

The logo for UTAH100 COMMUNITIES features a yellow silhouette of the state of Utah on a dark gray background. The text "UTAH100" is in a large, bold, dark gray sans-serif font, and "COMMUNITIES" is in a smaller, all-caps, dark gray sans-serif font below it. A white wavy line representing a mountain range is at the bottom of the yellow shape.

UTAH100 COMMUNITIES

Board Orientation

Community Renewable Energy Board
Meeting

July 13, 2021

Agenda

- Vision and Background
- Overview and Key Requirements
 - Governance & Board
 - Utility Agreement
 - Program Application
 - Adoption
- RMP recent energy news

Vision & Background

Community Renewable Energy Program for Homes and Businesses

Net-100% renewable electricity by 2030



The Vision: Community Renewable Energy Program

A default net-100% renewable electricity option

Affordability

Inject a significant amount of new renewable energy into our electric grid

Protect low-income customers

Combine the interest of communities across Utah to multiply our impact



Current Options Are Good but Limited

The Blue Sky program mostly supports existing projects that are not interconnected to our electric grid

The Subscriber Solar program has so far supported one new 20 MW solar farm, but is currently capped, and requires customer opt-in

Rooftop solar has many benefits, but typically requires a big upfront financial investment or a loan

This program will be the first of its kind in the country (like Utah's version of community choice aggregation)



History



Community Renewable Energy Act passed 2019

Eligibility window extended to Dec 2019 – 23 Utah communities became eligible by adopting qualifying resolutions

Administrative Rules adopted December 2019

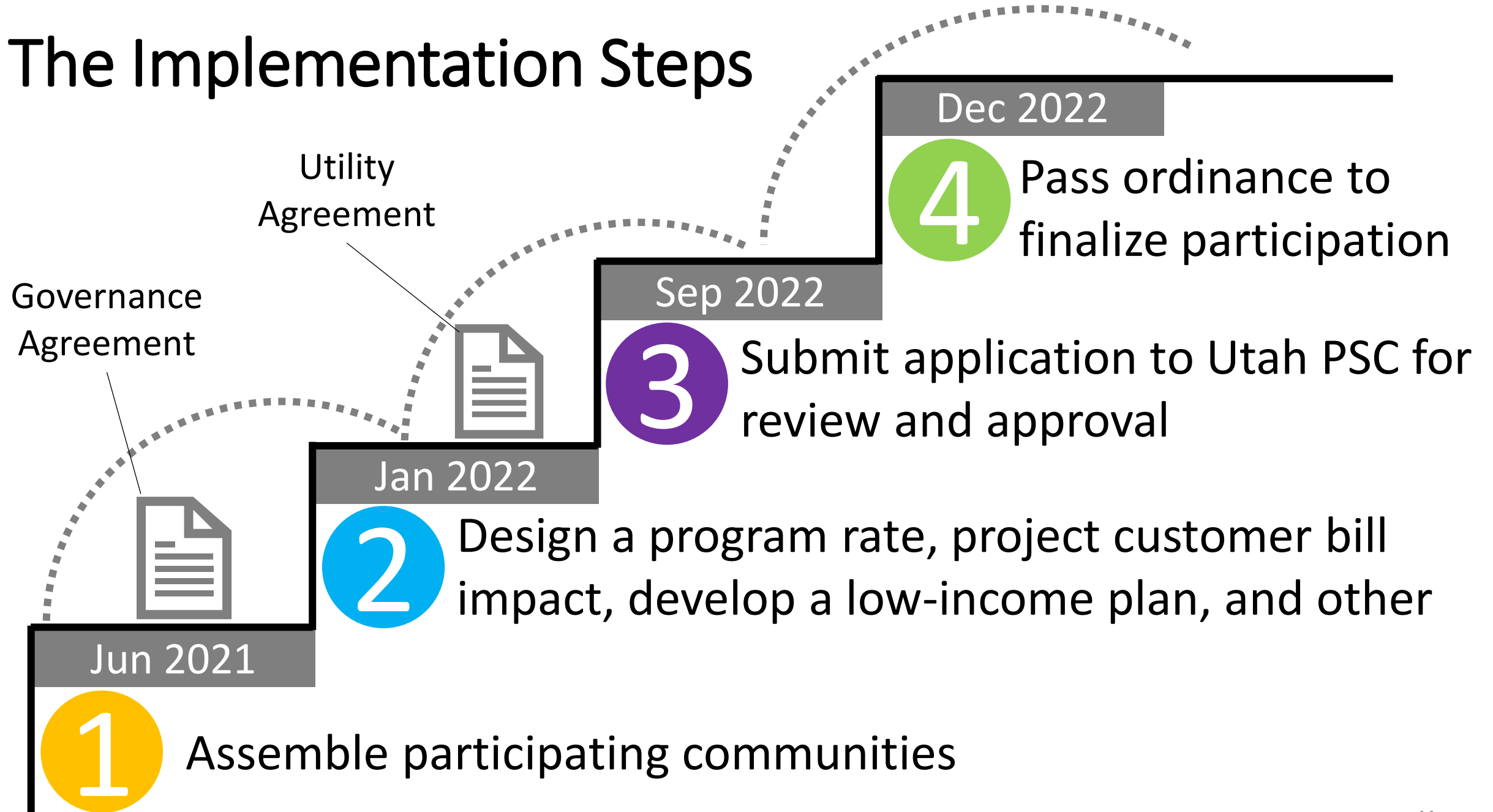
Communities have been meeting to work on next steps since January 2020

Governance subgroup has been meeting weekly to work on Governance Agreement and communications

