Rocky Mountain Power
Docket No. 25-035-06
Witness: Craig M. Eller

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Rebuttal Testimony of Craig M. Eller

November 2025

Q. Are you the same Craig M. Eller who previously provided direct testimony in this docket on behalf of PacifiCorp, d/b/a Rocky Mountain Power ("RMP" or the "Company")?

A. Yes.

I. PURPOSE AND STRUCTURE OF TESTIMONY

Q. What is the purpose of your testimony?

A. My testimony responds to direct testimonies provided by the Community Renewable Energy Agency ("Agency"), Division of Public Utilities ("DPU"), the Office of Consumer Services ("OCS"), and Sierra Club regarding the Utah Community Clean Energy Program ("Program"). Mr. Daniel J. MacNeil will provide further testimony to address resource valuation, and Mr. Kenneth Lee Elder will provide further testimony to address Program rates.

Q. How is your rebuttal testimony structured?

A. I respond to recommendations made through direct testimonies of the Agency in the following order of topics: Credits to Non-Participants from Participants, Program Rate Design, Administrative Reserve Fund, Cancelation Period, Form of Opt-Out Notices and Opt-Out Noticing Costs, Resource Reserve Fund, REC Retirement, Program Participation, Program Termination, Termination Fees, Annual Reporting Requirements and Other Program Design aspects. In instances where the DPU, the OCS, and Sierra Club, opine on these topics I incorporate their position, and the Company's response, within the outline described above.

II. SUMMARY OF AGENCY TESTIMONY AND RESPONSE

Q. Please summarize the Agency's position regarding the Utah Community Clean Energy Program that will be addressed in this testimony.

A. In its testimony, the Agency recommends the following items:

a) The Commission should expressly require that if Program benefits exceed Program costs, then Schedule No. 100 should reflect a net credit to Program participants;[1]

b) The initial Program rate should be set so that the incremental cost to the average residential customer should not exceed $3 to $4 per month at a fixed cost rate;[2]

c) Administrative reserve fund should be limited to one (1) year instead of the five (5) years proposed by the Company through its Initial filing;[3]

d) The Company should eliminate the full-time Company-employed Program administrator;[4]

e) Instead of having the Company translate customer opt-out notices into Spanish for a one-time cost of $1,576, this translation should be provided by a member of the URC;[5]

f) Replace exit confirmations for eligible participants that opt-out with confirmation that a customer has successfully exited the Program with a small exit confirmation notice printed on the customer's next monthly bill;[6]

g) Provide the Agency with the ability to hold competitive solicitations for any of the

[1] Direct Testimony of Kevin C. Higgins ("Higgins Direct"), lines 124-129.
[2] Direct Testimony of Christopher Thomas ("Thomas Direct"), lines 530-548.
[3] Thomas Direct, lines 157-165.
[4] *Id.* at lines 141-146.
[5] *Id.* at lines 179-182.
[6] *Id.* at lines 192-195.

administrative functions provided by the Company;[7]

h) The Agency be reimbursed if the Company reuses any of the functionality developed for and paid for by the Program;[8]

i) For Schedule No. 8 and Schedule No. 9 participating customers with a demand of more than one megawatt, the in-person communication satisfy the opt-out notice, rather than physical mail notice, because the Company is already required to provide the opt-out information in person to Program-eligible customers with a demand of one megawatt or greater;[9]

j) For Program-eligible customers with a demand of less than one megawatt, the first notice be sent via. U.S. Mail and the second opt-out notice be sent by email to customers that have elected to receive utility communications by email, and by physical mail to those that have not elected to utilize communications via email;[10]

k) The ability for the Agency to elect for Participants' share of the system environmental attributes to be retired rather than sold, and for such foregone revenue to be reflected on Participants' bills by utilizing Schedule No. 74 or a similar process as the vehicle;[11]

l) Reject the Company's proposal to charge participants for the "lost value of RECs" instead allowing the Agency to decline to retire the RECs from Program resources and instead turn the RECs that were produced by Program resource to the system.[12]

[7] *Id.* at lines 204-207
[8] *Id.* at lines 208-210.
[9] *Id.* at lines 285-287
[10] *Id.* at lines 288-293.
[11] *Id.* at lines 414-416.
[12] *Id.* at lines 407-429.

m) If the Program is terminated, funds raised from participating customers and held in a dedicated Resource Reserve Fund should be used to cover the Program's assigned share of Program resource costs until the Resource Reserve is exhausted;[13]

n) Extend the cancellation period for eligible customers to six (6) months[14] as of the implementation date and a cancellation period of three (3) months for all other eligible Program customers;

o) Establish termination fees of $30 for residential and small commercial customers, $6 per average Facilities kW for larger commercial and industrial customers, and $0.96 per kW for lighting schedules, as well as $0 termination charge for customers participating in Low Income Lifeline Program Residential Service;[15]

Credits to Program Participants from Non-Participants

Q. The Agency argues that in some instances Program participants should receive credits from non-participants. Could a credit for Program resources be appropriate under some circumstances?

A. No, and especially not under the static valuation proposed by the Company, as detailed in the Testimony of Company witness Mr. MacNeil.

The Company notes that the Program is a voluntary program expressly intended to procure more renewable resources than would otherwise be procured in the Company's normal system planning process – i.e., more renewable resources than would be supported by prudent utility planning. The Company readily concedes that there will likely be instances in time where procuring renewable resources would be

[13] *Id.* at lines 502-523.
[14] *Id.* at lines 553-562.
[15] *Id.* at lines 576-589.

expected to reduce system costs versus procuring alternative incremental resources. The normal anticipated means to acquire those resources in such scenarios is for the Company to competitively solicit and procure the lowest cost resources to fill the identified need for the benefit of all customers. Upon doing so, all customers would share the costs and benefits of the identified resources – at their actual market cost, not at a cost as determined in a financial model.

The Company is unaware of any reason, and Agency witnesses in their defense of credits from non-participants to participants present no reason of their own, in which a resource procured by the Program would be lower priced than resources identified in a normal system procurement. As a result, any identified Program resource can – at best – represent the lowest cost resource in the market that is available to fill a system need.

As previously stated, when the Company identifies the lowest cost resource in the market available to fill a system need, the expected outcome would be to procure the resource as a system resource at its market cost; i.e., the same or lower cost as offered in the Program's solicitation process. To include an incremental payment from non-participants to participants inflates the true market cost of the resource for non-participants for the sole benefit of subsidizing the rates of participants of a voluntary renewable program. As a result, implementing any net credit to participants by non-participants is, by definition, a shift of costs to non-participating customers in violation of Utah Code 54-17-904(4)(b).

Q. Agency witness Kevin C. Higgins argues that failure to allow credits from non-participants to participants would result in an undue shift of *benefits* from participants to non-participants citing the same statute.[16] How does the Company respond?

A. The Company understands the principal benefits of the program to be 1) enabling incremental renewable generation beyond what would otherwise be acquired by the system, and 2) maintaining the ability for Program participants to make claims regarding participation in the Program and the incremental renewable generation it enables. Neither of these benefits are shifted in any way to non-participants if the system valuation is capped to a net cost of $0. Such treatment would reward the Program participants for successful identification of lowest cost incremental resources by incrementally incorporating them at no cost to participants while retaining for participants, again at no cost, the RECs generated by the resource to support any renewable claims sought by participants.

Contrary to Mr. Higgins' assertion, the Company's proposal maintains solely for participating customers the benefits of Program resources (i.e., incremental integration of renewables and the corresponding RECs to support customer claims) despite the fact that a normal system procurement would result in the same costs being borne by all customers while providing the opportunity for RECs sales to further reduce rates. Despite this, the Company continues to support an outcome with a net cost of $0 to ensure that benefits are not unduly shifted between participating and non-participating customers.

[16] Higgins Direct, lines 143-157.

The Company simply maintains that to go even further from this mutually beneficial outcome and force payment by non-participants to participants beyond what they would otherwise pay for a competitively selected resource available in the market violates Utah statutory requirements preventing costs and benefits of the Program to nonparticipants or the utility and would represent an undue subsidy between customers.

Program Rate Design

Q. Would PacifiCorp consider a fixed charge for residential customers only?

A. No. Having one class of participating customers (residential customers) pay a fixed charge diverts from simple rate making principal of cost causation based on customer usage for the Program. Please refer to Company witness Mr. Elder's rebuttal testimony that addresses why a fixed charge should not be considered for residential customers while other customers pay a per kilowatt-hour rate applied against usage.

Administrative Reserve Fund

Q. How does your testimony respond to recommendations proposed for the Administrative Reserve Fund?

A. Agency witness Christopher Thomas proposed changes to the administrative reserve fund by: decreasing the decreasing the reserve fund limit from the five (5) years in the Company's Application to one (1) year; eliminating the Company-employed, full-time program administrator; utilizing a URC member for Spanish translation of opt-out notices; maintaining the ability to hold competitive solicitations for Program administrative functionalities; eliminating exit confirmations mailed to customers; and obtaining opportunity for reimbursement for functionality developed for and paid for by the Program. My testimony responds to those proposals in order and discusses

DPU's and OCS' response to those recommendations. Finally, I propose an additional update to the administrative reserve fund.

