC Process").

II. Discussion of Issues

1. *the recognition or issuance of Renewable Energy Credits (RECs) that predate Western Renewable Energy Generation Information System (WREGIS) certification*

As reported in Exhibit A of the 2024 Report, the Company has an estimated 38,106,779 megawatt-hours (“MWh”) from 1995-2025 for actual and projected banked renewable electricity from qualifying resources, which includes 14,419,184 MWh with WREGIS certificates.⁴ The remaining MWh pertain to electricity that does not have a WREGIS certificate, either because it predates WREGIS or represents the 2.4 multiplier for photovoltaic and solar energy as contemplated in Utah Code Ann. § 54-17-603(6). The decision as to whether or not RECs that predate WREGIS can be used towards the 20% target could have a significant impact on the RECs remaining to be marketed to generate revenue from the sales of RECs. Therefore, the Company proposes that RECs that predate WREGIS are recognized for purposes of the 20% target.

In its Notice, the Commission expressed interest in how the other states within the Company’s service territory recognize RECs that predate WREGIS. The Company’s Idaho and Wyoming jurisdictions do not have a renewable portfolio standard (“RPS”) or a target or goal equivalent to Utah’s. The share of RECs that predate WREGIS for these states remain in the Company’s REC bank. The Company’s Oregon, Washington and California jurisdictions have RPS that require RECs to be WREGIS certified with one exception in Oregon which uses a multiplier as described below. Although RECs without WREGIS certificates cannot be used in states with RPS, the Company believes the Commission has the flexibility to use them in Utah because while the Emission Reduction Initiative contains some provisions similar to those found in RPS adopted by other states, certain other provisions in the statute indicate that this law is more accurately described as a renewable portfolio goal. Based on the plain language of the statute, the Emission Reduction Initiative is most appropriately characterized as setting a renewable energy target, not a mandate, because it does not require elimination of alternative, economically viable resources and does not impose penalties for failure to comply with the 20 percent target when certain conditions are met.⁵

2. *How credit will be applied towards the target for the 2.4 multiplier for the amount for photovoltaic and solar energy as contemplated in Utah Code Ann. § 54-17-603(6)*

As reported in Exhibit A of the 2024 Report, the Company has an estimated 4,772,574 megawatt-hours (“MWh”) from 2007-2025 for actual and projected banked renewable electricity

⁴ Figures reflect Utah’s allocation share.

⁵ See Summary of Utah Renewable Portfolio Goal, Database of State Incentives for Renewables & Efficiency (DSIRE), <https://programs.dsireusa.org/system/program/detail/2901/renewable-portfolio-goal> (last updated July 3, 2018) (“While this law contains some provisions similar to those found in renewable portfolio standards (RPSs) adopted by other states, certain other provisions in S.B. 202 indicate that this law is more accurately described as a renewable portfolio goal (RPG). Specifically, the law requires that utilities only need to pursue renewable energy to the extent that it is ‘cost-effective’ to do so.”)

from qualifying solar resources, prior to accounting for the 2.4 multiplier. The Company notes that its Oregon jurisdiction also has a multiplier for small solar systems for use in meeting the RPS.⁶ Although the multiplier does not have a WREGIS certificate, the Company includes the multiplier in its reporting for Oregon RPS reporting. The Company proposes that a similar methodology be used in Utah to apply the credit towards the target for the 2.4 multiplier.

3. *Clarification on whether the 20 percent target becomes an annual target in post-2025 under Utah Code Ann. § 54-17-602*

The Company requests clarification as to whether the 20 percent target in the Emission Reduction Initiative applies annually for 2025 and beyond, or just to calendar year 2025. Utah statute is seemingly inconsistent on this issue. Utah Code Ann. § 54-17-604 only requires that electrical corporations submit compliance progress reports and plans up until 2026,⁷ and, under that same section, the Commission may only recommend a penalty for failure to meet the 20 percent target for year 2025.⁸ But Utah Code Ann. § 54-17-602(1) indicates that the 20 percent target applies annually beginning in 2025 and every year thereafter. Specifically, Utah Code Ann. § 54-17-602(1) explicitly refers to “annual retail electric sales” “beginning in 2025.” Subsection (1)(c) further specifies that “*the annual target from one year to the next*” may not exceed the greater of: (i) 17,500 megawatt-hours (MWh); or (ii) 20 percent of the prior year’s amount under subsections (1)(a) and (b).⁹ Accordingly, a plain reading of the statute suggests that the 20 percent target is an annual requirement, but noncompliance is only reported and penalized for calendar year 2025.

At this time the Company does not take a position of advocacy either for or against whether the 20 percent target should apply annually for 2025 and beyond, or just to calendar year 2025. The Company is positioned to meet the 20 percent target with existing renewable resources beyond 2025.

4. *Whether additional action on the process for the issuance, monitoring, accounting, transfer, recognition and use of a REC with respect to Utah Code Ann. § 54-17-601 to -607 (“Part 6”) is necessary.*

The Company appreciates the Commission’s reference to the 2017 REC Process, which the Company inadvertently overlooked in its 2024 Report. The Company believes the 2017 REC Process along with the generally accepted practice of using WREGIS to track and account for RECs, is sufficient to establish the method to support claims of qualifying electricity.

⁶ Under ORS 757.375, photovoltaic systems with a capacity of 500 kW to 5 MW installed within Oregon before January 1, 2016, will be credited for two kilowatt-hours (kWh) for each kWh generated.

⁷ Utah Code Ann. § 54-17-604(2)(a), (5).

⁸ Utah Code Ann. § 54-17-604(8)(c) (“The commission shall provide an opportunity for public comment and take evidence before recommending any action to be taken with respect to an electrical corporation that does not satisfy Subsection 54-17-602(1) for 2025.”).

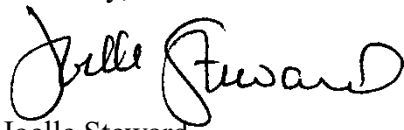
⁹ Utah Code Ann. § 54-17-602(1)(c) (emphasis added).

However the Company also requests the Commission take additional action in this docket to clarify if RECs that are retired for the Company's various voluntary renewable programs, such as Blue Sky, Subscriber Solar, and voluntary renewable tariffs such as Schedule 32 and 34, as well as the associated megawatt-hours can be taken as a reduction from and/or applied to the target.

III. Conclusion

The Company appreciates the Commission's actions with respect to these issues and looks forward to the discussions at the April 9, 2024, technical conference.

Sincerely,

A handwritten signature in black ink that reads "Joelle Steward". The signature is written in a cursive, flowing style.

Joelle Steward

Senior Vice President, Regulation and Customer/Community Solutions

Enclosures

CC: Division of Public Utilities
Office of Consumer Services

CERTIFICATE OF SERVICE

Docket No. 24-999-11/23-035-57

I hereby certify that on March 27, 2024, a true and correct copy of the foregoing was served by electronic mail to the following:

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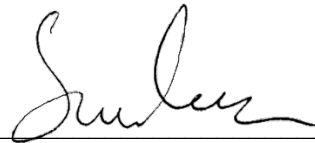
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