Overview and Key Requirements

Governance & Board	<p>“Reach a single joint decision on ... program issues” (voting)</p> <ul style="list-style-type: none"> *Cost sharing, budget, and payment schedule *Admin functions – procurement, accounting, noticing *Programmatic committees (Program Design, Low-Income Plan, Communications) 	R746-314-101(9)
Utility Agreement	<p>Stipulation of payment for third-party expertise for state regulators</p> <p>Stipulation of payment for noticing</p> <p>Termination charges</p> <p>Any initially proposed replaced asset</p> <ul style="list-style-type: none"> *Interpreting the net-100% goal 	<p>54-17-903(b)(i)(A)</p> <p>54-17-903(b)(i)(B)</p> <p>54-17-903(b)(ii)</p> <p>54-17-903(b)(iii)</p>
Program Application	<p>List of participating communities with customer class loads, forecasts</p> <p>Proposed ordinance language each community must adopt to participate</p> <p>Projected program rates and tariffs (rate design, quantifiable costs and benefits affecting utility only)</p> <p>Process for periodic (not more than annually) rate adjustment filings</p> <p>One plan per community addressing low-income programs and assistance</p> <p>Proposed solicitation process, form of opt out notices, implementation date, other materials</p> <p>Explanation how non-participating customers and the utility will not be subject to program liabilities/costs</p> <p>To approve, Commission must find: in public interest, may not result in shifting of costs or benefits to nonparticipants</p>	<p>R746-314-401(3)(a),(b),(d)</p> <p>R746-314-401(3)(c)</p> <p>R746-314-401(3)(e),(g)</p> <p>R746-314-401(3)(f)</p> <p>R746-314-401(3)(j)</p> <p>R746-314-401(3)(k)(l)(m)(n)</p> <p>R746-314-401(3)(o)</p> <p>R746-314-401(4)(b),(5)(b)</p>
Program Adoption	<p>After Commission approval, an eligible community identified in the application must pass ordinance within 90 days</p> <p>Resource solicitation and acquisition, as approved</p> <p>First and second opt-out notices as approved ~60 days before commencement (in person for customers over 1 MW)</p> <p>Cancellation period for three billing cycles following commencement, after which termination fee, if any, applies</p> <p>Continued resource solicitation and acquisition and rate adjustments until net-100% renewable goal is reached</p>	<p>54-17-903(2)(c),(3)</p> <p>R746-314-301,302</p> <p>R746-314-305,306</p>

The Implementation Steps



Governance Agreement

“Reach a single joint decision on ... program issues” (voting)

*Cost sharing, budget, and payment schedule

*Admin functions – procurement, accounting, noticing

*Committees (Program Design, Low-Income Plan, Communications)

[R746-314-101\(9\)](#)

Governance Agreement: Voting

The Governance Agreement: Voting

Governance Agreement 2(b)

Pre-Implementation Voting

Majority of communities with the option to call for 2 to call a weighted vote.

The vote will be weighted by “participation percentage,” which changes throughout the timeline.

Participation Percentage:
Original weights,
Phase 1 Payment Obligation,
Phase 2 Payment Obligation,
Participating Electric Load

Post-Implementation Voting

Changing Program Elements: Supermajority of communities and majority of electric load

Procuring New Resources:
Majority of communities and majority of Electric Load (Unless 10% or more; then supermajority of both)

Other Votes: Majority of communities, with the option to call for a vote weighted by electric load

Pre-Implementation Voting

General Votes

- Must be taken at a meeting with a quorum
- Requires at least a majority of Board Members present and voting

Weighted Votes

- If any two Board Members call for a weighted vote, then requires at least a majority of participation percentage

What is the Participation Percentage?

From the Effective Date to July 31, 2021

- This is the “Original Weight”
- Based on each party’s average of population and electric load, in relation to all other parties who sign onto the agreement

From August 1, 2021 to Program Submittal Date

- Based on each party’s Phase 1 payment obligation, which includes Phase 1 initial payments and any Phase 1 anchor payments

From Program Submittal Date to the end of the Implementation Period

- Based on each party’s Phase 2 payment obligation, which includes Phase 2 initial payments and any Phase 2 anchor payments

After the Implementation Period

- Based on each party’s share of participating customer electric load

Post-Implementation Voting

Altering Program Elements

- Required of all participating communities, not just those at a meeting
- Requires **at least 2/3 of Board Members AND at least a majority of participation percentage**

Renewable Resource Votes

- Required of all participating communities, not just those at a meeting
- With experts, as appropriate, calculate the **Incremental Rate Impact** of the new resource in conjunction with all other previously-approved resources
- If the calculated impact is **less than 10%, requires at least a majority of Board Members AND at least a majority of participation percentage**
- If the calculated impact is **10% or greater, requires at least 2/3 of Board Members AND at least 2/3 of participation percentage**

Pre-Implementation Voting

Effective Date – July 31, 2021	August 1, 2021 - Submittal	Submittal – Order	Order – End of Implementation Period
Simple Community Majority Vote	Simple Community Majority Vote	Simple Community Majority Vote	Simple Community Majority Vote
Option for Weighted Vote	Option for Weighted Vote	Option for Weighted Vote	Option for Weighted Vote
Participation Percentage = Average of Population & Electric Load	Participation Percentage = Phase 1 Payment Obligation	Participation Percentage = Phase 2 Payment Obligation	Participation Percentage = Phase 2 Payment Obligation

Post-Implementation Voting

After Implementation Period
Program Design Vote - Supermajority of Communities - Majority of Electric Load
Renewable Resource Vote (<10%) - Majority of Communities - Majority of Electric Load
Renewable Resource Vote (≥10%) - Supermajority of Communities - Supermajority of Electric Load

Primary Vs. Alternate Board Members

Primary Board Member

- Must be elected
- If present, the Primary Board member casts the Party's vote

Alternate Board Member

- Does not have to be elected
- When Primary board member is absent, the Alternate has all the privileges of the Primary Board member

Governance Agreement: Costs

Program Implementation Expenses (1 of 5)

Why do local governments need to pay to implement the Community Renewable Energy Program?

The state law says: “may not result in any **shift of costs** or benefits to any nonparticipating customer, or any other customer of the qualified utility beyond the participating community boundaries”

Estimated high-end cost estimate: \$700K (apart from noticing costs)

- \$300K for legal and technical consultants, directed by participating communities
- \$200K for Rocky Mountain Power program design and filing
- \$200K for state regulators to contract third-party expertise

The noticing cost estimate is the cost per notice multiplied by the number of customers in each jurisdiction, to reimburse RMP for the cost of sending notices.

Cost Sharing (2 of 5)

How will the estimated maximum \$700K cost be shared?

Based on a calculation that averages each community's share of total eligible population and total electric load, spread over two fiscal years.

How will noticing costs (mailers) be covered?

These costs are directly traceable to the number of customers in each jurisdiction, so they will be paid by the local governments who decide to participate in the program.

Please see budget guidance on the following slide.

Missing the number of customers for Coalville – will be updated when available.

