

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF ROCKY MOUNTAIN)	CASE NO. PAC-E-22-02
POWER’S APPLICATION FOR)	
AUTHORITY TO REVERT THE BLUE SKY)	
BLOCK VALUE TO 100 KILOWATT HOURS)	ORDER NO. 35362
FROM 200 KILOWATT HOURS)	

On January 24, 2022, PacifiCorp dba Rocky Mountain Power (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) for authority to revert the standard Blue Sky block size to 100 kilowatt hours (“kWh”) from 200 kWh.¹ The Company requested its Application be processed by Modified Procedure with an effective date of April 1, 2022.

On February 16, 2022, the Commission issued a Notice of Application and Notice of Modified Procedure setting deadlines for the public and the Company to file comments. *See* Order No. 35324. Staff filed comments to which the Company did not reply. No other comments were filed.

Having reviewed the record in this case, we now issue this final Order authorizing the Company to revert the standard Blue Sky block to 100 kWh.

BACKGROUND

In 2000, the Company launched the Blue Sky Program (“Program”) to allow customers wanting to offset some or all their usage with Renewable Energy Credits (“RECs”). In Case No. PAC-E-19-17, the Commission authorized the Company to increase the size of each block offered under the Program from 100 kWh to 200 kwh (at no additional cost to the participating customer). *See* Order No. 34545. Staff stated that the Program was self-funded, and the funds collected from participating customers are used to cover REC purchases and marketing/administration expenses—any unused funds are made available to help fund new community-based renewable energy installations. *Id.*

THE APPLICATION

Due to the recent price increase for RECs, the Company requests to change the size of each block offered under the Program from 200 kWh back to 100 kWh while continuing to charge \$1.95 per block.

¹ Blue Sky blocks are available to customers under Schedule Nos. 70 and 73.

The Program is self-funded, and the funds collected from participating customers are used to cover REC purchases and marketing/administration expenses. Remaining funds are made available to help fund new community-based renewable energy installations. Due to the recent increase in REC prices, the Company estimated that only 2% of Program funds would be available for community-based renewable energy installations if the block size remained 200 kWh. The Company forecasted that if the Blue Sky block size is changed to 100 kWh then about 43% of Program funds would be available for community-based renewable energy installations.

STAFF COMMENTS

Staff supported the Company's proposed changes to Schedule Nos. 70 and 73 as filed. *Id.* at 4. Staff recognized that the proposed changes would modify the block structure of the Program and recommended that the Commission require the Company to continue filing annual Blue Sky Reports. *Id.* In 2021, the Company's Blue Sky Report indicated revenues of \$69,814 and an excess fund balance of \$140,458 for its Idaho Program. *Id.* at 3. Staff believed even without changes to the current block structure or rates, that the Program's current budget would receive adequate revenue to recover projected REC purchases and that the Program might continue to run a surplus budget if few or no applications for community-based projects were received. *Id.*

Staff recommended the Company explore providing partial funding to projects or other renewable projects that benefit Idaho customers—making funding requirements less restrictive and potentially increasing the Company's ability to use unused funds for community-based projects. *Id.* Staff's concerns were based on the Company's lack of applications for community-based renewable energy grants. *Id.*

Staff stated that it would like to see an analysis of the additional administrative costs of maintaining separate pricing and block structures for its Idaho jurisdiction before the Company makes any future requests regarding Schedule Nos. 70 and 73. Staff recommended approval of the proposed changes to the Program block structure, but recommended the Company present an analysis of the administrative burden of maintaining a separate Program structure for Idaho prior to filing for approval of any future Program changes. *Id.*

COMMISSION FINDINGS AND DECISION

The Company is an electric corporation under *Idaho Code* § 61-119, and a public utility under *Idaho Code* §61-129. The Commission has jurisdiction over the issues in this case under Title 61 of Idaho Code, including *Idaho Code* §§ 61-301, -502, and -503. The Commission has

reviewed the record, including the Application and Staff's comments. Based on its review, the Commission now approves the Company's Application to revert its Blue Sky block size from 200kWh back to 100kWh.

The Commission finds it reasonable to approve the changes to the Blue Sky Program, effective as of April 1, 2022. We continue to direct the Company to focus on procuring least-cost RECs to match Program demand, with preference given to non-PacifiCorp projects in Idaho, when feasible.

In Order No. 29329, we “direct[ed] Staff and the Company to periodically revisit and evaluate the program to assure that program participants are not paying a premium for the same renewable energy benefits enjoyed by all PacifiCorp customers.” Order No. 29329 at 6. We understand the REC market is not static—but everchanging—and appreciate the Company being proactive to seek amendment of the Program and ensure its offerings remain consistent with the market forces. Based on the record and the changing REC market, we believe it is appropriate to update the Program in Idaho.

A unique component of the Program is the availability of unused funds to assist community-based renewable energy programs. We encourage the Company to explore ways to make sure these funds are available and used to assist eligible recipients in its Idaho service territory. We hope the Company will explore opportunities to use unused funds to partially fund projects when adequate funds are not available to fully fund a single project. It is important that if one of the components of the Program includes using unused funds to provide funding to community-based renewable projects that those funds are made available. Given the de minimis number of applications and grant requests in recent years, we direct the Company to explore ways to ensure the unused funds are distributed to qualifying projects that would benefit from the grants. This may require the Company to change its promotion, application process, eligibility criteria, qualifications, or structure for funding.

If the Company wishes to amend the Program at any point in the future, it should be accompanied by an analysis of the additional administrative costs of maintaining separate pricing and block structures in Idaho from its other jurisdictions.

We direct the Company to continue filing an annual “Blue Sky Program Report.” This Report should help keep the Program Block size and cost aligned with the REC market prices. It

will also give the Commission an opportunity to review the Company's efforts and success in approving grants for qualifying initiative projects.

ORDER

IT IS HEREBY ORDERED that the Company's Application to revert renewable energy Blocks for the Blue Sky Program to 100kWh from 200 kWh is approved, effective April 1, 2022.

IT IS FURTHER ORDERED that the Company shall evaluate—or to the extent necessary adjust the requirements for—its community-based renewable energy program grants to ensure funds are available for use in Idaho.


IT IS FURTHER ORDERED that the Company shall continue to monitor the REC market and propose amendments to the Program as necessary to ensure Program viability.

IT IS FURTHER ORDERED that the Company shall file a Blue Sky Program Report with the Commission each year.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order regarding any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

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DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 1st day of April 2022.



ERIC ANDERSON, PRESIDENT

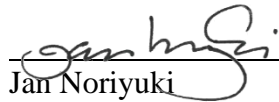


JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND, JR., COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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