

TO: Governing Bodies (Councils & Commissions) of Participating Utah 100 Communities

FROM: Christopher Thomas, Alternate Board member for Salt Lake City

Samantha DeSeelhorst, Alternate Board member for Cottonwood Heights

SUBJECT: Community Renewable Energy Program update – September 2022

CONTACTS: Send questions / feedback to your community's Board members ([find them here](#))

DOCUMENT TYPE: Information Item

RECOMMENDATION: No required action

BUDGET IMPACT: None currently

BACKGROUND / DISCUSSION:

The Utah Community Renewable Energy Program – Background and Status

The Utah Community Renewable Energy Program (also called the “Utah 100 Program”) was enabled by the Utah legislature’s passage of House Bill 411 - the [Utah Community Renewable Energy Act](#) (the “Act”) in 2019.

The goal of the program is to collectively acquire renewable energy to serve participating Utah communities so that by 2030, the amount of electricity used by participating customers annually will be matched by an equivalent amount of renewable energy delivered to the Rocky Mountain Power (RMP) grid annually. (Note: this annual matching between consumption and energy supply is also called “net-100%.”)

Please see the completed (green) and remaining (white) steps below with the highlighted items indicating the focus of this written briefing:

Item	Impact	Decision-Making Bodies	Status
HB 411 Utah Community Renewable Energy Act. Link to HB 411	Enabling legislation	Utah State Legislature	Done (2019)
Rules Governing Community Renewable Energy Act. Link to Administrative Rules	Lays out parameters communities and RMP must follow to create program	Utah Public Service Commission (PSC)	Done (2019)
Qualifying Resolution – net-100% renewable electricity by 2030	23 community became eligible to participate (as required by law)	Participating community	Done (Dec 2019)
Governance Agreement	18 communities maintained eligibility to participate and agreed to certain payments and voting procedures	Participating communities	Done (July 2021)
Deadline for eligible communities to join an interlocal cooperative undertaking called the Community Renewable Energy Agency	No new communities permitted to join	Participating communities	Done (July 2022)
Utility Agreement -Payment for State-hired third-party expertise (covered by Agency budget) -Payment for required noticing -Termination fees policy -Any initially proposed replaced asset	Communities maintain eligibility by signing agreement with RMP as required by law	Signed by all participating communities & Signed by Rocky Mountain Power	Being developed Anticipated completion - Dec 2022

Item	Impact	Decision-Making Bodies	Status
Program Application -Eligible community names, maps, customers, loads -Proposed ordinance language -Projected Program rates (costs & benefits) -Process for periodic rate adjustments -Proposed tariff changes to implement the program -Utility Agreement -Governance Agreement -Community plans addressing low-income assistance -Proposed solicitation process for resources -Proposed opt-out notice form (and other materials) -Projected implementation date -Explanation for how non-program customers and the utility are not subject to program costs	RMP files program application on behalf of the eligible communities with the Utah Public Service Commission as required by law	<u>Proposal Development:</u> Community Renewable Energy Agency & Rocky Mountain Power (submitter) <u>Program Approval:</u> Utah PSC	Being developed Anticipated submission - Dec 2022 Anticipated approval – mid-2023
Ordinance to Finalize Participation	Eligible communities decide whether to finalize their participation in the Program as required by law	Participating communities	Anticipated mid-2023
First new renewable energy resource acquisition	Participating communities vote on whether to acquire energy from one or more renewable energy resources	Community Renewable Energy Agency vote	Anticipated 2023
Program commences after statutorily required opt-out notices	RMP customers in participating communities will be enrolled in new renewable energy billing arrangement as approved by the Utah PSC, with an option to opt-out, cancel, or exit the Program	Community Renewable Energy Agency & Rocky Mountain Power (mails notices)	Anticipated 2024
Additional renewable energy resources acquired to meet Program goal	Participating communities vote on whether to acquire the energy from additional renewable energy resources	Community Renewable Energy Agency	Anticipated 2024 - 2030

Since the formation of the Community Renewable Energy Agency in July of 2021, the Board continues to meet monthly, with each of the three subcommittees (Communications, Low-Income Plan, Program Design) meeting more frequently throughout each month to drive progress towards the final Program Application. The work of the Board and the subcommittees is supported by outside legal counsel and energy consultants. Members of the Program Design and Low-Income Plan Committees have engaged key stakeholders over the past several months with hopes of setting the Agency up for success once the Program Application is submitted. Stakeholders include several members of the Rocky Mountain Power / PacifiCorp team, staff from the Utah Office of Consumer Services and Division of Public Utilities, organizations that implement existing low-income utility assistance programs, and more.

