Utah Rural Electric
Cooperative Association
10714 South Jordan Gateway
Suite 300
South Jordan, Utah 84095
801-619-6519

August 12, 2026

VIA Electronic Filing

Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, Utah 84114

Attention: Gary Widerburg
Commission Secretary

RE: Electric Cooperatives' Final Carbon Reduction Progress Report

In accordance with Utah Code 54-17-604, each rural electric cooperative is required to file a final carbon reduction progress report by July 1, 2026. The Utah Rural Electric Cooperative Association (URECA) submits this final progress report on behalf of its members.

If you have questions regarding this report, please feel free to contact me.

Sincerely,

Nathaniel J Johnson
Executive Director
Utah Rural Electric Cooperative Association
Njohnson@ureca.org

Background

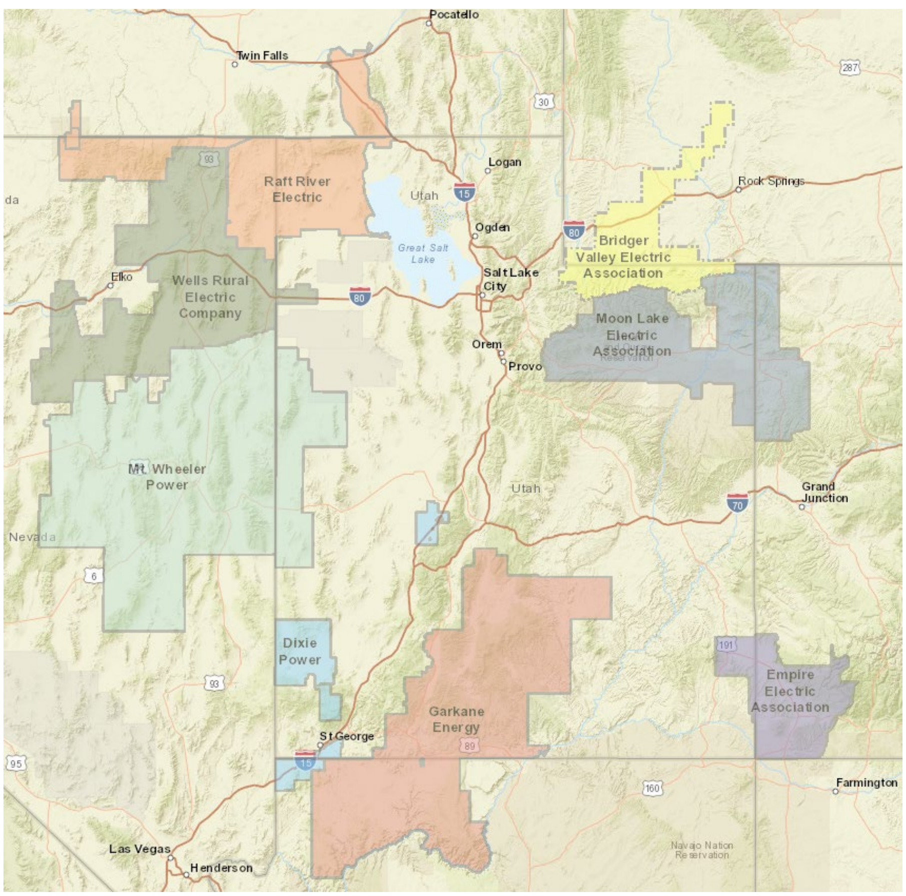
In Utah, there are eight distribution electric cooperatives that serve rural parts of the state, and one generation and transmission (G&T) cooperative. Three of these distribution cooperatives, and the G&T, are headquartered in Utah. Those specific cooperatives are:

- Deseret Generation and Transmission Cooperative (Deseret), South Jordan, Utah
- Dixie Power, St. George, Utah
- Garkane Energy, Kanab, Utah
- Moon Lake Electric Association, Inc., Roosevelt, Utah

The remaining five cooperatives are headquartered and principally operate in adjoining states but serve small portions of the state of Utah. These cooperatives are:

- Bridger Valley Electric, Mountain View, Wyoming
- Empire Electric, Cortez, Colorado
- Mount Wheeler Power, Ely, Nevada
- Raft River Electric, Malta, Idaho
- Wells Rural Electric, Wells, Nevada

The map below illustrates the general area of the rural electric cooperative service territories.



Rural electric cooperatives are a unique power provider. They are owned by their members, operate as not-for-profits, and have democratically elected boards of directors. As a result, cooperatives are responsive to the needs and desires of the communities they serve. Utah's rural electric cooperatives pride themselves on providing safe and reliable electricity at some of the lowest prices in the country.

Due to the areas served by cooperatives, cost considerations are vital when making any decision (especially considering Utah cooperatives average four members per mile of line). Because cooperatives are not-for-profit and owned by their members, they do not have access to capital in the same way an investor or municipal owned utility would. If cooperatives need to finance infrastructure, buildings, O&M, new resources, etc., it all comes from their members – that is their collateral.