Q. Do you support the Agency's recommendation to set the administrative reserve fund limit to one (1) year?

A. No. However, the Company is willing to decrease the administrative reserve fund limit to three (3) years, instead of the five (5) years proposed in the Company's Application as long as the Schedule No. 100 payments collected from participating customers funds the administrative reserve fund first. The Company maintains the requirement that should the fund reach only a one (1) year level, the Company will have the right to terminate the Program. The Company requests the following funding priority:

1. Pay Program Start-up costs of the Program first;
2. Fund the administrative reserve fund;
3. Fund low income for Program customers;
4. Fund resource reserve fund.

Should the Program terminate, the administrative reserve fund will be utilized to account for Program costs associated with winding down the Program and any associated Program resources while ensuring that neither non-participating customers nor the Company are impacted by Program termination. In the event of Program termination, settlements and resolutions from one or more resource PPA terminations will be required by the Company as ongoing administration activities. These activities are expected to require additional time and potential legal costs. All administrative costs for termination of the Program and associated resource contracts must be borne by Program participants, as the Program participants are the beneficiaries of the

optional Program. These costs are difficult to predict but are anticipated to exceed a typical year of administrative costs. In addition, following termination of the Program, there is no ability to retroactively collect actual costs from former participants. In light of this, the reserve fund should be initially established in excess of a single year. The Company would support a three-year fund to pay for Program PPA termination events should they occur, provided the fund receives priority replenishment as described above. The three (3) years proposed for administrative reserve fund balance allows the Company to ensure that potential large costs from early termination do not impact non-participating customers or the Company. The larger funding requirement (three years) as opposed to the smaller termination threshold (one year) also helps ensure that variances in anticipated and actual Program proceeds and administrative costs do not result in Program termination prior to opportunities to adjust Program rates in the future.

The Agency also states that in the event of Program termination, "customers can be unenrolled and notified of their unenrollment cheaply…" and once participants have been unenrolled, phone support will no longer be necessary. The Agency believes the need for phone support ceasing to exist means fewer years' worth of administrative reserve is justified. The Company believes this is an oversimplified proposal that relies on the unlikely scenario of every participant unenrolling at the same time. Realistically, the Company would continue to incur costs and require phone support, despite some participants unenrolling, which the administrative reserve fund will need to cover.

Alternatively, DPU witness Timothy M. Lenell believes the Company's proposal of an administrative reserve balance of 60 months (5 years) is too conservative

and believes the Agency's proposal of 12 months does not provide enough protection should there be large fluctuations in Program rates. As a solution, Mr. Lenell proposes a target balance reserve of two years, which would still provide the ability to cover large deviations in Program participation while providing the ability to cover termination costs should the Program terminate.[17]

Through his direct testimony, OCS witness Anthony Sandonato, disagreed with the Agency's recommendation for a one-year administrative reserve fund, stating: "one year may not be sufficient to cover costs associated with the wind down of Program in the event of termination."[18] Mr. Sandonato supported the five years of administrative reserve fund that the Company originally proposed, but requested additional information from the Company to justify why the Company's proposed administrative reserve fund is necessary.

The Company believes a three-year administrative reserve fund is a sufficient compromise to the Agency's, DPU's, and OCS's recommendations because it still protects against short-term mismatches in revenue collections and risk the Company potentially faces to wind down the Program while simultaneously addressing concerns that a five-year reserve is overly conservative.

Q. Does the Company support the Agency's recommendation to eliminate the Company-employed, full-time Program administrator?

A. No. The Commission should reject the Agency's proposal to manage Program administration without a Company-employed, full-time, dedicated Program

[17] Direct Testimony of Timothy M. Lenell ("Lenell Direct"), lines 282-305.
[18] Direct Testimony of Anthony Sandonato ("Sandonato Direct"), lines 303-305.

administrator. There will be various administrative tasks that the full-time employee will have to complete as the Program administrator for the Company. These tasks include:

a) Reserve fund balances level reconciliations and monitoring to ensure limits are met per respective resource power purchase agreement that are executed for the Program;

b) Track and true-up Program costs to ensure the Program participants pay for all Program costs, ensuring neither costs nor benefits shift to non-participants or the utility;

c) Monitor administration of power purchase agreements for the Program;

d) Develop updated Schedule No. 100 rates annually for filing when applicable;

e) Prepare reports for the Program as per any Commission order;

f) Prepare reports to meet Agency's data requests;

g) Prepare annual regulatory filings for the Program;

h) Prepare Low-Income Plan Report for Program Low Income Plan;

i) Support any legal, technical, or accounting requests that the Program generates; and

j) Perform Program REC retirement functions and account for REC retirement fees that must be paid by the Program.

The list of duties above is not all inclusive. Being that the Community Clean Energy Program is a new program, new processes will have to be developed by the program administrator to administer the Program.

Q. How does one Program administrator compare to the Blue Sky and the Solar Subscriber programs' administration staffing?

A. The Agency argues a full-time Program administrator should be eliminated because Blue Sky and Subscriber Solar programs are Company programs which do not have dedicated program administrators.[19] The Company believes the Commission should reject this recommendation for four reasons: First, the Program will have more participants than both Blue Sky and Subscriber Solar programs, requiring more administrative tasks to complete. Second, the Agency's attempt to compare these programs is misunderstood; the statutory requirements of implementing the Program may cause many complexities to administering program, for which the Blue Sky and Subscriber Solar programs do not face. Third, the Blue Sky program had two dedicated full-time program administrators prior to 2025, but the Company is currently restructuring the Blue Sky program to rely on only one program administrator. The Subscriber Solar program is administered by a Company-employed, full-time employee; however, that employee's responsibilities are shared with other administrative tasks at the Company, outside of Subscriber Solar. The Company cannot employ an administrator that balances his or her duties with other administrative responsibilities because the statute requires the structure of the Program to not shift costs or benefits to non-participants or employees, as supported by DPU witness Mr. Lenell.[20] Fourth, both the Blue Sky and Subscriber Solar have well established processes as legacy programs, while the Program has not established new processes to

[19] U.C.A. § 54-17-904(4)(b).
[20] Lenell Direct, lines 306-312.

serve participants.

Considering the previously listed duties of the single, full-time Program administrator and the complexities of the establishing a new program, the Company believes its request for a Company-employed, full-time Program administrator is reasonable. The Commission should decline the Agency's request to eliminate a Company-employed, full-time Program administrator.

Q. The Agency recommends the Spanish translation of the opt-out notice be provided by a member of the URC, thereby saving $1,576 in translation expense. How does the Company respond?

A. If the URC provides the Spanish translation, the Company will still need to procure a Spanish language translation consultant to review the translated opt-out notice for accuracy, as it is a notice that is going out to all potential Program participants as a Company, not Agency, communication. There may be a possibility that a review will cost less but the cost is not eliminated. Therefore, the Company does not support the Agency's proposal to substitute a Spanish language translation consultant outright with a URC member, but the Company is open to working with the Agency on this issue.

Q. Does the Company support the Agency's recommendation to eliminate exit confirmations to be sent to customers?

A. No. The Commission should decline the Agency's request to eliminate mailed exit confirmations. Customer uncertainty about whether the opt-out request was successfully processed could generate potential for call increases and emails from customers to confirm the opt-out was successfully processed, increasing the workload and call volume on call centers that could lead to frustrated customers. Although

confirmation notices are not required either by statute or Commission rules, it is reasonable for participants wishing to unenroll to receive clear confirmation of their unenrollment because the Program is an opt-out program and not an opt-in program. In response to this request, OCS witness Mr. Sandonato also recommends that the Company provide notice via email and mail confirming that the participant has successfully opted out of the Program.[21] Therefore, the Company believes the Commission should decline the Agency's request to eliminate paper exit confirmations.

Q. The Agency requested the ability to hold competitive solicitations for any administrative function provided by the Company. How does the Company respond to this request?

A. The Commission should reject the Agency's request to hold competitive solicitations for any administrative function provided by the Company for the Program. Outsourcing the Program administrative functions will violate customer confidentiality as access to the Customer Service System ("CSS") will need to be provided to an external third party that the Company has no control over. CSS is a proprietary system that contains all PacifiCorp's customers' information, not just Program participants' information. The Company takes customer confidentiality seriously and such access will violate confidentiality policies, rules, and regulations for all states that PacifiCorp serves.

Even if the Commission approved the Agency's request to hold competitive solicitations for administrative functions, the Company would still need to monitor those potentially selected through the competitive solicitations with an internal Program administrator to monitor processes and appropriate regulatory requirements.

[21] Sandonato Direct, lines 454-463.

As such, the Agency's request to hold competitive solicitations for administrative purposes causes redundancies in program efficiency and increases costs incurred by Program participants. Therefore, the Company believes the Commission should reject the Agency's request to hold competitive solicitations for administrative functions.

Q. The Agency requested the opportunity for reimbursement for functionality developed for and paid for by the Program.[22] How does the Company respond?

A. The Agency further describes these developed functionalities as the billing system the Company developed to facilitate billing for Program participants. As the Agency correctly describes, this expense is necessary to modify the Company's current billing software to automate billing and noticing activities. However, but-for the Program, the Company has no need to modify its existing customer service system and will have no use of the modifications made for the Program for any future non-related program. The Agency is incorrect to imply this automation tool could be utilized for non-Program purposes.