For additional background information on the vision of the Utah 100 Program, the formation and governance of the Community Renewable Energy Agency, and the work of the Agency's three subcommittees, a Board Orientation and Update meeting was held on June 29, 2022. A [recording of the meeting is available](#) on YouTube and [slides are available](#) on the Utah Public Notice site.

The Community Renewable Energy Agency wishes to give the governing bodies for the 18 participating communities a brief update on the yellow-highlighted items above:

- Proposed ordinance language
- Community plans addressing low-income assistance

Governing bodies should expect a future briefing on the Utility Agreement.

Proposed model ordinance language - About

The Community Renewable Energy Act puts the choice of whether to participate in a net-100% renewable electricity program in the hands of municipal and county governing councils and commissions. It does this by requiring interested communities to:

1. adopt a qualifying resolution to become eligible for such a Program (completed in 2019), and
2. adopt an ordinance to finalize participation in a Commission-approved Program (required within 90 days after the Utah Public Service Commission approves the Program Application)

While the ordinance is not up for adoption until after Public Service Commission approval, as noted above, a draft "model ordinance" is required to be included in the Program Application. To streamline the eventual ordinance adoption process, the Program Design Committee, the Agency's outside counsel, and several participating communities' staff attorneys have developed, for your review, a draft proposed model ordinance (See: Exhibit A – Draft Model Ordinance).

The draft model ordinance seeks to accomplish the following:

- Establish a community's participation in the Program, as approved by the Utah Public Service Commission
- Describes how eligible customers will interact with the Program, including:
 - the date on which the Program will commence
 - that eligible customers shall be enrolled in the Program after having had the opportunity to opt out, including by having been sent two required opt-out notices
 - that renewable energy resources may be acquired to meet a community's net-100% renewable electricity goal and that recovering the cost of such acquisitions will affect Program rates
 - that Program rates are set by and may be adjusted by the Utah Public Service Commission
 - that participating customers' Rocky Mountain Power electric bills will identify Program costs and provide notice of any Program rate changes
 - that eligible customers who are not participating in the Program may later decide to opt-in
 - that participating customers who do not opt-out by the commencement date may later exit the Program
 - the possibility that customers who exit may be required to pay a termination fee, except that for some types of customers, that fee will be waived
- Refers to elements of a separate agreement that is still being negotiated, called the Utility Agreement, as follows:

- o the community agrees to cover its proportional cost of third-party expertise contracted for by the Division of Public Utilities and the Office of Consumer Services (note: this cost is already covered in a participating community's Phase 1 and Phase 2 payments to the Community Renewable Energy Agency)
- o the community agrees to pay its proportional costs associated with Rocky Mountain Power providing required notices to customers within its boundaries (note: this cost will be covered by each individual community and will be calculated as the cost of each notice multiplied by the number of customers within each jurisdiction)
- o the community agrees that any unpaid Program termination charges not paid by exiting customers will be handled as a Program cost and not a cost to participating local governments
- o the community agrees that there shall be no initially proposed "replaced asset" (note: identifying a "replaced asset" at the Program's outset would be expected to increase participating customer rates; the Agency would still reserve the right to propose assets later on)

This draft model ordinance seeks to provide clarity to customers on how they can expect to interact with the Program while emphasizing that important Program elements such as rates and termination fees are regulated by the Utah PSC.

Draft model ordinance - About

The model ordinance must be included in the Program Application submitted by Rocky Mountain Power to the Utah Public Service Commission for approval. Because the ordinance adopted by each participating community must be substantially similar to the model ordinance, suggested changes to the draft model ordinance must pertain to all types of participating communities. Other types of requested changes that pertain only to specific communities, or requested changes that conflict with each other, cannot be accepted.