54-17-604 Final Progress Report

Utah based rural electric cooperatives are committed to purchase electricity from Deseret via an all-requirements contract. These Utah based cooperatives may also be referenced as Deseret's "member(s)." Based on the statutory requirements of Utah Code 54-17-604, the following report applies to Dixie Power, Garkane Energy, and Moon Lake Electric:

1. 2025 Qualifying Electricity – Forecasted and Actuals

Existing resources available to serve member load include ownership interests in coal-fired Bonanza I and Hunter II generating units; ownership in natural gas-fired Solomon Generating Facility; ownership in a commercial solar facility adjacent to Bonanza I; entitlements to coal-fired Intermountain Power Project units 1 & 2; federal hydro-power allocations and additional hydro-electric generation owned by the members; and small-scale solar projects.[1]

Deseret resources have excess generation for the coming years, and Deseret actively markets capacity and energy excess resources through both short and long-term sales. This is done in conjunction with meeting and maintaining access to sufficient portions of its excess resources to meet future member load growth. Deseret and its members have seen the need for additional dispatchable peaking generation capacity to meet demands and is currently engaged in the development of additional natural gas-fired peaking units. Deseret also purchases power from energy imbalanced markets (EIM) during peak hours when it is economically advantageous for its members.

Below is a table showing Deseret's forecasted and actual renewable qualifying electricity for the year 2025.

[1] Consistent with 54-17-602(3)(a)–(c), Deseret members are not required to substitute qualifying electricity for electricity from resources owned or contractually committed.

	2025 MWh FORECASTED	2025 MWh ACTUALS
CRSP, other Hydro, & DGT Solar	430,933	343,599
Community Solar Projects	1,386	630
EIM Purchases	391,826	487,639
Total Qualifying Electricity	824,145	831,868
Qualifying Electricity as a % of adjusted retail sales	37%	37%

2. Sources of Qualifying Electricity

The sources of qualifying electricity include hydro[2], solar resources adjacent to Bonanza I which were added in 2023, and some small community solar projects. Additionally, Deseret makes EIM purchases during peak hours. The amount of qualifying electricity included in EIM purchases fluctuates due to the time of day and due to certain weather events. However, the California ISO includes a current supply outlook[3] which shows the generation resource mix at any given time. During peak hours, the renewable supply may be as high as 80% or more. Deseret generally makes the EIM purchases during peak hours when the renewable mix is likely to be at its highest. However, for purposes of this report, it was assumed that 2025 EIM purchases made during peak hours consisted of 30% renewable generation resources.

3. Requirements of 54-17-602(1) Satisfied for the Year 2025

After review of the 2025 annual retail electric sales and sources of qualifying electricity, the rural electric cooperatives satisfied the requirements of Utah Code 54-17-602(1).

4. Recommendations

Utah's energy policy emphasizes the development of energy resources with a focus on human well-being while recognizing that a reliable, dispatchable, and affordable electric system is essential to achieving that objective.[4] Rather than mandating specific generation technologies, the state promotes an all-of-the-above approach that prioritizes reliable access to energy because of its critical role in protecting public health, supporting economic growth, enhancing resilience, and improving quality of life.[5]

[2] Colorado River Storage Project (CRSP) allocations and member generation hydro.
[3] https://www.caiso.com/todays-outlook/supply
[4] UCA 79-6-301 (2024).
[5] Id.

Consistent with this approach, any increase in qualifying electricity or renewable energy resources should occur through market-driven innovation, technological advancement, and improved efficiency rather than government mandates. Utah’s energy policy places greater emphasis on the performance attributes of energy resources—such as reliability, dispatchability, and affordability—than on specific fuel types or technologies. Accordingly, the requirements of Section 54-17-602(1) may be inconsistent with the broader objectives of Utah’s energy policy, and legislative amendments may be warranted to better align the statute with those objectives.

5. Out-of-State Cooperatives Exempt from Final Progress Report

In 2018, the Utah Legislature amended Utah Code section 54 by adding 54-2-202. This section exempts from Commission jurisdiction out-of-state rural electric cooperatives that meet the following criteria:

> The electric cooperative is a distribution electrical cooperative that is headquartered and principally operates in a state adjoining Utah that:
>
> a. Has not previously been headquartered or maintained its principal place of business in Utah;
> b. Serves fewer than 25,000 total customers;
> c. Provides less than 20% of the out-of-state distribution electrical cooperative’s total power sales in Utah; and
> d. Provides and maintain on file with the commission written documentation certifying that the out-of-state distribution electrical cooperative is subject to the applicable laws, rules, and regulations of the state where the out-of-state distribution electrical cooperative’s principal place of business is located.

Based on these criteria, the following cooperatives are not required to file a Final Carbon Reduction Progress Report in accordance with 54-17-604:

- Bridger Valley Electric, Mountain View, Wyoming
- Empire Electric, Cortez, Colorado
- Mount Wheeler Power, Ely, Nevada
- Raft River Electric, Malta, Idaho
- Wells Rural Electric, Wells, Nevada