

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. Randall J. Falkenberg, PMB 362, 8343 Roswell Road, Sandy Springs, Georgia 30350. I
3 am the same witness who filed direct and rebuttal testimony in this proceeding.

4 **Q. WHAT IS THE PURPOSE OF THIS SURREBUTTAL TESTIMONY?**

5 A. I provide limited comments on the rebuttal testimony of Utah Clean Energy witness
6 Wright, Division of Public Utilities (“DPU or Division”) witness Abdulle and Rocky
7 Mountain Power (“Company”) witness Duvall.

8 **Utah Clean Energy Witness Wright**

9 | **Q. STARTING AT LINE 244 MS. WRIGHT ADVOCATES PAYING RENEWABLE
10 | QFS AN “UNCAPPED ENERGY PRICE” RATHER THAN A “CAPPED” PRICE
11 | AS IS DONE UNDER THE CURRENT PDDRR METHOD FOR UNSCHEDULED
12 | ENERGY. DO YOU AGREE?**

13 |
14 | A. No. Once QFs are receiving the capacity payment, they ~~are being~~ should be paid to supply
15 | energy based on the capital and operating costs of the avoided unit. Energy payments
16 | are ~~should be~~ the lesser of the market energy price (as determined by GRID) or the variable
17 | cost of the avoided unit. Under her proposal, QFs would have the “best of both worlds” –
18 | the high capacity cost of the avoided unit, and the market energy cost even if the resulting
19 | payment rate exceeds the variable cost of the avoided unit. However, the avoided unit is
20 | included in the expansion plan because of the energy savings it produces compared to
21 | market purchases. If the avoided unit costs the same as market energy there would be no
22 | reason to incur the cost of building the resource.

23 **Q. CAN YOU PROVIDE AN EXAMPLE THAT ILLUSTRATES THIS POINT?**

24 A. Yes. To see why this is a problem, consider a hypothetical situation where the market
25 energy price is \$40/MWH, and the variable cost of the avoided unit is \$30/MWH. Assume
26 also that the capacity cost of the avoided unit is \$120/kW-year. In that case, the “all in