List of Eligible Communities	Cost Allocation % (Population and Electric Load)	Total Non-Noticing Costs (\$700,000)	Budget Guidance for Phase 1 Costs Cities:FY22 Counties:FY21-22	Budget Guidance for Phase 2 Costs Cities:FY23 Counties:FY22-23	Total Est. Noticing Costs (Two Mailers * # Customers)	Budget Guidance for Noticing Cities:FY24-25 Counties:FY23-24
Alta	0.063%	437.87	218.93	218.93	206.27	206.27
Bluffdale	3.168%	22,177.13	11,088.57	11,088.57	4,236.10	4,236.10
Castle Valley	0.030%	213.49	106.74	106.74	207.07	207.07
Coalville	0.161%	1,125.98	562.99	562.99	-	-
Cottonwood Heights	3.126%	21,884.21	10,942.10	10,942.10	11,497.77	11,497.77
Emigration Canyon Township	0.130%	912.45	456.22	456.22	480.24	480.24
Francis	0.120%	843.08	421.54	421.54	489.00	489.00
Grand County Unincorporated	0.603%	4,218.74	2,109.37	2,109.37	2,435.42	2,435.42
Holladay	2.682%	18,775.45	9,387.72	9,387.72	10,147.86	10,147.86
Kamas	0.212%	1,486.98	743.49	743.49	758.18	758.18
Kearns	2.745%	19,212.02	9,606.01	9,606.01	8,376.64	8,376.64
Millcreek	5.263%	36,842.80	18,421.40	18,421.40	19,721.50	19,721.50
Moab	0.639%	4,475.90	2,237.95	2,237.95	2,780.27	2,780.27
Oakley	0.149%	1,040.00	520.00	520.00	574.21	574.21
Ogden	10.211%	71,474.53	35,737.26	35,737.26	29,136.66	29,136.66
Orem	8.863%	62,039.05	31,019.52	31,019.52	27,402.88	27,402.88
Park City	1.926%	13,484.75	6,742.38	6,742.38	8,338.41	8,338.41
Salt Lake City	28.872%	202,100.63	101,050.32	101,050.32	78,221.00	78,221.00
Salt Lake County Unincorporated	3.306%	23,140.51	11,570.26	11,570.26	9,805.40	9,805.40
Springdale	0.138%	962.53	481.26	481.26	491.38	491.38
Summit County Unincorporated	3.074%	21,519.95	10,759.97	10,759.97	10,591.46	10,591.46
West Jordan	10.833%	75,833.53	37,916.77	37,916.77	30,484.19	30,484.19
West Valley City	13.685%	95,798.44	47,899.22	47,899.22	35,945.17	35,945.17
	100.000%	\$ 700,000.00	\$ 350,000.00	\$ 350,000.00	\$ 292,327.07	\$ 292,327.07

Cost Sharing (4 of 5)

Will the cost for my local government change depending on what other local governments decide?

No. Based on feedback, we developed a concept whereby a handful of communities make an “anchoring” financial commitment that automatically fills the gap left by any community who decides not to join.

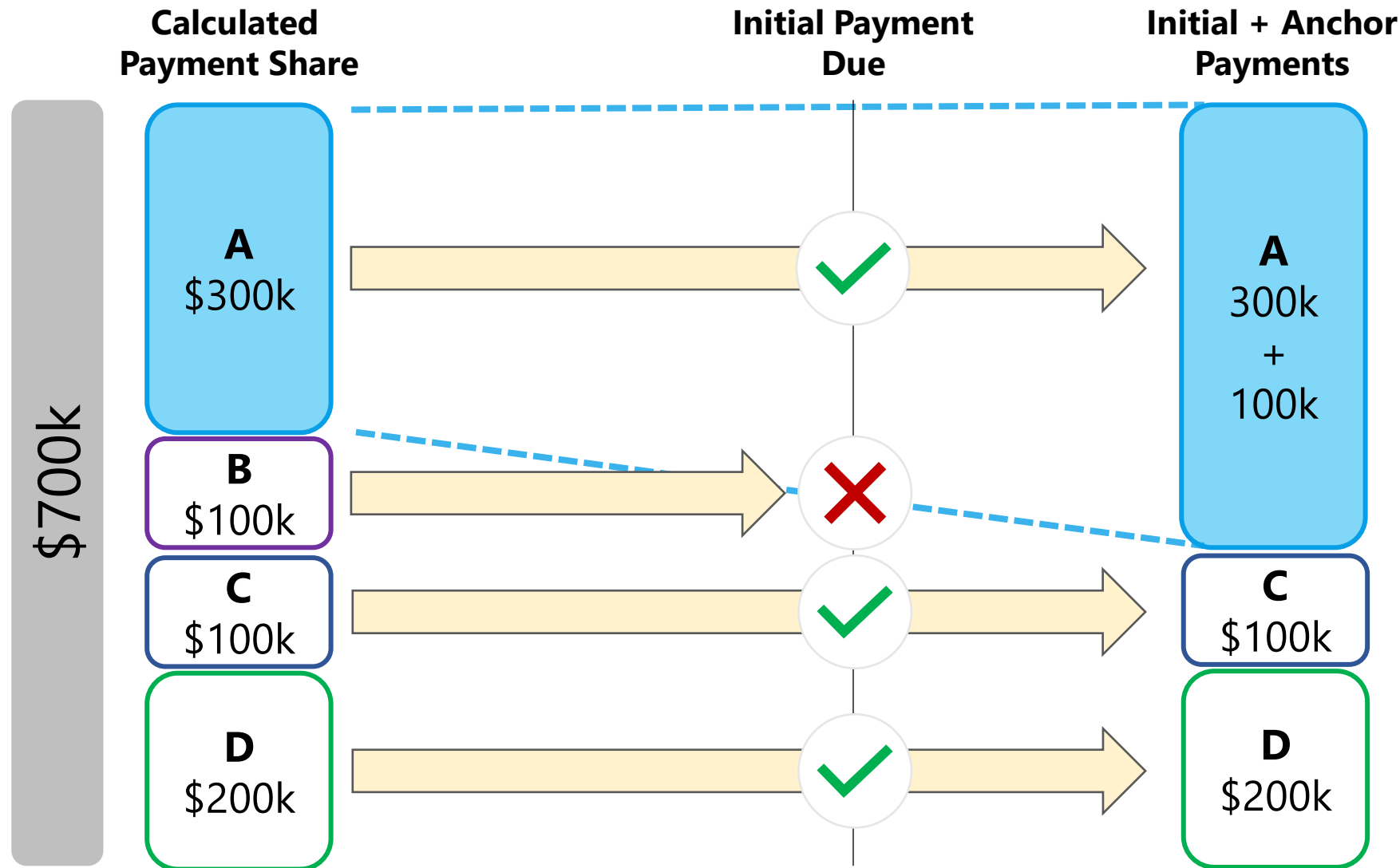
How does the anchor commitment work?

