



GARY R. HERBERT  
*Governor*

GREG BELL  
*Lieutenant Governor*

State of Utah  
DEPARTMENT OF COMMERCE  
Office of Consumer Services

MICHELE BECK  
*Director*

To: The Public Service Commission of Utah

From: The Office of Consumer Services  
Michele Beck, Director  
Dan Gimble, OCS Staff

Copies To: Rocky Mountain Power  
Dave Taylor, Manager, Utah Regulatory Affairs

The Division of Public Utilities  
Chris Parker, Director  
Artie Powell, Energy Section Manager

Date: March 22, 2012

Subject: Office of Consumer Services' Comments  
Docket No. 09-035-15

## Background

On March 1, 2012, the Division of Public Utilities (Division) filed a draft of its proposed Evaluation Plan (Plan) for the EBA Pilot. On March 8, 2012, the Commission issued a Notice requesting comments on the Plan by March 22, 2012. As the Commission indicated in its Notice requesting comments, the development of the Plan reflects a collaborative effort by the working group but does not necessarily reflect a consensus among parties on every element. The Office provided comments on earlier drafts of the Plan in the working group meetings. We now take the opportunity to submit additional comments on the Division's proposed Plan.

## Comments

The Office appreciates the Division's efforts to produce a viable Plan. During meetings, there was an open exchange of ideas designed to improve the Plan and the Division was receptive to input from parties. Based on our review of the Plan we offer the following comments:

### EBA Filing Requirement

An EBA filing requirement should be developed that builds on the informational and data requirements identified by the Division in its Plan. A more complete filing requirement would facilitate a more efficient review of the Company's annual EBA filings.

On pages 5-7 of the Plan the Division discusses information that either will or should be provided by the Company in annual EBA filings. Specifically, the Company has committed to file semi-annual reports listing hedging transactions and the Division identifies four areas where additional requirements are necessary, including greater detail for electricity and natural gas trades, outage logs, plant performance data and generator logs. Building on what the Division discusses in this section of its Plan, the Office proposes that a more complete set of filing requirements should be developed for annual EBA filings. A solid starting point to consider for expanding the areas already identified by the Division is the detailed filing requirement attached to the Wyoming Commission's ECAM Order issued last year.<sup>1</sup> This document includes the following key filing requirements:

- 1) New or modified contracts for long-term purchases;
- 2) All short-term firm purchases;
- 3) A Report on daily system balancing transactions for RMP and Pacific Power over the ECAM period;
- 4) Actual market electricity prices for the period for all energy trading markets in which PacifiCorp participated;
- 5) Coal and wind generating plant operations data including availability, capacity factor, equivalent forced outage rate (EFOR) and hourly generation.
- 6) Summary of terms and price for all new or modified coal contracts;
- 7) Summary of terms and price for all new or modified natural gas contracts;
- 8) Estimated wind integration costs in the current ECAM and supporting documentation for the calculations;
- 9) Actual monthly wheeling expenses and revenues;
- 10) To the extent included in an ECAM, all monthly California ISO service charges and fees;
- 11) Support for the interest rate calculation used in the ECAM filing.

Since the Company is already required to supply this information in Wyoming, it should not present a significant burden to also provide it in Utah. While information on hedging transactions is not listed in the Wyoming filing requirements, the hedging information identified in the Division's Plan appears to satisfactorily address requirements in this area.

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<sup>1</sup>Wyoming Commission's February 4, 2011 ECAM Order, Docket No. 20000-368-EA-10 (Record No. 12477), Attachment A – ECAM Minimum Filing Requirements.

### Evaluation Baselines

Appropriate measures should be developed for evaluating plant performance and resource planning under the EBA mechanism.

- 1) *Plant Performance.* With regard to plant performance, the Division does not specify what baseline and performance measures it intends to use for evaluating plant performance. Performance measures would include plant availability and capacity factors, plant heat rates, plant outage rates, and plant maintenance levels. The Plan should better describe the proposed baseline and performance metrics for evaluating plant performance under the EBA.
- 2) *Resource Planning.* In order to assess the impact the EBA has on resource planning, the Division states it will compare the IRP baseline “preferred portfolio” to post-EBA preferred portfolios in future IRPs. The Office suggests that a better indicator of performance in this area is how the Company implements an acknowledged IRP action plan and responds to changing conditions rather than a static comparison of pre- and post-EBA preferred portfolios.

### **Recommendations**

The Office recommends the following:

- 1) An EBA filing requirement should be developed that builds on the informational and data requirements identified by the Division in its Plan.
- 2) Appropriate measures should be developed for evaluating plant performance and resource planning under the EBA mechanism.