Through his direct testimony, DPU witness Mr. Lenell requested the Company explain how any allocable IT costs are solely attributable to the Program and not general IT enhancements used and useful elsewhere in the Company.[23] As noted previously, if it weren't for the implementation of the Program, the Company would have no reason to modify its billing system to invoice charges exclusively associated with the Program. None of the modifications to automate specific Program charges are being incorporated into participants' bills or used elsewhere by the Company.

[22] Thomas Direct, lines 208-221.
[23] Lenell Direct, lines 244-256.

The Company agrees with Mr. Lenell's point of considering whether maintenance to the IT system for Program purposes is needed over time beyond general IT maintenance, and that the Company should consider this maintenance in its administrative costs to the extent it can be isolated from other, more general, maintenance.

Q. Does the Company suggest other changes to the size of the Administrative Reserve Fund?

A. In the Company's Application for Program implementation, the Company mistakenly excluded the costs of retiring RECs from resource(s) acquired for the Program. These costs should be borne by the Program as administrative costs. Together, with the escrow fund costs, the Program resource REC retirement costs and escrow fund cost are sensitive to the size of the resource procured and targeted years of fund balance. The following Table CE-1 illustrates the change to a three-year administrative reserve fund balance under one and two 60 MW projects versus the Company's original five-year administrative fund balance that only assumed one 60 MW project and ignoring costs to retire Program resource RECs that were generated.

Table CE-1 Administrative Reserve Fund Balance Requirement Projection Difference Between Three Years and Five Years Balance for One and Two 60 MW Project		
Description	**Annual On-Going Cost One 60 MW Project**	**Annual On-Going Cost Two 60 MW Project**
Noticing -- ongoing (12 months)	$ 329,250	$ 329,250
Noticing -- paper exit confirmation (12 months)	$ 1,126	$ 1,126
60 MW UT Solar online 2028		$ -
Agency Costs	$ 150,000	$ 150,000
URC Program Administrator at Utility	$ 153,750	$ 153,750
Noticing -- In-person contact (one-time)		$ -
Phone Support - annual refresher training	$ 543	$ 543
Phone Support -- ongoing (12 months)	$ 51,878	$ 51,878
REC Retirement Costs (One 60MW projects assumed outpit of 167,789 MWh multipled by Two if two projects)	$ 671	$ 1,342
	$ 687,218	**$ 687,889**
Escrow / trust setup and management fees (assume 1.5% applied to Program Subtotal Cost for One and Two 60 MW Project)	$ 316,008	$ 621,719
TOTAL	$ 1,003,226	$ 1,309,607
New Three Years Administrative Reserve Fund Limit Proposal	$ 3,009,678	$ 3,928,822
Original Five Year Administrative Reserve Fund Limit Proposed	$ 5,074,240	$ 5,074,240
Difference from Original Proposal (Eller Workpaper Direct Testimony)	$ (2,064,562)	$ (1,145,418)
Escrow Costs Calculation:		
First 60 MW Project	$ 20,380,011	$ 20,380,011
Second 60MW Project		$ 20,380,011
Subtotal Resource Reserve Fund (Sensitive to Project Size and Incremental Costs Value)	$ 20,380,011	$ 40,760,022
Program Expenses	$ 687,218	$ 687,889
	$ 21,067,229	$ 41,447,911
Escrow Pecentage Applied	1.5%	1.5%
Escrow Costs assuming 60 MW and 120MW Procured @$10 Incremental Costs of Renewable	$ 316,008	$ 621,719

Cancelation Period

Q. The Agency recommends extending cancelation period from three (3) to six (6) months for cancelation at no charge to participants.[24] Will the Company accept the recommendation?

A. The Company assumes that the Agency's reference to "implementation date" in its cancellation period extension request is meant to refer to the "commencement date" of the Program as per Utah R746-314-101(4). Under this assumption, the Company

[24] Thomas Direct, lines 550-568.

accepts the Agency's recommendation to extend the cancelation period from three to six months from commencement date for cancellation at no charge. However, the extension does not ensure that the Program will achieve Program levels regardless of the extended time.

Form of Opt-Out Notices and Opt-Out Noticing Costs

Q. The Agency requested that Schedule No. 8 and Schedule No. 9 customers opt-out communication be done in person. [25] How does the Company respond?

A. The Company is required to send two opt-out notices to each Program-eligible customer. [26] The Agency is correct to state the Company must provide opt-out information in person.[27] The Company will meet with customers that have retail load of one megawatt (1 MW) and above as required by law. The Agency requests that this in-person communication constitute the form of opt-out notice approved by the Commission. [28] The Company agrees with the Agency's request but would like to request Commission approval to utilize electronic video conferences as a form of "in-person" communication, when reasonable.

When a participating customer whose load is 1 MW or more and located within a participating area has its offices out of state, the Company requests the ability to communicate via electronic conference, such as Microsoft Teams, to fulfill this requirement to meet "in person." The Company believes meetings via electronic conference is in the Program's interest, as it prevents increased costs associated with travel expenses incurred when meeting with these customers at their out-of-state office.

[25] *Id.* at lines 283-287.
[26] U.C.A. § 54-17-905(1)(b).
[27] Thomas Direct, lines 283-284; *See also* Utah Code § 54017-905(1)(c).
[28] Thomas Direct, lines 284-287.

Q. The Agency recommends that residential customers receive the first opt-out notice via U.S. Mail and the second opt-out notice via email for those customers that elect to receive communications via email. How does the Company respond?

A. The Company supports the Agency's recommendation to provide the first opt-out notice via U.S. Mail and the second opt-out notice via email for those customers that elect to receive communications via email. OCS witness Mr. Sandonato supports this recommendation as well, stating: "OCS recommends two opt-out notifications be sent by U.S. mail with the second notification sent electronically if it is the customer's preferred method of contact[.]"[29] Therefore, the Company believes the Commission should approve the Agency's proposal to have the second opt-out notice be communicated via email for those customers that request communications via email.

Q. The OCS recommends requiring the Company to implement an automated process for participants to call and opt out.[30] How does the Company respond?

A. The Company believes the Commission should reject this recommendation. OCS witness Mr. Sandonato argues this recommendation is justified "so that customers do not have long wait times."[31] While the Company understands the underlying intent of Mr. Sandonato's recommendation, the Company believes the costs incurred to implement an automated phone opt-out option outweighs the benefits of potentially preventing customers from longer wait times. The automated phone opt-out option would require additional programming for the phone system as well as for the customers service system to capture the automated change from participants to activate

[29] Sandonato Direct, lines 602-604.
[30] *Id.* at lines 459-461.
[31] *Id.*

opting out by phone. These changes increase Program start-up costs, due to the phone interface with the customer service system build necessary to enable such functionality.

Due to the expected volume of eligible customers and potential quantity of Program participants, the Company's software enhancement to be undertaken upon Program approval by the Commission, is intended to deliver as much automation as feasible to ensure the Company's customer service quality is not impacted, while keeping program costs as low as possible. An eligible participant will be able to opt-out by any of the options listed from part (a) through (c) with part (d) applicable only to customers that are 1 MW and greater:

a) Using the Company's customer account portal to electronically opt-out of the Program;

b) Mailing in the perforated section of the opt-out notice to the Company;

c) By calling the call center, where trained staff can assist to opt the eligible customer out of the program; and

d) For customers 1 MW and greater, an eligible participant can work with respective Regional Business Manager for respective eligible participants' customer accounts to opt-out.

The Company believes there is sufficient opportunity for participating customers to opt-out without an automated phone process and thus believes the Commission should reject OCS' recommendation.

Resource Reserve Fund

Q. Does the Company agree with the OCS that if the developer requires the amount of resource reserve fund to be higher than the 12.5 years balance proposed then the resource reserve fund balance should be set to recover that amount?

A. Yes. The Resource Reserve Fund is meant as security for the resource developer to provide assurance that the project has a buyer with sufficient monetary backing in lieu of credit backing that the Agency does not have. The Company notes that this change will likely result in a longer build up period associated with the resource where participating customers are incurring costs associated with a resource before that resource is providing RECs.

REC Retirement

Q. The Agency requests the ability to "elect for Participants' share of the system environmental attributes to be retired rather than sold, and for such foregone revenue to be reflected on Participants' bills[.]"[32] How does the Company respond?

A. The Company believes the Commission should reject this request by the Agency. The Company interprets reference of "system environmental attributes" referred to by the Agency as RECs from system renewable resources. The Company does not retire system RECs on behalf of Utah customers unless: 1) the RECs are customer procured RECs on special contracts; or 2) are for customers participating in Schedule No. 74. With the exceptions of the two situations identified above, the Company is obligated to sell system Utah allocated RECs and attribute the Utah allocated REC revenue from

[32] Thomas Direct, lines 414-416; *see also* Agency Ex. 3.1 (Resolution 25-01), Section 4.i.

REC sales to lower rates for Utah customers.

If the Agency is granted the ability to elect Participants' share of system RECs to be retired rather than sold, the exercise of the election will create significant additional administrative costs. Under both the limited special contract and pilot program Schedule No. 74, the Company is careful to identify and set aside known quantities of RECs prior to conducting REC sale activities to ensure non-participants still received benefits of REC sales. This predictability ensures other customers continue to benefit from sales of all other RECs. Eligible customers of the Program are much broader than those eligible under the existing mechanism with the potential for less predictable loads resulting in less accurate quantities of RECs to be set aside prior to sale and thus impact the value non-participants' receive from REC sales. The Company believes it is more appropriate to establish the Program using only new dedicated resources at this time. The Company also notes that the Agency has discretion on the number and size of Program resources and can factor underlying renewable resources into its planning process with or without the proposed REC treatment for system resources.