- Anchor communities commit to maximum financial amounts that collectively equal the entire \$700K implementation cost.
- As non-anchor communities join, the anchor payment shrinks proportionally to the size of each local government’s maximum anchor commitment.

When are anchor payments due?

- Phase 1 – Oct 31, 2021 for cities and Jan 31, 2022 for counties
- Phase 2 – Oct 31, 2022 for cities and Jan 31, 2023 for counties

"Community A" Anchor Simplified Illustration (5 of 5)



Payment Dates

2021-2022

- **By July 31, 2021:** For communities who want to be able to vote, sign on and Phase 1 initial payments due
 - **Move to September 30 to allow election of a Treasurer first?**
- **By Oct 31, 2021 for Anchor Communities that are municipalities:** Phase 1 anchor payments due
- **By Jan 31, 2022 for Anchor Communities that are counties:** Phase 1 anchor payments due

2022-2023

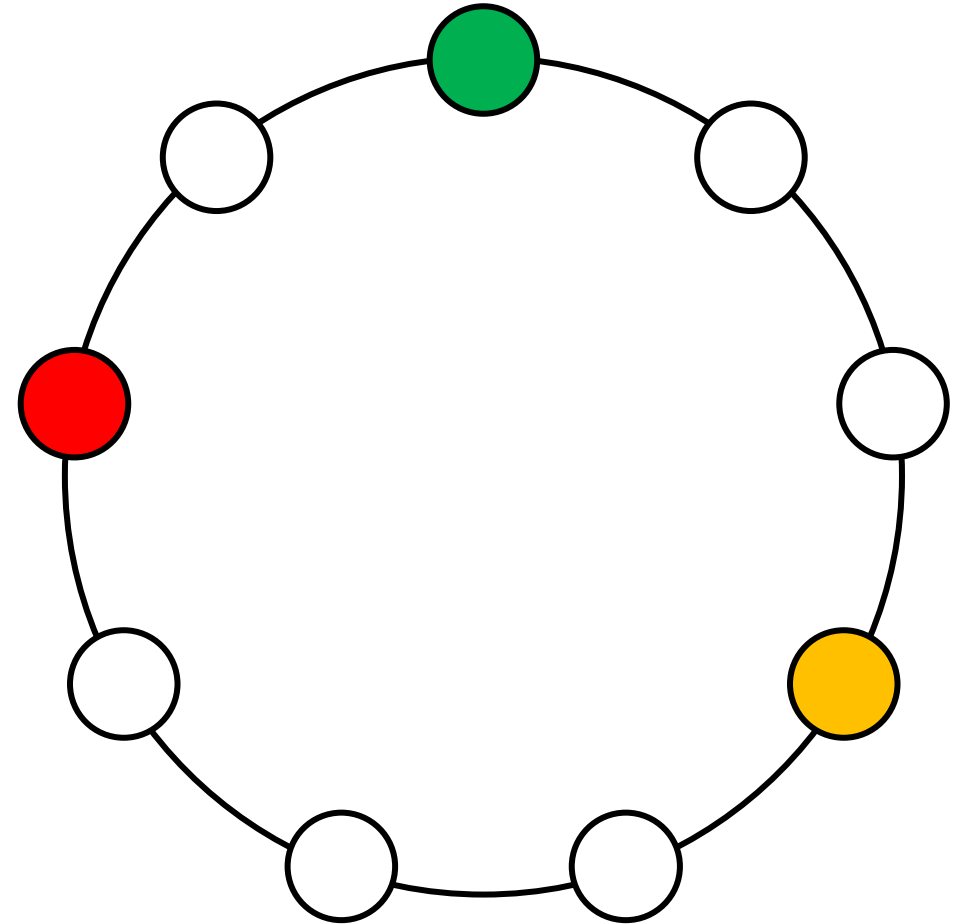
- **By Jan 31, 2022:** For those who want to wait and see, this is the last chance to sign on and make the Phase 1 payment
- **By July 31, 2022:** Phase 2 initial payments due
- **By Oct 31, 2022 for Anchor Communities that are municipalities:** Phase 2 anchor payments due, adjusted for Phase 1 actual payments
- **By Jan 31, 2023 for Anchor Communities that are counties:** Phase 2 anchor payments due, adjusted for Phase 1 actual payments

Governance Agreement: Administration

The Community Renewable Energy Board - Cooperative

"It is the intention of the Parties that the officers of the Agency will periodically be elected as set forth in the Bylaws, and that each Party will offer qualified employees to serve as potential officers of the Agency in order to equitably share administrative burdens and costs."

- Accounting and payments
- Public noticing and record-keeping
- Retaining and managing consultants



Board Roles As Originally Envisioned

Governance Agreement 2(a)(vii)

President

- Call and conduct board and committee meetings
- Conduct Agency business
- Retain and manage outside consultants

Secretary

- Receive and provide notices
- Prepare minutes and books of the agency

Treasurer

- Receive and hold payments in a separate ledger for the Agency
- Financial and accounting measures
- Retain and manage outside consultants(?)