Should the Commission approve the Program Application, each named community will have 90 days from the approval date to adopt an ordinance that is substantially similar to the model ordinance to finalize its participation in the Program. The goal in sharing the draft model ordinance with governing bodies now is to help minimize the time required to create a final ordinance once the 90 day approval clock starts, so that those 90 days can be focused on the public input process.

When it comes time to decide whether to adopt the required ordinance, governing bodies will have the benefit of being able to consider the entire Program as approved by the Utah PSC; this will include projected Program rates, approved termination fees, etc.

Community plans addressing low-income assistance - About

As indicated in the table above, the Program Application must include one low-income plan from each community who wishes to participate in the Program. Specifically, the [Rules Governing the Community Renewable Energy Program](#) require the Program application to include "a description of the plan proposed by each eligible community addressing low-income programs and assistance." To assist with this requirement, the Community Renewable Energy Agency [created a Low-Income Plan Committee](#) to, among other things, "research and compile a list of outreach practices, eligibility criteria, policy measures, or other ideas designed to protect low-income customers," and "formulate a list of recommended low-income plan elements." With this mandate, the Low-Income Plan Committee began its work by learning about existing utility low-income assistance programs, and explored available data on energy burden in participating communities, or, the amount of income households are spending on energy costs. With this background, the Low-Income Plan Committee has developed several recommended low-income plan elements that are being shared with Board

members in the coming weeks. In this memo, the focus is on one category of strategies: Programmatic Approaches, which are intended to be incorporated into the overall program design.

Programmatic approaches to low-income assistance - About

This Committee is currently exploring the following four programmatic approaches to low-income assistance (further described below), all of which can stand alone or be combined with each other, and which would supplement existing low-income assistance programs offered through Rocky Mountain Power:

1. Automatic opt-out
2. Termination fee waiver
3. Enhanced monthly bill credit
4. Online donation function

The Community Renewable Energy Agency Board will eventually vote on which of these recommended programmatic approaches to include in the overall program design. The purpose of sharing the following approaches in this memo is to keep the governing bodies of participating communities aware of the low-income planning conversation to date.

Automatic opt-out

In the event the Program is more expensive than standard offer electricity rates, customers in participating communities who meet either of the following criteria would be subject to an **automatic opt-out** from the Program (with the option to opt-in to the Program, if desired, at no additional cost):

- residential customers already enrolled in the low-income assistance program known as “Schedule 3 – Low Income Lifeline Program – Residential Service” which provides up to a \$13.95 monthly bill credit for eligible customers
- residential customers who are 60 days or more behind on payments to Rocky Mountain Power in the 60 days leading up to the Program Implementation date

Which income limited households could be helped by this approach? Some income limited households face a daily struggle to meet their basic food and health needs. Such households may be unable to devote the time and attention required to proactively opt-out of the Program during the opt-out or cancellation periods. If the Program is more expensive than standard offer electricity rates, these households would then be subject to Program expenses they might not be able to afford. The **automatic opt-out** would protect such households from incurring any Program related expenses.

Which income limited households might be adversely impacted by this approach? Some income limited households who want to support renewable energy by participating in the Program may feel stigmatized or inconvenienced by having to take an extra step to join the Program compared to higher income households.

Termination fee waiver

For customers who do not opt-out of the Program or exit during the first three Program billing cycles, the administrative rules governing the Program say there may be a termination fee required to exit the Program. The Program Design Committee is currently engaged in negotiations with Rocky Mountain Power and others regarding all program design elements, including termination fees, and plans to make recommendations regarding all of these topics to the Board for its consideration in November or December.

Should the Program implement a termination fee required for residential customers, the **termination fee waiver** approach would waive the normally applicable termination fee for Program participants who are receiving monthly bill assistance through “Schedule 3 – Low Income Lifeline Program.”

Which income limited households could be helped by this approach?

Some households may join the Program and later encounter financial struggles – for example, if an adult in the household loses a job or the household experiences unexpected expenses from an accident or illness. Such households may then find themselves extremely income limited and may decide they cannot afford to participate in the Program (if more expensive than standard-fer service), nor can they afford to pay a termination fee to exit the Program. If such a household qualifies for and enrolls in the “Schedule 3 – Low Income Lifeline Program” then the termination fee waiver would allow this household to exit the Program without paying a termination fee.