The OCS also believe this recommendation should be rejected. OCS witness Mr. Sandonato argues the Agency's proposal to be able to elect to have all participants receive a share of the system's environmental attributes retires is too vague to be acted upon and beyond the scope of this docket.[33] The Company agrees with the OCS and believes the Commission should reject this proposal from the Agency.

[33] Sandonato Direct, lines 583-587.

Q. The Agency proposes potentially utilizing Schedule No. 74 Renewable Energy Credit Option Program to facilitate this election ability for Program participants.[34] How does the Company respond?

A. During the 2024 Utah general rate case, the Commission approved Schedule No. 74 as a three-year pilot program, running from calendar years 2026 to 2028.[35] Schedule No. 74, also known as the Renewable Energy Credit Option Program, herein referred to as the REC Program per the 2024 general rate case, allows certain rate classes to elect to forego the revenue credit associated with REC sales and then allows the Company retire system RECs on those customers' behalf. As a pilot program, the REC Program was approved for Schedule Nos. 6, 6A, 8, 9, 9A, 32, and 34 customers, and does not include residential customers. When the Commission approved the REC Program, the Commission requested the Company to file an application for review and evaluation of the REC Program by April 30, 2028, to evaluate and recommend whether, if the program is to continue, it should be expanded to other classes, including residential classes.[36]

OCS witness Mr. Sandonato also observes that Schedule No. 74 is only available to certain customer classes at present on a pilot basis, stating: "[u]ntil more information is known about the costs and performance of the Schedule No. 74 pilot program, including any unintended consequences, it would not be justified to be expanded solely for purposes of the Program in this docket." The REC Program is still

[34] Thomas Direct, lines 428-457.
[35] *Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations*, Docket No. 24-035-04, Order at 109 (April 25, 2025).
[36] *Id.*

in its infancy and therefore, the Commission should decline the Agency's request to utilize the REC Program.

Q. The Agency recommends the Commission reject the Company's proposal to charge Program participants for the "lost value of RECs" as part of the resource valuation calculation. Instead, the Agency requests the ability to decline to retire the RECs from Program resources and turn the RECs over to the system.[37] How does the Company respond?

A. Company witness Mr. MacNeil addresses the Company's treatment of REC value in resource evaluation. I will limit my response to the Agency's proposed alternative to decline retirement and turn the RECs over to the system. The Company does not agree with the Agency and believes all RECs from Program resources must be retired. The purpose of a REC is to track renewable generation resources to a final user which can claim it utilized renewable energy. If the Program sold these attributes to third parties, its sole purpose would be undermined.

As DPU witness Mr. Lenell states, "[t]he URC should not be offered the right to decline retaining and retiring the RECs as it contravenes the intent of the Program's clean energy goals."[38] The Company agrees with the DPU that an option to decline retaining and retiring the RECs from Program resources will contravene the Program's clean energy goals. OCS witness Mr. Sandonato states, "RECs associated with new resources acquired on behalf of the Program should be owned by RMP and retired to meet the goal of the Program... if they are not retired on behalf of the program then the

[37] Higgins Direct, lines 404-438.
[38] Lenell Direct, lines 149-151.

associated renewable attributes of those resources could be claimed by the Program and later sold by RMP – in effect double counting the RECs."[39] Therefore, the Company believes the Commission should reject this request from the Agency. The Sierra Club also concurs that the RECs generated by Program resources should be retired and not resold or given to PacifiCorp.[40]

Program Termination

Q. The Agency requests that if the Program is terminated, funds raised from participating customers and held in a dedicated Resource Reserve Fund should be used to cover the Program's assigned share of Program resource costs until the Resource Reserve is exhausted.[41] How does the Company respond?

A. In the Application, the Company proposed the purpose of the resource reserve fund to provide a security or financial backstop to developer(s) for executed power purchase agreement(s) (PPAs) to supply renewable output to the Program. In the event of early Program termination, the Company will seek to terminate the PPA, and the developer will seek to collect the security per the PPA. Should the Program terminate early, there is no Program to assign resource costs too.

Alternatively, the Company faces additional risk to non-participants and the Company by not terminating the PPA after the Program terminates because the non-participants and the utility become the backstop for the PPA. This risk increases the utility's credit exposure imputed by credit agencies relative to PPAs and increases Company's cost of debt, which is shared by all customers. Should the resource reserve

[39] Sandonato Direct, lines 557-564.
[40] Direct Testimony and Exhibits of Mark Fulmer, lines 47-48.
[41] Thomas Direct, lines 502-515.

fund balance be transferred to the Company to hold at termination, income taxes will be owed on the reserve fund balance at time of transfer, and with program termination, there are no program participants to pay for the taxes that are obligated at time of fund transfer although not yet earned. These risks violate the statutory requirement that costs and benefits of the Program do not shift to nonparticipants or the utility.

DPU witness Mr. Lenell also disagrees with the Agency's proposal, stating: "[t]he ability of RMP to exercise the option to own the resource would complicate assumed backstop provisions" and recommends "that the resource reserve balance be separately evaluated for Company-owned resources, as unwinding of the Program may be made more complicated with the Company-owned resources than if supplied through third-party PPAs.[42] Therefore, the Company should reject the Agency's proposal that in the event of termination, funds raised from participating customers and held in a dedicated resource reserve fund should be used to cover the Program's assigned share of Program resource costs until the resource reserve is exhausted.

Q. OCS witness Mr. Sandonato recommends the Commission should require the Company to reevaluate the PPA in the event of Program termination to determine if continuing to purchase energy from the resource could provide benefits to all customers.[43] How does the Company respond?

A. The Company believes the Commission should reject this proposal from the OCS, as it could violate statutory requirements that the Program does not shift costs or benefits to nonparticipants or the Company. By requiring the Company to "continue to purchase

[42] Lenell Direct, lines 673-683.
[43] Sandonato Direct, lines 273-280.

energy from the resource," the Company could need to recover the costs of the resource that was purchased for the Program from all customers that includes non-participants of the Program. The Company also notes that it would likely be impractical to conduct any form of competitive process or in-depth financial evaluation of the resource on the timelines contemplated under the termination rights of the power purchase agreements. However, there is nothing in the PPA template provided that would prevent the Company from contracting for the terminated PPA resource as a result of Program termination, in future procurements if it is economical for all customers.

Termination Fees

Q. The Agency recommends that termination fees be established at $30 for residential and small commercial customers, $6 per average Facilities kW for larger commercial and industrial customers, and $0.96 per kW for lighting schedules, as well as $0 termination charge for customers participating in Low Income Lifeline Program Residential Service. Does the Company support the Agency's recommendation?

A. Yes.

Annual Reporting Requirements

Q. Does the DPU make any specific requests for annual filings for the Program? If so, how does the Company respond?

A. The Company supports the DPU's request for detailed accounting and confirmation that there is no cost shifting to non-participants. DPU witness Mr. Lenell requests rules and transparency over elements that are reported by the Company in its annual filings to ensure there is no cost shifting to non-participants. At a minimum, the DPU

recommends the annual filing to the Commission include: (1) enrollment participation counts and load by community, class, low-income participation, and number of opt-outs and opt-ins; (2) Program resource details; (3) Cost tracking and itemization of actual costs; (4) for the proceeding year and projected for the following year, the rate changes under Schedule No. 100, as well as reserve fund balance and target levels.[44] The Company supports including this information in its annual reporting.

Q. Since the Company filed its Application and direct testimony, is there anything else the Company would like to include in its annual reporting?

A. Yes. The Agency and the Company collaborated on many aspects of Program implementation, including community boundary maps.[45] It has recently come to the Agency's and the Company's attention that there may be material changes to those maps as annexations in the greater Salt Lake City area occur. The Company proposes including updates to community boundary maps when material changes occur with its annual reporting.

Q. In direct testimony, DPU witness Robert A. Davis requested that should the Commission approve the Program, the DPU recommends the Company also notice a requirement for stakeholders to convene a workgroup to develop a reporting template.[46] How does the Company respond?

A. The Company agrees with the DPU's assertion that future reporting should provide adequate accounting details to enable parties to review whether the Program is prudent

[44] Lenell Direct, lines 730-751.
[45] *Application to Implement Community Clean Energy Program Authorized by the Community Clean Energy Act,* Docket No. 25-035-06, Application to Implement Community Clean Energy Program Authorized by the Community Clean Energy Act ("Initial Application"), Attachment B, (Jan. 24, 2025).
[46] Direct Testimony of Robert A. Davis for the Division of Public Utilities ("Davis Direct"), lines 68-72.

and in the public interest, avoiding costs and benefits shifting to non-participating customers.[47] Therefore, the Company supports the DPU's request for a workgroup to develop a reporting template, pending Program approval.

Other Program Design Aspects

Q. The OCS recommends that the Commission require the Company to delay initial notification to eligible program participants until after a resource PPA is executed and approved by the Commission.[48] How does the Company respond?