Governance Agreement: Programmatic Committees

Committees Could Play a Vital Role in Helping Accomplish Program Requirements

Communications Committee

- Manage updates to the Utah100Communities.org website
- Manage communications with businesses who sign the pledge of support
- Coordinate publicity and media relations

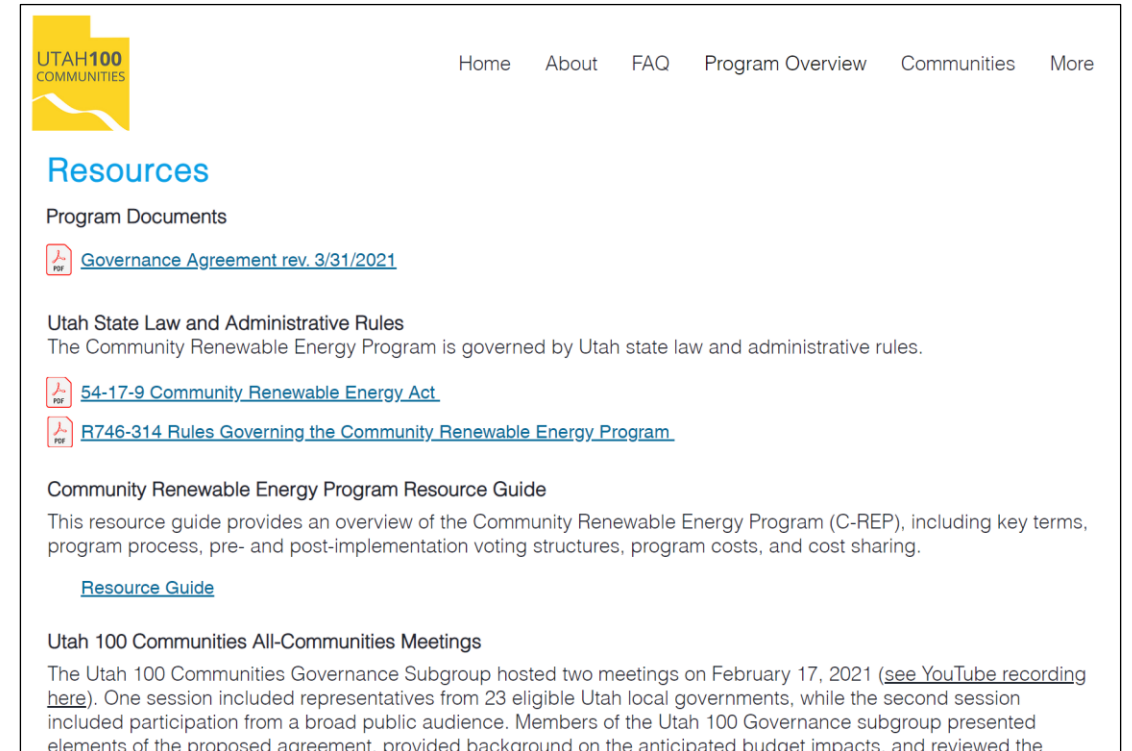
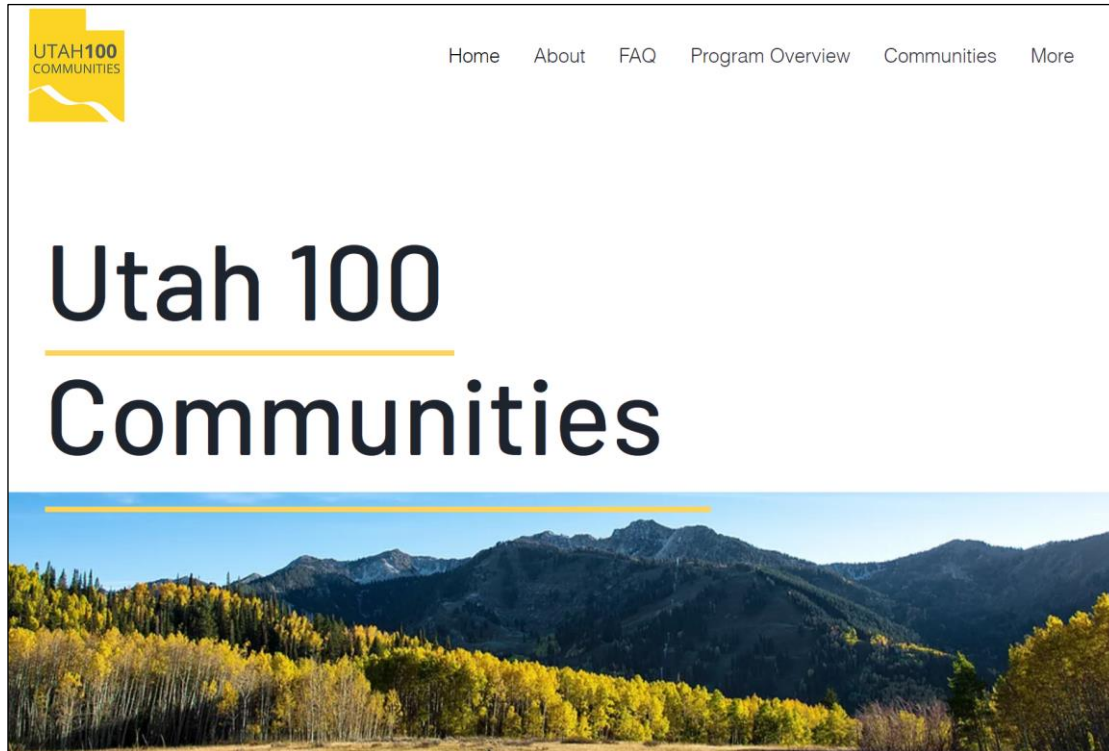
Low-Income Planning Committee

- Each community needs its own plan, but this committee could develop a menu of options or a template that individual communities can choose from
- Many communities have expressed a desire to protect most vulnerable residents, if program rates are higher than standard offer rates

Program Design Committee

- Manages joint work plan with Rocky Mountain Power, in conjunction with consultants, on Utility Agreement and elements of the Program Application
- Suggested time commitment: 5-10 hours per month
- Previous experience with electric utility regulation and planning highly encouraged

Utah100Communities.org Website



Board Functions Roundup – 12 Parties

Officers

- President/Chair
- Secretary
- Treasurer

Considerations

- Access to a local government's legal, noticing, and accounting functions
- Spread the functions among three different communities

Committees

- Communications
- Low-Income Plan
- Program Design

Considerations

- For communities with an Alternate who is staff, likely makes sense for the Alternate to be appointed to a committee (scheduling and availability)
- A quorum triggers public noticing
- Major decisions come back to full Board for a vote
- A Primary should be able to join their community's Alternate at a committee meeting without counting toward a quorum

Utility Agreement

Stipulation of payment for third-party expertise for state regulators

[54-17-903\(b\)\(i\)\(A\)](#)