Enhanced monthly bill credit

Currently, customers who are eligible for and enroll in “Schedule 3 – Low Income Lifeline Program” receive up to a \$13.95 monthly credit on their Rocky Mountain Power bill. Under the **enhanced monthly bill credit** approach, Program participants who are enrolled in Schedule 3 would receive an additional monthly bill credit designed to cover the average expected cost to participate in the Program. For example, if the average residential Program bill impact was anticipated to be \$3 per month, then the enhanced monthly bill credit could be set at \$3 with the goal that, on average, a residential customer enrolled in Schedule 3 would not see any bill increase due to participating in the Program.

Which income limited households could be helped by this approach?

Some income limited households may desire to support renewable energy through participating in this Program, but should Program rates be determined as higher than standard offer electricity rates, they may be unable to join the Program. An enhanced monthly bill credit, designed to offset the average Program rate impact, may allow more Utahans to participate in this renewable energy initiative, who otherwise would not have been able to.

Per standard practice, this additional monthly bill credit would be available only to Program participants who meet the income eligibility requirements of “Schedule 3 - Low Income Lifeline Program”, and would paid for by a small rider added on non-low-income Program participants’ bills, likely within the \$0.16-\$0.32 per bill range.

Which income limited households would not be helped by this approach?

Some income limited households experience higher-than-average monthly electricity bills resulting from various factors. For example, a household living in an older single-family detached home that is not well-insulated could experience extremely high electricity consumption in the summer months due to air conditioning. For these households, the Program rate impact during those months could be much higher than the average program rate impact of, for example, \$3 per month.

Program Donation Facilitation

On a twice- annually basis, Rocky Mountain Power facilitates donations from customers via mailed donation forms. The donations received through these efforts contribute toward the Lend a Hand program, an initiative that provides energy assistance to individuals facing utility bill hardships. For every \$1 donated by customers through this program, Rocky Mountain Power matches \$2.

The **Program donation facilitation** strategy would similarly allow Program participants to make donations via Rocky Mountain Power to support the **enhanced monthly bill credit** effort for low-income Program participants.

These four approaches have been discussed with Rocky Mountain Power, the Utah Office of Consumer Services, the Utah Division of Public Utilities, and several community organizations who implement existing low-income assistance programs to identify potential roadblocks or red flags. No specific action is requested regarding these strategies at this time. They are outlined with the intention to merely update community governing bodies on the low-income engagement strategies being contemplated by the Board, with board members ultimately voting on which strategies to adopt.

Summary and Next Steps

The Community Renewable Energy Agency and Rocky Mountain Power are working towards submitting the Program Application to the Public Service Commission by the end of 2022. Among the many elements to the Program Application, the draft model ordinance must be included. Because this ordinance will be contemplated by each participating community 90 days after a successful PSC ruling, the Agency intends for this memo to provide participating community governing bodies and municipal attorneys the opportunity to become familiar with the draft model ordinance. In addition, the Agency hopes this memo will provide members of participating community governing bodies with an update on the overall program development process, as well as the strategies being contemplated to build low-income support into the design of the Program.

Another key document is currently being developed and finalized for review by participating community governing bodies: the Utility Agreement. In the coming weeks, the Agency will provide another memo with a request for governing bodies to review the Utility Agreement.

Exhibit A - Draft Model Ordinance

[COMMUNITY]
ORDINANCE NO. _____

AN ORDINANCE OF [COMMUNITY] ENACTING TITLE ___, CHAPTER ___ TO THE
[COMMUNITY] CODE, COMMUNITY RENEWABLE ENERGY PROGRAM

Preamble

WHEREAS, in 2019, the Utah State Legislature enacted H.B. 411 that was codified at Utah Code Ann. §§ 54-17-901 to -909, and is known as the “Community Renewable Energy Act” (“Act”); and

WHEREAS, the Act authorizes the Utah Public Service Commission (“Commission”) to establish a community renewable energy program (“Program”) whereby towns, municipalities, and counties may cooperate with qualified utilities to provide electric energy for participating customers from renewable energy resources, in an amount that equals their annual consumption; 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 adopt a resolution no later than December 31, 2019, that states a goal of achieving an amount equivalent to 100% of the annual electric energy supply for participating customers from a renewable energy resource by 2030; and

(b) 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;