A. The Company endorses waiting until a resource PPA has been executed with a developer and approved by the Commission before beginning the initial notification process, as this approach offers enhanced valuation transparency that affects Schedule No. 100 rate for the Program. The downside to waiting is that the length of time to collect sufficient funds to fund the resource reserve fund in order to trigger the "Notice to Proceed" that is a condition precedent in the resource PPA for the Program is reduced with a delayed start time to start Schedule No. 100 and has higher potential risk of project delay that could in turn impact the resource PPA pricing potentially.

Q. Are there other updates the Company would like to inform the Commission of regarding Program Design?

A. Yes. Attached hereto as Attachment CME-1 is a revised version of the model ordinance previously included as Attachment B to the Initial Application filed January 24, 2025. Commission Rule R746-314-401(3)(c) requires the Company to submit with the application "the proposed ordinance language that each such eligible community must

[47] *Id.*
[48] Sandonato Direct, lines 103-105.

adopt to become a participating community." The Company proposes substituting Attachment CME-2, the clean version of Attachment CME-1, for the original Attachment B to the Initial Application. The updated version of the model ordinance makes certain technical changes, including the insertion of the specific dates and the docket number of this docket into placeholders that had been included for that information. Substantively, the updated ordinance also deletes the reference to the resolution stating a goal of achieving an amount equivalent to 100% of the annual electric energy supply for the community. Most of the communities that form the agency did pass such a resolution by 2019, as it was at one time required to do so to become an eligible community. The Utah Legislature has removed that requirement for communities to be eligible to participate in the Program and, since that time, at least one community that did not pass such a resolution (Midvale) has joined the Agency and is eligible community. Communities that have passed such a resolution may include the language in their ordinance to establish participation in the Program, but the language need not be included in the model ordinance for the reasons stated above.

VI. CONCLUSION

Q. Please summarize your testimony.

A. The Company summarizes its *support* for the following items that stakeholders highlighted in respective testimonies:

a) For customers with demand of more than one megawatt, hold in-person meetings with all Schedule No. 8 and Schedule No. 9 eligible customer participants as the opt-out notice;

b) For customers with a demand of less than one megawatt, provide the first opt-out

notice via U.S. Mail and the second opt-out notice via email for customers that elect to receive communications by email, and U.S. Mail for those that don't elect to utilize email communications;

c) Program RECs should be retired to prevent double counts and keep the intent of the Program to provide program participants with an option to procure true renewable energy; and

d) Extend cancelation period from three (3) to six (6) months for cancelation at no charge to eligible participating customers.

Alternatively, the Company *rejects* the following proposals from stakeholders' testimonies:

a) Require non-participants to incur costs to pay benefit to participants if Program benefits exceed Program costs;

b) Limit the administrative reserve fund to one (1) year;

c) Allow election for a fixed monthly charge for residential program participants only, while other participant categories pay the per kilowatt-hour rate;

d) Eliminate the full-time Company-employed Program Administrator;

e) Add an automated phone system for exiting the Program would require extra expenses for modifying the customer service system;

f) Replace exit confirmations for eligible participants that opt-out with confirmation that a customer has successfully exited the Program with a notice on the customer's monthly bill;

g) To allow the Agency to hold competitive solicitations for any administrative functions of the program and interface with confidential customers' data;

h) Opportunity for a reimbursement by the Company if the Company reuses any of the functionality developed for and paid for by the Program;

i) Allow the Agency the option to turn RECs over to the Company to be sold to reduce Program rates;

j) Allow the Agency to, "elect for Participants' share of the system environmental attributes" that takes away from participants their respective right to have that election option if they so choose;

k) Expand Schedule No. 74 pilot program, or similar program, to include Program participants; and

l) If the Program is terminated, funds raised from participating customers and held in a dedicated Resource Reserve Fund should be used to cover the Program's assigned share of Program resource costs until the Resource Reserve is exhausted.

Q. Does the Company have recommended changes to the Program based on consideration of stakeholders' testimonies?

A. Yes. The recommended changes the Company supports are as follows:

a) The Company respectfully requests that the Commission permit the Company to prioritize funding the administrative reserve fund before the resource reserve fund. This approach will enable the Company to accept a reduced administrative reserve fund balance of three years, rather than the originally proposed five years;

b) The Company respectfully requests that the Company be allowed to execute a resource PPA to support the Program such that rates for the Program can be based on the actual program resource PPA, prior to any work to provide eligible participants with the required statutory opt-out notices;

c) The Company respectfully requests the Commission approve electronic conferencing constitute the "in person" noticing requirement for Schedule No. 8 and Schedule No. 9 customers whose offices are out of state; and

d) WREGIS REC retirement charge will need to be incurred and is additional to already identified administrative costs for the program in my earlier direct testimony; the charge is $0.004 per REC currently and is subject to pricing changes that WREGIS may propose in the future. The exact total amount of the REC costs annually is determined by the number of RECs retired or transferred each year.

Q. Does this conclude your rebuttal testimony?

A. Yes.

ATTACHMENT CME-1

REDLINE

DRAFT MODEL ORDINANCE

[COMMUNITY]
ORDINANCE NO. _____

AN ORDINANCE OF [COMMUNITY] ENACTING TITLE ___, CHAPTER ___TO THE [COMMUNITY] CODE, COMMUNITY CLEAN ENERGY PROGRAM

Preamble

WHEREAS, in 2019, the Utah State Legislature enacted House Bill 411, codified at Utah Code Ann. §§ 54-17-901 to -909 ("Act"), titled the "Community Renewable Energy Act"; and

WHEREAS, in 2024, the Utah State Legislature enacted House Bill 241 and Senate Bill 214 which, collectively, renamed the Act the "Community Clean Energy Act" and amended certain provisions of the Act; and

WHEREAS, the Act authorizes the Utah Public Service Commission ("Commission") to establish a program ("Program") whereby towns, municipalities, and counties may cooperate with qualified utilities to provide electric energy for participating customers from clean energy resources; and

WHEREAS, the Act provides that a customer of a qualified utility may be served by the Program if the town, municipality, or county ("Community") in which the customer resides satisfies certain requirements, including:

(a) the Community must enter into an agreement with a qualified utility ("Utility Agreement"):

(i) stipulating to the payment to the qualified utility of the costs of:

(A) third-party expertise contracted for by the Division of Public Utilities and the Office of Consumer Services, for assistance with activities associated with initial approval of the Program; and

(B) providing notice to the Community's customers as provided in the Act;

(ii) determining the obligation for the payment of any termination charges under the Act that are not paid by a participating customer and not included in participating customer rates; and

(iii) identifying any initially proposed replaced asset;

(b) the Community must, within ninety (90) days after the date of the Commission's order approving the Program, adopt a local ordinance that:

(i) establishes participation in the Program; and

(ii) is consistent with the terms of the Utility Agreement; and

(c) the Community must comply with any other terms or conditions required by the Commission; and

WHEREAS, the Act further authorizes the Commission to adopt administrative rules to implement the Act and the Commission has adopted such rules as set forth in Utah Administrative Code R746-314-101 through -402 ("Rules"); and

WHEREAS, the Rules require that a customer of a qualified utility may be served by the Program if, in addition to the requirements of the Act, the Community in which the customer resides also adopts an agreement ("Governance Agreement") with other eligible Communities to establish a cooperative decision-making process for Program design, resource solicitation, resource acquisition, and other Program issues and provides a means of ensuring that eligible Communities and those that become participating Communities will be able to reach a single joint decision on any necessary Program issues; and

~~[WHEREAS, on [DATE], [COMMUNITY] adopted Resolution No _____, which states a goal of achieving an amount equivalent to 100% of the annual electric energy supply for [NAME OF COMMUNITY's] participating customers from a renewable energy resource by 2030; and]~~

WHEREAS, consistent with the requirements of the Rules, [COMMUNITY] entered into an agreement with other eligible Communities entitled the Interlocal Cooperation Agreement Among Public Entities Regarding the Community Renewable Energy Program ("Governance Agreement"), thereby becoming a member of the Community Renewable Energy Agency ("Agency"), which endeavors to make certain joint decisions about the proposed Program on behalf of Communities as set forth in the Governance Agreement; and

WHEREAS, consistent with the requirements of the Act, [COMMUNITY] entered into a Utility Agreement with Rocky Mountain Power, a qualified utility under the Act, effective as of [DATE], which addresses the issues required by the Act; and

WHEREAS, consistent with the requirements of the Act, on June 24, 2025 and June 4, 2025~~[DATE]~~ Rocky Mountain Power filed an application with the Commission seeking approval of the Program and the Commission opened Docket No. 25-035-06~~[_____]~~ to consider the application; and

WHEREAS, consistent with the requirements of the Act, on [DATE] the Commission issued an order in Docket No. 25-035-06~~[___]~~ ("Commission Order") approving the Program; and

WHEREAS, as contemplated in the Act, the [COMMUNITY COUNCIL/COMMISSION] desires to adopt this ordinance that satisfies the requirements of the Act; and

WHEREAS, the [COMMUNITY COUNCIL/COMMISSION] desires to take actions which it has determined promotes the health, safety and welfare of [COMMUNITY]'s residents; and

WHEREAS, [COMMUNITY COUNCIL/COMMISSION] has determined that adoption of this ordinance will enhance the economic well-being of [COMMUNITY] and its residents through prudent management of [COMMUNITY]'s financial resources; and