Stipulation of payment for noticing

[54-17-903\(b\)\(i\)\(B\)](#)

Termination charges

[54-17-903\(b\)\(ii\)](#)

Any initially proposed replaced asset

[54-17-903\(b\)\(iii\)](#)

*Interpreting the net-100% goal

Utility Agreement: Termination Charges

Termination Fee

The termination fee means the fee, if any, to be assessed on and charged to an exiting customer

A customer who opts out before the cancellation date does not incur a termination fee

The fee can vary by customer class, usage level, or for other reasons as approved by the Commission

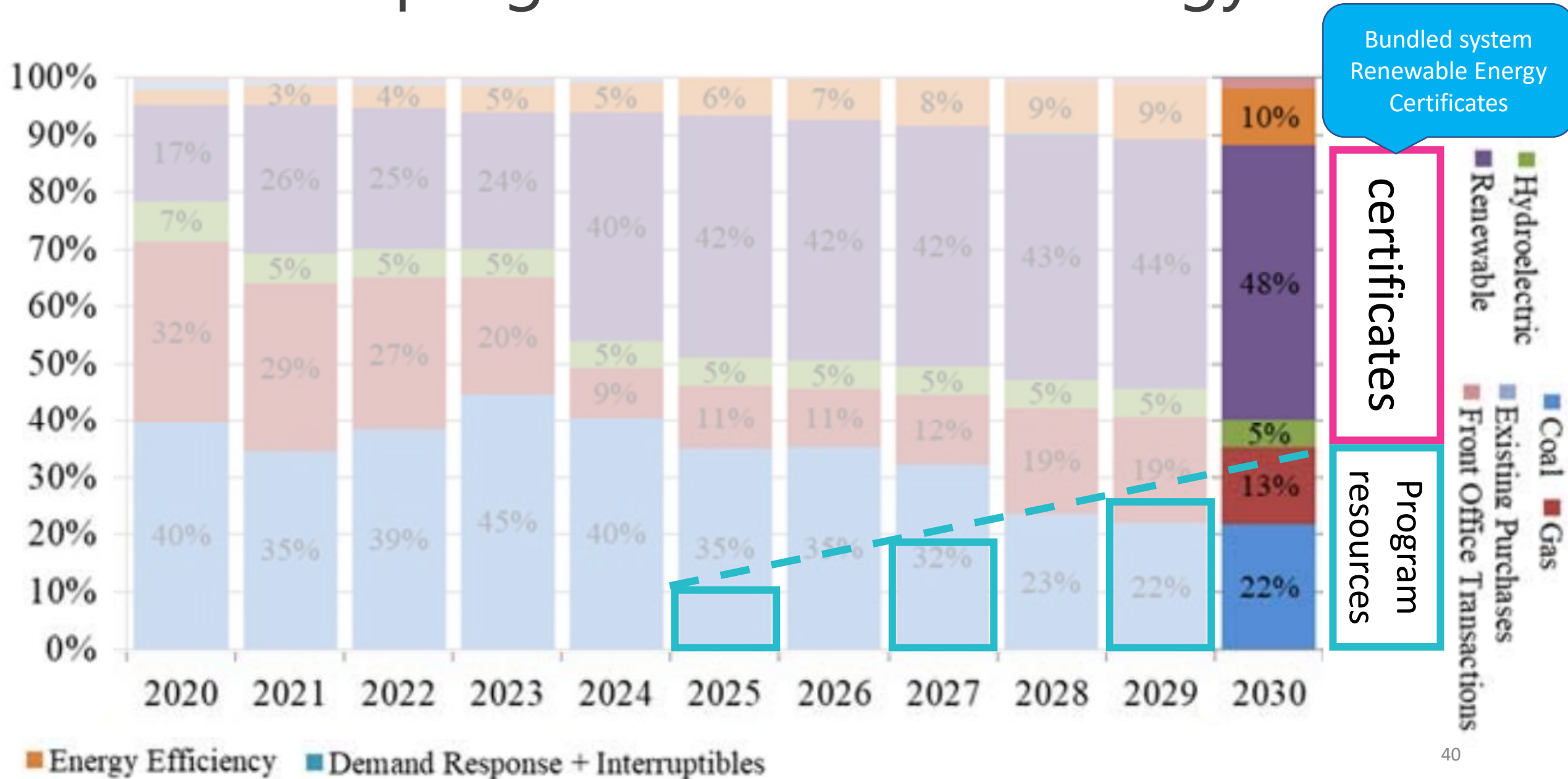
Applicability to a residential participating customer who moves outside the program boundaries shall be as approved by the Commission

May not be considered as part of the unpaid amount for any residential customer for purposes of account termination or disconnection



Utility Agreement: Interpreting the Net-100% Target

How much program renewable energy?



Program Application

List of participating communities with customer class loads, forecasts

[R746-314-401\(3\)\(a\),\(b\),\(d\)](#)

Proposed ordinance language each community must adopt to participate

[R746-314-401\(3\)\(c\)](#)

Projected program rates and tariffs (rate design, quantifiable costs and benefits affecting utility only)

[R746-314-401\(3\)\(e\),\(g\)](#)

Process for periodic (not more than annually) rate adjustment filings

[R746-314-401\(3\)\(f\)](#)

One plan per community addressing low-income programs and assistance

[R746-314-401\(3\)\(j\)](#)

Proposed solicitation process, form of opt out notices, implementation date, other materials

[R746-314-401\(3\)\(k\)\(l\)\(m\)\(n\)](#)