(c) 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
- (d) 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 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 Act, 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 Rule, [COMMUNITY] entered into a Governance Agreement with other eligible Communities, thereby becoming a member of the Community Renewable Energy Agency (“Agency”), which is authorized to make certain joint decisions on behalf of Communities that participate in the Program; 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 [DATE] PacifiCorp filed an application with the Commission seeking approval of the Program and the Commission opened Docket No. [_____] to consider the application;

WHEREAS, consistent with the requirements of the Act, on [DATE] the Commission issued an order in Docket No. [_____] (“Commission Order”) approving the Program; and

WHEREAS, as contemplated in the Act, the governing body desires to adopt this ordinance that satisfies the requirement of the Act; and

WHEREAS, the [COMMUNITY]’s governing body desires to take actions which it has determined promotes the health, safety and welfare of the [COMMUNITY]’s residents; and

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

WHEREAS, [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 renewable energy 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 [____], 2022 to, among other things, consider establishing renewable energy goals for [COMMUNITY]; and

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

Section 1. Adoption. [COMMUNITY] Code, Title __, Chapter __, Community Renewable 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 Renewable Energy Program Ordinance").

Section 2. **Savings Clause.** In the event one or more of the provisions of this Community Renewable 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 Renewable Energy Program Ordinance shall be construed as if such unenforceable or invalid provision had never been contained herein.

Section 3. **Effective Date.** This Community Renewable Energy Program Ordinance shall take effect upon publication by [COMMUNITY] in a newspaper of general circulation in [COMMUNITY], Utah.

APPROVED, ADOPTED, AND PASSED and ordered published by the [COMMUNITY COUNCIL/COMMISSION], this ___ day of _____, 2022.

ATTEST: [COMMUNITY COUNCIL/COMMISSION]

Name: _____
[COMMUNITY CLERK/RECORDER]

Name: _____
[COUNCIL/COMMISSION CHAIR]

APPROVED AS TO FORM:

VOTING OF [COUNCIL/COMMISSION]

Name: _____
[CITY/COUNTY ATTORNEY]

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

EXHIBIT A

TITLE ____

CHAPTER ____

COMMUNITY RENEWABLE ENERGY PROGRAM

SECTION 1. [COMMUNITY’S] PARTICIPATION IN COMMUNITY RENEWABLE ENERGY PROGRAM

1.1 [COMMUNITY] hereby establishes its participation in the Community Renewable 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 RENEWABLE 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 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 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 _____.

SECTION 4. ACQUISITION OF RENEWABLE ENERGY RESOURCES

4.1 For purposes of this section, "renewable energy resource" shall have the definition set forth in Utah Code § 54-17-902(14).

4.2 Rocky Mountain Power may adopt or procure one or more renewable energy resources to serve the needs and goals of the Program. The acquisition of any such renewable energy resource must follow solicitation application and evaluation criteria developed by Rocky Mountain Power and the Community Renewable Energy Agency, of which [COMMUNITY] is a member, and approved by the Commission.

4.3 Any renewable 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 renewable 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 [COMMUNITY] is, itself, a retail electric customer of Rocky Mountain Power and is an Eligible Customer and shall elect to participate in the Program.

7.2 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 renewable energy resource solicitation, renewable energy resource acquisition, and certain other Program issues.

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

- 7.3.1 [COMMUNITY] agreed to pay its proportional costs of 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. [COMMUNITY'S] portion of these costs was determined based on a formula set by the Community Renewable Energy Agency;
- 7.3.2 [COMMUNITY] agreed to pay its proportional costs associated with Rocky Mountain Power providing the Notices to the [COMMUNITY'S] customers as discussed in Section 2, above;
- 7.3.3 [COMMUNITY] agreed that any termination charges that are not paid by a participating customer shall be included in participating customer rates and shall not be paid by [COMMUNITY];
- 7.3.4 [COMMUNITY] agreed that there shall be no initially proposed “replaced asset” as that term is defined by Utah Code § 54-17-902(15).

7.4 [COMMUNITY] shall not be obligated to pay any costs of the Program other than those costs that [COMMUNITY] has agreed to pay as set forth in the Utility Agreement and any costs that [COMMUNITY] will bear as an Eligible Customer that participates in the Program.