WHEREAS, the [COMMUNITY COUNCIL/COMMISSION] has determined that adoption of this ordinance will help address concerns related to poor air quality and other environmental concerns due in part to the use of fossil fuels; and

WHEREAS, the [COMMUNITY COUNCIL/COMMISSION] finds that energy sources utilized by and within [COMMUNITY] therefore can impact public health, safety and welfare; and

WHEREAS, recent advances in energy technology have made certain clean energy resources more economically viable than in the past and, in some cases, more cost-effective than traditional energy sources; and

WHEREAS, proximity to outdoor recreation is a key economic contributor to [COMMUNITY] and one which relies on preservation of the environment and protection of natural resources; and

WHEREAS, [COMMUNITY] and its residents have shown an interest in environmental stewardship through various initiatives and activities surrounding growth and development; and

WHEREAS, [include description of Participating Community's prior sustainability actions]; and

WHEREAS, [COMMUNITY COUNCIL/COMMISSION] believes that determining and undertaking further actions designed to reduce fossil fuel dependence while appropriately balancing financial stewardship and promoting economic growth is an important component of safeguarding public health, safety and welfare; and

WHEREAS, [COMMUNITY COUNCIL/COMMISSION] met in regular session on [_____], to, among other things, consider adopting the Program on behalf of [COMMUNITY's] electric customers; and

NOW, THEREFORE, BE IT ORDAINED BY THE LEGISLATIVE BODY OF [COMMUNITY] AS FOLLOWS:

Section 1. Adoption. [COMMUNITY] Code, Title__, Chapter _, Community Clean Energy Program, which is published as a code in book form, is adopted in accordance with Exhibit A herein, copies of which have been filed for use and examination in the Office of the [COMMUNITY CLERK/RECORDER] (the "Community Clean Energy Program Ordinance").

Section 2. **Savings Clause.** In the event one or more of the provisions of this Community Clean Energy Program Ordinance shall, for any reason, be held to be unenforceable or invalid in any respect under applicable laws, such unenforceability or invalidity shall not affect any other provision; and in such an event, this Community Clean Energy Program Ordinance shall be construed as if such unenforceable or invalid provision had never been contained herein.

Section 3. Effective Date. This Community Clean Energy Program Ordinance shall take effect immediately upon the date of its first publication.

APPROVED, ADOPTED, AND PASSED and ordered published by the [COMMUNITY COUNCIL/COMMISSION], this ___day of _____, [YEAR].

ATTEST:

_____
Name: _____
[COMMUNITY CLERK/RECORDER]

[COMMUNITY COUNCIL/COMMISSION]

_____
Name: _____
[COUNCIL/COMMISSION CHAIR]

VOTING OF [COUNCIL/COMMISSION]

APPROVED AS TO FORM:

_____ ___
_____ ___
_____ ___
_____ ___
_____ ___

_____
Name: _____
[CITY/COUNTY ATTORNEY]

EXHIBIT A

TITLE ___

CHAPTER ___

COMMUNITY CLEAN ENERGY PROGRAM

SECTION 1. [COMMUNITY'S] PARTICIPATION IN COMMUNITY CLEAN ENERGY PROGRAM

1.1 [COMMUNITY] hereby establishes its participation in the Community Clean Energy Program ("Program") as approved by the Public Service Commission of Utah ("Commission").

1.2 On [DATE], the Commission issued an order in Docket No. [_____] ("Commission Order") approving the Program. The Commission Order is on file with the Commission. The Program's rates, rules, and requirements are governed by the Commission Order, and may be modified from time to time by subsequent rules and orders adopted by the Commission. To the extent that the Commission Order or any subsequent rule or order adopted by the Commission contradicts any portion of this Title, the Commission order or rule or order adopted by the Commission shall govern.

1.3 ELIGIBLE CUSTOMERS. Pursuant to Utah Code § 54-17-905(5), residential customers participating in the net metering program under Utah Code Title 54, Chapter 15, Net Metering of Electricity, are not eligible to participate in the Program. All other retail electric customers of Rocky Mountain Power within the current and future boundaries of [COMMUNITY], including all residential, commercial, and industrial customers, are eligible to participate in the Program ("Eligible Customer").

1.4 COMMENCEMENT DATE. The Program shall commence effective [DATE] ("Program Commencement Date"). Eligible Customers shall be enrolled in the Program if they receive the Notices identified in Section 2, below, and decline to opt out of participation in the Program by the date set forth in the Notices. Consistent with the Act and the Commission Order, the Notices shall be sent to each Eligible Customer before the commencement date that applies to each such customer ("Customer Commencement Date"), as set forth below.

1.4.1 For each Eligible Customer that continuously remains an Eligible Customer within [COMMUNITY] for at least 60 days prior to and through the Program Commencement Date, the Customer Commencement Date shall be the same as the Program Commencement Date.

1.4.2 For electric customers that become Eligible Customers within [COMMUNITY] after the Program Commencement Date (e.g., when a customer becomes a retail electric customer of Rocky Mountain Power

within the boundaries of [COMMUNITY] after the Program Commencement Date), the Customer Commencement Date shall be [ ] days after the customer becomes an Eligible Customer within [COMMUNITY].

SECTION 2. CUSTOMER PARTICIPATION IN COMMUNITY CLEAN ENERGY PROGRAM.

2.1 Each Eligible Customer shall be automatically enrolled in the Program unless the customer opts out of the Program prior to the customer's Customer Commencement Date.

2.2 NOTICES. As set forth in the Act and the Commission Order, before any Eligible Customer becomes a participant in the Program, Rocky Mountain Power first shall deliver to each Eligible Customer certain notices (collectively, the "Notices") containing content and in the form, manner, and delivery method as required by the Act and Commission Order and other orders and rules adopted by the Commission.

2.3. OPT-OUT. Each Eligible Customer may elect not to participate in the Program and instead to continue to pay applicable existing electric rates by giving notice to Rocky Mountain Power in the manner and within the time period set forth in the Notices.

2.3.1 FIRST OPT-OUT NOTICE. Rocky Mountain Power shall provide a First Opt-Out Notice, separate from standard monthly bills, to each Eligible Customer within [COMMUNITY], no earlier than sixty (60) days and no later than thirty (30) days before the Customer Commencement Date applicable to each customer. The First Opt-Out Notice shall, in all material respects, use the form and content of the First Opt-Out Notice as approved by the Commission.

2.3.2 SECOND OPT-OUT NOTICE. Rocky Mountain Power shall provide a Second Opt-Out Notice, separate from standard monthly bills, to each Eligible Customer within [COMMUNITY], at least fifteen (15) days after the First Opt-Out Notice was provided and at least seven (7) days before the Customer Commencement Date applicable to such customer. The Second Opt-Out Notice shall, in all material respects, use the form and content of the Second Opt-Out Notice as approved by the Commission.

2.3.3 Each Eligible Customer that receives the First Opt-Out Notice and the Second Opt-Out Notice as described herein and declines to opt out of the Program by the customer's Customer Commencement Date will be enrolled in the Program.

2.4 CUSTOMER OPTION TO OPT IN TO PROGRAM. An Eligible Customer located within [COMMUNITY] that is not enrolled in the Program may at any time elect to participate in the Program by providing notice to Rocky Mountain Power in the form and content approved by the Commission. Following such notice to opt in to the Program, the customer will be enrolled in the Program starting with the billing period following the notice in which it is reasonably practicable for Rocky Mountain Power to enroll such customer. The reasonably

practicable billing period shall be based on when the notice was received from the customer and the customer's billing cycle. Following enrollment in the Program, the customer shall be subject to all Program requirements, including exit notices and termination fees.

2.5 CUSTOMER OPTION TO EXIT PROGRAM. Customers that do not opt out of the Program by the Customer Commencement Date, or who opt in to the Program, may subsequently exit the Program by taking the steps described in the Commission Order.

SECTION 3. TERMINATION FEES

3.1 If a customer declines to opt out of the Program prior to the applicable Customer Commencement Date, but subsequently exits the Program, the exiting customer may be required to pay a termination fee, as set forth in this Section.

3.2 When applicable, the amount of the termination fee shall be based on the rate schedule of the exiting customer, is set forth in the Commission Order, and may be modified from time to time by subsequent orders of the Commission.

3.3 CIRCUMSTANCES IN WHICH TERMINATION FEE SHALL NOT APPLY: A Termination Fee shall not apply in the following circumstances:

3.3.1 Any customer that ceases to be an electric customer of Rocky Mountain Power;

3.3.2 Any customer that moves to a new location that is not within the boundaries of a community that participates in the Program;

3.3.3 Any customer that seeks protection through bankruptcy proceedings;

3.3.4 Any customer enrolled in Schedule 3 bill assistance ("Low-Income Lifeline Program").

SECTION 4. ACQUISITION OF CLEAN ENERGY RESOURCES

4.1 For purposes of this section, "clean energy resource" shall have the definition set forth in the Act.

4.2 Rocky Mountain Power may adopt or procure one or more clean energy resources to serve the needs and goals of the Program. The acquisition of any such clean energy resource must follow solicitation application and evaluation criteria approved by the Commission.

4.3 Any clean energy resource adopted or procured by Rocky Mountain Power to serve the needs and goals of the Program must be approved by the Commission based on a finding the same is reasonable and in the public interest.