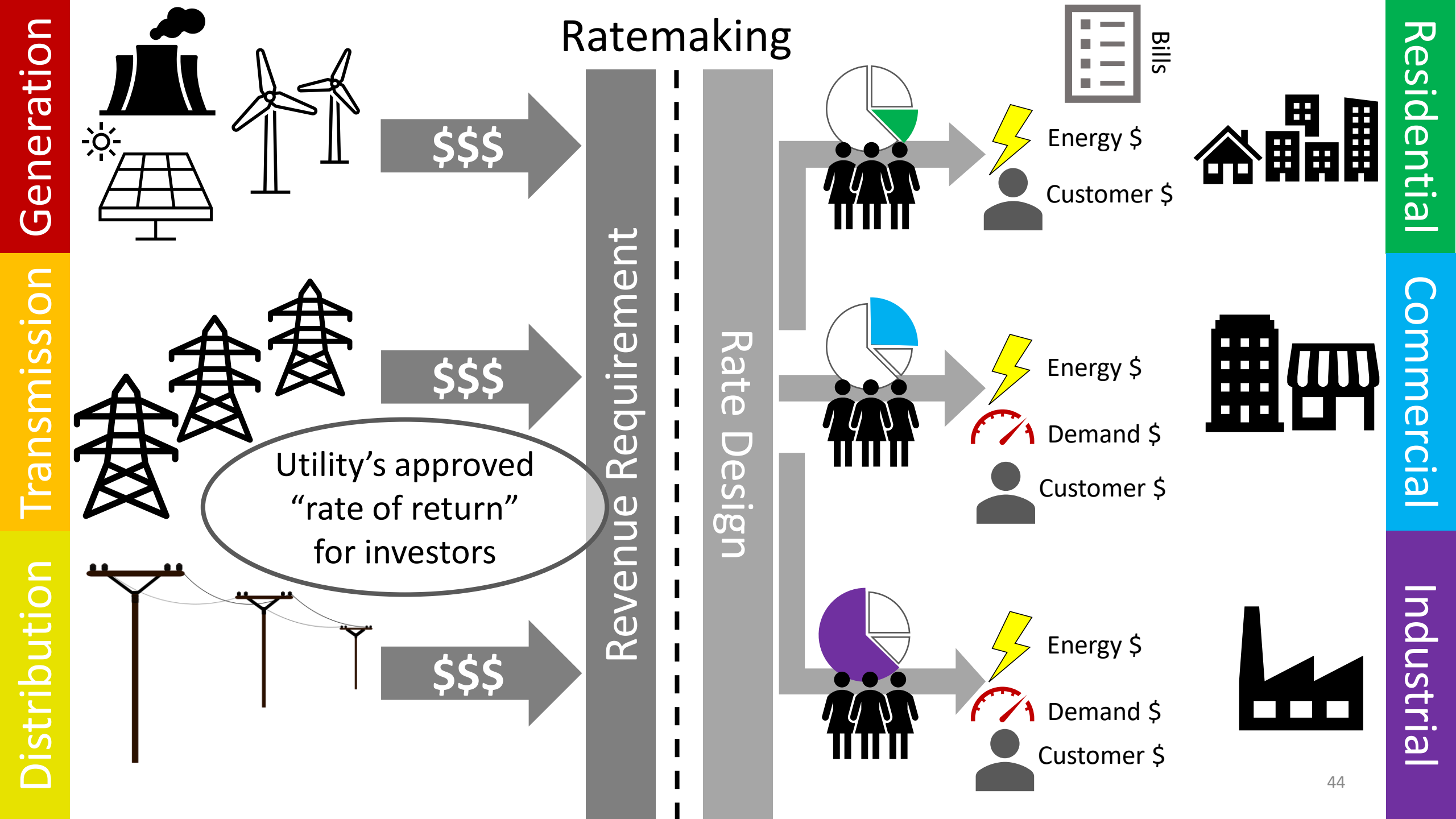
Explanation how non-participating customers and the utility will not be subject to program liabilities/costs

[R746-314-401\(3\)\(o\)](#)

To approve, Commission must find: in public interest, may not result in shifting of costs or benefits to nonparticipants

[R746-314-401\(4\)\(b\),\(5\)\(b\)](#)

Program Application: Projected Program Rates



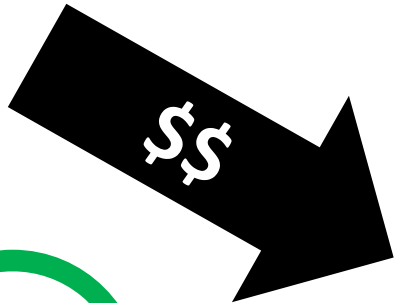
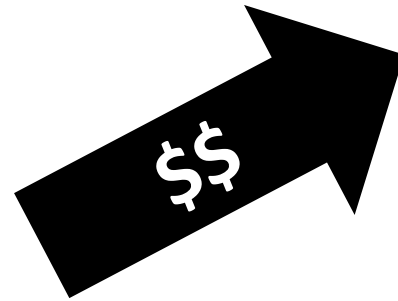
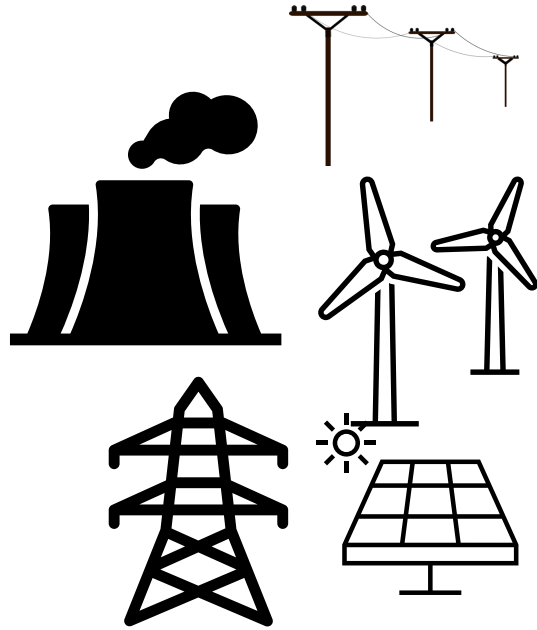
Costs & Benefits -

