

Agenda Item 2.3 Program Design Committee Update

Utah Renewable Communities (URC) Board Meeting
December 2023

Program Design Committee Membership

- Summit County
- Holladay
- Millcreek
- Ogden
- Park City
- Salt Lake City
- Springdale

[Resolution 21-05](#)

[Resolution 21-06](#)

Program Application – Required Items 9/28

Agency Working Committee

Rocky Mountain Power

Revised Board

Name and boundary map for each eligible community	Drafted and Sent 4/27	Accepted 8/7	N/A
Proposed ordinance language	Recommended	--	Approved
Customer count by schedule, monthly load by class	Reviewing data	Provided data	
10-year load forecast by class	Awaiting 8/3	Complete 4/28	N/A
Projected program rates for each customer class		Assigned 3/21	
Process for periodic rate adjustment filings		Assigned 3/21	
Proposed tariff changes		Drafting 3/21	
Utility Agreement	Approved 10/2	Approved 10/2	Approved
Governance Agreement		Complete	
Plans for low-income assistance (Programmatic)	Recommended	Reviewed	Approved
Proposed resource solicitation process	Drafted and Sent 6/5	Reviewing 6/5	
Proposed form of opt-out notices	Reviewing 11/6	Revised and Sent 11/6	
Projected implementation date	Conceptual Discussions		
Other informational materials	Not Started		
Explanation how other customers and utility not subject to costs	Conceptual Discussions		

Key Activities

- Committee met three times in November
- Small group met twice to discuss resource valuation, procurement, and financial backstop
- Small group met with John Brems, Millcreek City Attorney to discuss Agency-hosted resource solicitation
- Resource solicitation rules drafted by Phil Russell

Utility Agreement

- 13 communities have delivered signed agreements to Board Secretary Emily Quinton
 - Alta, Castle Valley, Cottonwood Heights, Grand County, Holladay, Kearns, Millcreek, Moab, Oakley, Salt Lake City, Salt Lake County, Springdale, Summit County
- Of the five remaining communities...
 - Two have voted to sign but have not yet delivered agreements (Ogden and Emigration Canyon)
 - One was to hold a vote on Nov 30 (Park City)
 - One voted not to proceed (Coalville) but may hold another vote when newly-elected council members take office in January
 - One is unknown at this time (Francis)
- Some communities may deliver signed agreements in January after newly-elected leaders take office

Total Program Premium Cost Estimate

- We developed and submitted a program cost estimate to the Utah Division of Air Quality for the Beehive Emissions Reduction Plan
- The cost estimate used the following assumptions:
 - Acquire power from a new 200 MW solar farm and a new 200 MW wind farm, using PacifiCorp's published 2023 IRP cost estimates
 - Estimate the system value of these resources using PacifiCorp's published avoided costs (updated quarterly)
- Using these assumptions, the total Program premium cost was estimated to be between **\$70million - \$100million**
- These numbers are consistent with the range of \$2 to \$7 extra per month, on average, for the typical participating household
- Actual costs will reflect the results of competitive solicitations, approved program resource valuation methods, and administrative costs
- The proposal can be scaled down to reflect a smaller initial acquisition that would partially meet the goal (e.g., one 100 MW solar farm)

Budget Update and Discussion

- We earmarked \$300,000 for legal and analytical costs related to program design; of that, roughly **\$41,288** remains
- **\$106,500** of Agency funds are not currently allocated
- The Program Design Committee has discussed asking the Board to allocate these funds, as needed, to:
 - Complete the program design negotiations with PacifiCorp
 - Engage in the Program Application docket before the Utah Public Service Commission
 - **NEW!** Support legal and analytical work to support an Agency-hosted resource solicitation, in light of PacifiCorp's suspended RFP
- The Board could see a resolution at our January Board meeting to consider authorizing this approach
- Any questions or concerns?

Agency-Hosted Resource Solicitation

- We had been planning to use bid information from PacifiCorp's 2022 All-Source RFP (2022 ASRFP) to:
 - Acquire the program's first resource, and
 - Inform program cost estimates and rate design
- Given that PacifiCorp has indefinitely suspended its 2022 ASRFP, the Program Design Committee has begun to explore how we would host our own resource solicitation to accomplish these aims
- After a discussion with Millcreek, we are looking to draft a resolution that would modify the Agency's procurement rules as follows:
 - Explicitly allow the Agency to run a solicitation for program resources
 - Allow the imposition of a fee on bidders to defray solicitation and bid analysis costs
 - Make clear that Millcreek or another member community may host the solicitation on its website
 - Allow for RFP responses to be directed to a third-party consultant

Next Steps

- Look for two resolutions at the January board meeting regarding budget and Agency-hosted resource solicitation