4.3 The Commission shall determine the method of cost recovery for any clean energy resource acquired to meet Program needs and goals, and the Commission's determination regarding cost recovery may affect Program rates.

SECTION 5. PROGRAM RATES AND RATE ADJUSTMENT FILINGS

5.1 Program rates will be determined by the Commission.

5.2 The initial Program rates were determined by the Commission in the Commission Order.

5.3 Program rates may be adjusted by the Commission from time to time, consistent with the procedures set forth in the Commission Order for adjusting Program rates.

SECTION 6. UTILITY BILLING FOR PARTICIPATING CUSTOMERS

6.1 Rocky Mountain Power shall bill each Participating Customer on a monthly basis and shall:

6.1.1 include information in its monthly bills to participating customers identifying the Program cost; and

6.1.2 provide notice to participating customers of any change in rates for participation in the Program.

SECTION 7. [COMMUNITY] PARTICIPATION IN PROGRAM

7.1 Through its membership in the Community Renewable Energy Agency, [COMMUNITY] participated in the design and approval of the Program and shall participate in future decisions regarding clean energy resource solicitation, clean energy resource acquisition, and certain other Program issues.

7.2 Consistent with Utah Code § 54-17-903(2)(a), [COMMUNITY] entered into an agreement with Rocky Mountain Power ("RMP") regarding the facilitation of the Program ("Utility Agreement"). Pursuant to the Utility Agreement, [COMMUNITY]:

7.2.1 shall pay for the costs of third-party expertise contracted for in connection with the Program's development and initial approval by the Commission;

7.2.2 shall pay its proportional costs associated with RMP providing the Notices to the [COMMUNITY'S] customers as discussed in Section 2, above;

7.2.3 Termination charges not paid by a participating customer shall be included in participating customer rates and shall not be paid by [COMMUNITY];

7.2.4 There shall be no initially proposed "Replaced Asset" as that term is defined by Utah Code § 54-17-902(15).

7.3 [COMMUNITY] has already approved the appropriation of funds and has already paid those funds to the Agency for the Agency to make payments for the costs of third-party expertise contracted for in connection with the Program's development and initial approval by the Commission pursuant to the Governance Agreement.

7.4 [COMMUNITY] [has approved/hereby approves] the appropriation of funds to pay its proportional costs associated with RMP providing the Notices to the [COMMUNITY'S] customers as discussed in Section 2, above.

7.5 [COMMUNITY] shall not be obligated to pay any costs of the Program other than those costs set forth herein and any costs that [COMMUNITY] may bear as a utility customer that participates in the Program, if applicable.

ATTACHMENT CME-2

CLEAN

DRAFT MODEL ORDINANCE

[COMMUNITY]
ORDINANCE NO. _____

AN ORDINANCE OF [COMMUNITY] ENACTING TITLE ___, CHAPTER ___TO THE [COMMUNITY] CODE, COMMUNITY CLEAN ENERGY PROGRAM

Preamble

WHEREAS, in 2019, the Utah State Legislature enacted House Bill 411, codified at Utah Code Ann. §§ 54-17-901 to -909 ("Act"), titled the "Community Renewable Energy Act"; and

WHEREAS, in 2024, the Utah State Legislature enacted House Bill 241 and Senate Bill 214 which, collectively, renamed the Act the "Community Clean Energy Act" and amended certain provisions of the Act; and

WHEREAS, the Act authorizes the Utah Public Service Commission ("Commission") to establish a program ("Program") whereby towns, municipalities, and counties may cooperate with qualified utilities to provide electric energy for participating customers from clean energy resources; and

WHEREAS, the Act provides that a customer of a qualified utility may be served by the Program if the town, municipality, or county ("Community") in which the customer resides satisfies certain requirements, including:

(a) the Community must enter into an agreement with a qualified utility ("Utility Agreement"):

(i) stipulating to the payment to the qualified utility of the costs of:

(A) third-party expertise contracted for by the Division of Public Utilities and the Office of Consumer Services, for assistance with activities associated with initial approval of the Program; and

(B) providing notice to the Community's customers as provided in the Act;

(ii) determining the obligation for the payment of any termination charges under the Act that are not paid by a participating customer and not included in participating customer rates; and

(iii) identifying any initially proposed replaced asset;

(b) the Community must, within ninety (90) days after the date of the Commission's order approving the Program, adopt a local ordinance that:

(i) establishes participation in the Program; and

(ii) is consistent with the terms of the Utility Agreement; and

(c) the Community must comply with any other terms or conditions required by the Commission; and

WHEREAS, the Act further authorizes the Commission to adopt administrative rules to implement the Act and the Commission has adopted such rules as set forth in Utah Administrative Code R746-314-101 through -402 ("Rules"); and

WHEREAS, the Rules require that a customer of a qualified utility may be served by the Program if, in addition to the requirements of the Act, the Community in which the customer resides also adopts an agreement ("Governance Agreement") with other eligible Communities to establish a cooperative decision-making process for Program design, resource solicitation, resource acquisition, and other Program issues and provides a means of ensuring that eligible Communities and those that become participating Communities will be able to reach a single joint decision on any necessary Program issues; and

WHEREAS, consistent with the requirements of the Rules, [COMMUNITY] entered into an agreement with other eligible Communities entitled the Interlocal Cooperation Agreement Among Public Entities Regarding the Community Renewable Energy Program ("Governance Agreement"), thereby becoming a member of the Community Renewable Energy Agency ("Agency"), which endeavors to make certain joint decisions about the proposed Program on behalf of Communities as set forth in the Governance Agreement; and

WHEREAS, consistent with the requirements of the Act, [COMMUNITY] entered into a Utility Agreement with Rocky Mountain Power, a qualified utility under the Act, effective as of [DATE], which addresses the issues required by the Act; and

WHEREAS, consistent with the requirements of the Act, on June 24, 2025 and June 4, 2025 Rocky Mountain Power filed an application with the Commission seeking approval of the Program and the Commission opened Docket No. 25-035-06 to consider the application; and

WHEREAS, consistent with the requirements of the Act, on [DATE] the Commission issued an order in Docket No. 25-035-06 ("Commission Order") approving the Program; and

WHEREAS, as contemplated in the Act, the [COMMUNITY COUNCIL/COMMISSION] desires to adopt this ordinance that satisfies the requirements of the Act; and

WHEREAS, the [COMMUNITY COUNCIL/COMMISSION] desires to take actions which it has determined promotes the health, safety and welfare of [COMMUNITY]'s residents; and

WHEREAS, [COMMUNITY COUNCIL/COMMISSION] has determined that adoption of this ordinance will enhance the economic well-being of [COMMUNITY] and its residents through prudent management of [COMMUNITY]'s financial resources; and

WHEREAS, the [COMMUNITY COUNCIL/COMMISSION] has determined that adoption of this ordinance will help address concerns related to poor air quality and other environmental concerns due in part to the use of fossil fuels; and

WHEREAS, the [COMMUNITY COUNCIL/COMMISSION] finds that energy sources utilized by and within [COMMUNITY] therefore can impact public health, safety and welfare; and

WHEREAS, recent advances in energy technology have made certain clean energy resources more economically viable than in the past and, in some cases, more cost-effective than traditional energy sources; and

WHEREAS, proximity to outdoor recreation is a key economic contributor to [COMMUNITY] and one which relies on preservation of the environment and protection of natural resources; and

WHEREAS, [COMMUNITY] and its residents have shown an interest in environmental stewardship through various initiatives and activities surrounding growth and development; and

WHEREAS, [include description of Participating Community's prior sustainability actions]; and

WHEREAS, [COMMUNITY COUNCIL/COMMISSION] believes that determining and undertaking further actions designed to reduce fossil fuel dependence while appropriately balancing financial stewardship and promoting economic growth is an important component of safeguarding public health, safety and welfare; and

WHEREAS, [COMMUNITY COUNCIL/COMMISSION] met in regular session on [_____], to, among other things, consider adopting the Program on behalf of [COMMUNITY's] electric customers; and

NOW, THEREFORE, BE IT ORDAINED BY THE LEGISLATIVE BODY OF [COMMUNITY] AS FOLLOWS:

Section 1. Adoption. [COMMUNITY] Code, Title__, Chapter _, Community Clean Energy Program, which is published as a code in book form, is adopted in accordance with Exhibit A herein, copies of which have been filed for use and examination in the Office of the [COMMUNITY CLERK/RECORDER] (the "Community Clean Energy Program Ordinance").

Section 2. **Savings Clause.** In the event one or more of the provisions of this Community Clean Energy Program Ordinance shall, for any reason, be held to be unenforceable or invalid in any respect under applicable laws, such unenforceability or invalidity shall not affect any other provision; and in such an event, this Community Clean Energy Program Ordinance shall be construed as if such unenforceable or invalid provision had never been contained herein.

Section 3. Effective Date. This Community Clean Energy Program Ordinance shall take effect immediately upon the date of its first publication.

APPROVED, ADOPTED, AND PASSED and ordered published by the [COMMUNITY COUNCIL/COMMISSION], this ___day of _____, [YEAR].