Standard Offer Customer

Program Resources

Standard Offer System

Costs

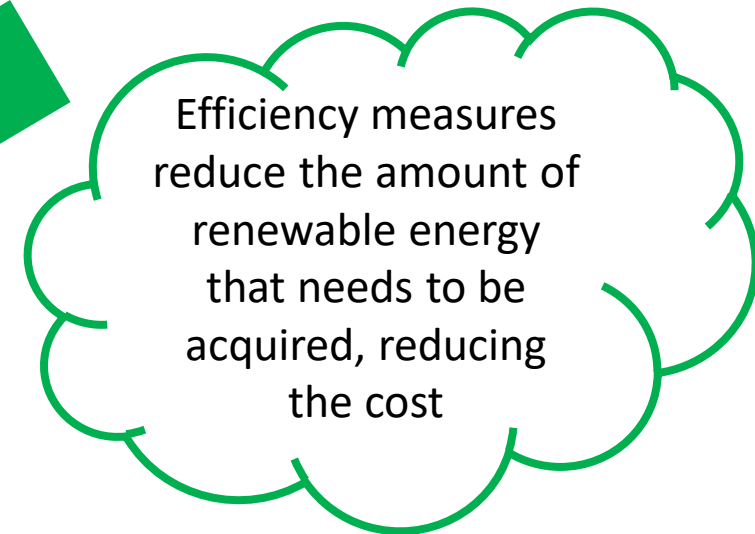
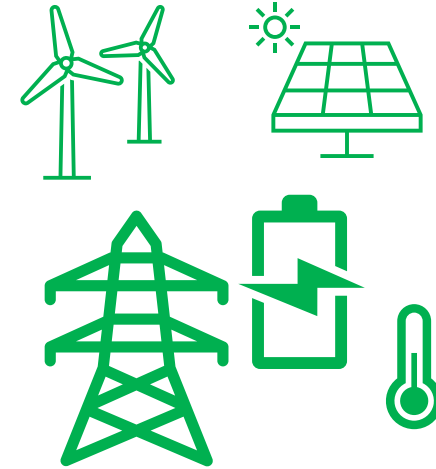


Avoided Costs



Energy Capacity Pollution

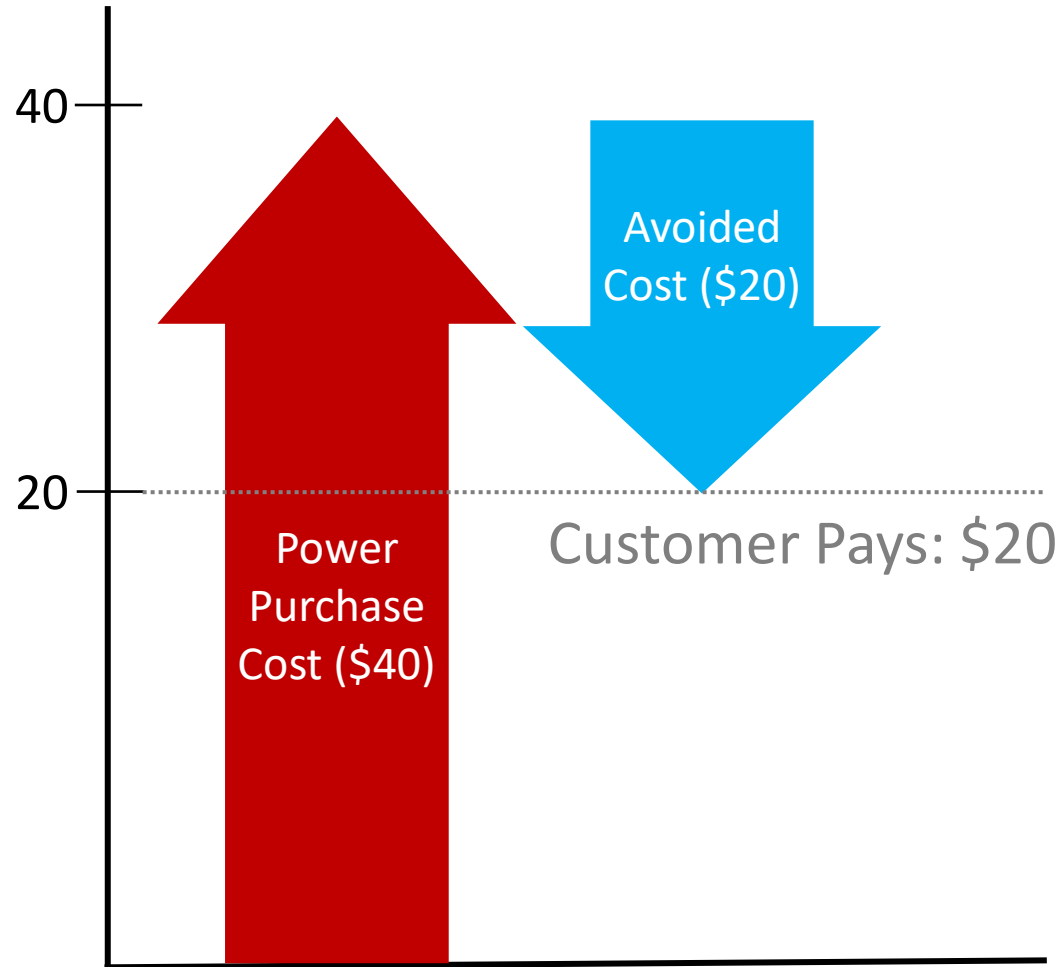
Benefits



Program Customer

Example: Schedule 34

\$/Megawatt
-hour



Recent example: **Elektron Solar Project**

Summit County, Park City, Salt Lake City, Utah Valley University, Deer Valley Resort, Park City Mountain and Vail Resorts

Will be among the largest solar farms in Utah – 80 MW

Will support ~100 construction jobs, ongoing revenue for Tooele County and the School and Institutional Trust Lands Administration

For SLC, using 2019 numbers, would have supplied almost **90% of metered electricity** for government operations, with **<2% bill impact**

Form a Program Design Committee?

- Smaller group with 5-10 hours to devote per month
 - Committee meetings every other week with consultants
 - Monthly meetings with Rocky Mountain Power and consultants
 - Meet with state regulators (Office of Consumer Services and Division of Public Utilities)
- Develop and manage the joint Rocky Mountain Power program design work plan and provide regular status updates to the Board
- Formulate program design questions/issues for Board consideration and determination
- Act as an advisory body to the Board
- Prior experience with electric utilities, energy consumption, and state regulatory bodies is helpful

Recent RMP Energy News

Some Recent News

- PacifiCorp's all-source RFP final short list
 - 1,792 MW of standalone wind
 - 1,358 MW of solar plus battery storage
 - 95 MW standalone solar
 - 735 MW of battery (535 MW paired with solar + 200 standalone)
 - Final Short List Prices: \$21.80 per MW-hour to \$40.63 per MW-hour
- Upcoming - PacifiCorp 2021 Integrated Resource Plan preferred portfolio
 - Additional early coal plant retirements?
 - Additional renewable energy resources called for?
 - How much of the system energy mix will be renewable by 2030?