ATTEST:

_____
Name: _____
[COMMUNITY CLERK/RECORDER]

[COMMUNITY COUNCIL/COMMISSION]

_____
Name: _____
[COUNCIL/COMMISSION CHAIR]

VOTING OF [COUNCIL/COMMISSION]

APPROVED AS TO FORM:

_____ ___
_____ ___
_____ ___
_____ ___
_____ ___

_____
Name: _____
[CITY/COUNTY ATTORNEY]

EXHIBIT A

TITLE ___

CHAPTER ___

COMMUNITY CLEAN ENERGY PROGRAM

SECTION 1. [COMMUNITY'S] PARTICIPATION IN COMMUNITY CLEAN ENERGY PROGRAM

1.1 [COMMUNITY] hereby establishes its participation in the Community Clean Energy Program ("Program") as approved by the Public Service Commission of Utah ("Commission").

1.2 On [DATE], the Commission issued an order in Docket No. [_____] ("Commission Order") approving the Program. The Commission Order is on file with the Commission. The Program's rates, rules, and requirements are governed by the Commission Order, and may be modified from time to time by subsequent rules and orders adopted by the Commission. To the extent that the Commission Order or any subsequent rule or order adopted by the Commission contradicts any portion of this Title, the Commission order or rule or order adopted by the Commission shall govern.

1.3 ELIGIBLE CUSTOMERS. Pursuant to Utah Code § 54-17-905(5), residential customers participating in the net metering program under Utah Code Title 54, Chapter 15, Net Metering of Electricity, are not eligible to participate in the Program. All other retail electric customers of Rocky Mountain Power within the current and future boundaries of [COMMUNITY], including all residential, commercial, and industrial customers, are eligible to participate in the Program ("Eligible Customer").

1.4 COMMENCEMENT DATE. The Program shall commence effective [DATE] ("Program Commencement Date"). Eligible Customers shall be enrolled in the Program if they receive the Notices identified in Section 2, below, and decline to opt out of participation in the Program by the date set forth in the Notices. Consistent with the Act and the Commission Order, the Notices shall be sent to each Eligible Customer before the commencement date that applies to each such customer ("Customer Commencement Date"), as set forth below.

1.4.1 For each Eligible Customer that continuously remains an Eligible Customer within [COMMUNITY] for at least 60 days prior to and through the Program Commencement Date, the Customer Commencement Date shall be the same as the Program Commencement Date.

1.4.2 For electric customers that become Eligible Customers within [COMMUNITY] after the Program Commencement Date (e.g., when a customer becomes a retail electric customer of Rocky Mountain Power

within the boundaries of [COMMUNITY] after the Program Commencement Date), the Customer Commencement Date shall be [ ] days after the customer becomes an Eligible Customer within [COMMUNITY].

SECTION 2. CUSTOMER PARTICIPATION IN COMMUNITY CLEAN ENERGY PROGRAM.

2.1 Each Eligible Customer shall be automatically enrolled in the Program unless the customer opts out of the Program prior to the customer's Customer Commencement Date.

2.2 NOTICES. As set forth in the Act and the Commission Order, before any Eligible Customer becomes a participant in the Program, Rocky Mountain Power first shall deliver to each Eligible Customer certain notices (collectively, the "Notices") containing content and in the form, manner, and delivery method as required by the Act and Commission Order and other orders and rules adopted by the Commission.

2.3. OPT-OUT. Each Eligible Customer may elect not to participate in the Program and instead to continue to pay applicable existing electric rates by giving notice to Rocky Mountain Power in the manner and within the time period set forth in the Notices.

2.3.1 FIRST OPT-OUT NOTICE. Rocky Mountain Power shall provide a First Opt-Out Notice, separate from standard monthly bills, to each Eligible Customer within [COMMUNITY], no earlier than sixty (60) days and no later than thirty (30) days before the Customer Commencement Date applicable to each customer. The First Opt-Out Notice shall, in all material respects, use the form and content of the First Opt-Out Notice as approved by the Commission.

2.3.2 SECOND OPT-OUT NOTICE. Rocky Mountain Power shall provide a Second Opt-Out Notice, separate from standard monthly bills, to each Eligible Customer within [COMMUNITY], at least fifteen (15) days after the First Opt-Out Notice was provided and at least seven (7) days before the Customer Commencement Date applicable to such customer. The Second Opt-Out Notice shall, in all material respects, use the form and content of the Second Opt-Out Notice as approved by the Commission.

2.3.3 Each Eligible Customer that receives the First Opt-Out Notice and the Second Opt-Out Notice as described herein and declines to opt out of the Program by the customer's Customer Commencement Date will be enrolled in the Program.

2.4 CUSTOMER OPTION TO OPT IN TO PROGRAM. An Eligible Customer located within [COMMUNITY] that is not enrolled in the Program may at any time elect to participate in the Program by providing notice to Rocky Mountain Power in the form and content approved by the Commission. Following such notice to opt in to the Program, the customer will be enrolled in the Program starting with the billing period following the notice in which it is reasonably practicable for Rocky Mountain Power to enroll such customer. The reasonably

practicable billing period shall be based on when the notice was received from the customer and the customer's billing cycle. Following enrollment in the Program, the customer shall be subject to all Program requirements, including exit notices and termination fees.

2.5 CUSTOMER OPTION TO EXIT PROGRAM. Customers that do not opt out of the Program by the Customer Commencement Date, or who opt in to the Program, may subsequently exit the Program by taking the steps described in the Commission Order.

SECTION 3. TERMINATION FEES

3.1 If a customer declines to opt out of the Program prior to the applicable Customer Commencement Date, but subsequently exits the Program, the exiting customer may be required to pay a termination fee, as set forth in this Section.

3.2 When applicable, the amount of the termination fee shall be based on the rate schedule of the exiting customer, is set forth in the Commission Order, and may be modified from time to time by subsequent orders of the Commission.

3.3 CIRCUMSTANCES IN WHICH TERMINATION FEE SHALL NOT APPLY: A Termination Fee shall not apply in the following circumstances:

3.3.1 Any customer that ceases to be an electric customer of Rocky Mountain Power;

3.3.2 Any customer that moves to a new location that is not within the boundaries of a community that participates in the Program;

3.3.3 Any customer that seeks protection through bankruptcy proceedings;

3.3.4 Any customer enrolled in Schedule 3 bill assistance ("Low-Income Lifeline Program").

SECTION 4. ACQUISITION OF CLEAN ENERGY RESOURCES

4.1 For purposes of this section, "clean energy resource" shall have the definition set forth in the Act.

4.2 Rocky Mountain Power may adopt or procure one or more clean energy resources to serve the needs and goals of the Program. The acquisition of any such clean energy resource must follow solicitation application and evaluation criteria approved by the Commission.

4.3 Any clean energy resource adopted or procured by Rocky Mountain Power to serve the needs and goals of the Program must be approved by the Commission based on a finding the same is reasonable and in the public interest.

4.3 The Commission shall determine the method of cost recovery for any clean energy resource acquired to meet Program needs and goals, and the Commission's determination regarding cost recovery may affect Program rates.

SECTION 5. PROGRAM RATES AND RATE ADJUSTMENT FILINGS

5.1 Program rates will be determined by the Commission.

5.2 The initial Program rates were determined by the Commission in the Commission Order.

5.3 Program rates may be adjusted by the Commission from time to time, consistent with the procedures set forth in the Commission Order for adjusting Program rates.

SECTION 6. UTILITY BILLING FOR PARTICIPATING CUSTOMERS

6.1 Rocky Mountain Power shall bill each Participating Customer on a monthly basis and shall:

6.1.1 include information in its monthly bills to participating customers identifying the Program cost; and

6.1.2 provide notice to participating customers of any change in rates for participation in the Program.

SECTION 7. [COMMUNITY] PARTICIPATION IN PROGRAM

7.1 Through its membership in the Community Renewable Energy Agency, [COMMUNITY] participated in the design and approval of the Program and shall participate in future decisions regarding clean energy resource solicitation, clean energy resource acquisition, and certain other Program issues.

7.2 Consistent with Utah Code § 54-17-903(2)(a), [COMMUNITY] entered into an agreement with Rocky Mountain Power ("RMP") regarding the facilitation of the Program ("Utility Agreement"). Pursuant to the Utility Agreement, [COMMUNITY]:

7.2.1 shall pay for the costs of third-party expertise contracted for in connection with the Program's development and initial approval by the Commission;

7.2.2 shall pay its proportional costs associated with RMP providing the Notices to the [COMMUNITY'S] customers as discussed in Section 2, above;

7.2.3 Termination charges not paid by a participating customer shall be included in participating customer rates and shall not be paid by [COMMUNITY];

7.2.4 There shall be no initially proposed "Replaced Asset" as that term is defined by Utah Code § 54-17-902(15).

7.3 [COMMUNITY] has already approved the appropriation of funds and has already paid those funds to the Agency for the Agency to make payments for the costs of third-party expertise contracted for in connection with the Program's development and initial approval by the Commission pursuant to the Governance Agreement.

7.4 [COMMUNITY] [has approved/hereby approves] the appropriation of funds to pay its proportional costs associated with RMP providing the Notices to the [COMMUNITY'S] customers as discussed in Section 2, above.

7.5 [COMMUNITY] shall not be obligated to pay any costs of the Program other than those costs set forth herein and any costs that [COMMUNITY] may bear as a utility customer that participates in the Program, if applicable.