Interwest Energy Alliance
Sarah Cottrell Propst
Executive Director
P.O. Box 8526
341 East Alameda
Santa Fe, NM 87504-8526

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Rocky Mountain Power for Approval of Changes to Renewable Avoided Cost Methodology for Qualifying Facilities Projects Larger than Three Megawatts	DOCKET NO. 12-035-100

COMMENTS OF INTERWEST ENERGY ALLIANCE

Interwest Energy Alliance ("Interwest") submits these public comments related to the Public Service Commission's determination in this docket related to Avoided Cost methodology for Qualifying Facilities. Interwest is a 501(c)(6) trade association of wind and solar project developers and equipment manufacturers working with the nongovernmental conservation community to promote renewable energy in Utah, Colorado, Wyoming, Nevada, Arizona and New Mexico.

Interwest previously filed a response to the Motion for Stay in this docket but has not intervened or participated in discovery or filed testimony in this matter. However, Interwest has reviewed the testimony filed herein and files these comments. Interwest's members at times participate as QFs providing renewable contracts for utilities in Utah and other states in the West. Interwest has acted as a party in other avoided cost proceedings around the West, including PacifiCorp's service area.

The market proxy method has worked well to support the growth of renewable energy projects which has added diversity to the Company's resource mix. Resource diversity increases energy security by adding geographic diversity, technological diversity, and spreads risk of outages across a broad service area. Renewable QF contracts will reduce risks for ratepayers, including fuel and operating cost risks, due to the long-term stable priced contracts available from independent power producers, including those which are QFs. Wind energy contracts provide hedging benefits against the volatility and price increases which remain inherent in fossil-fuel fired power generation. The market proxy methodology for determining QF pricing in Utah has added clean energy resources, in accordance with the intent of PURPA. The Commission should support this methodology and continue to use all available means to encourage PacifiCorp to acquire additional renewable energy resources to reduce costs and risks in its portfolio, including through purchase of capacity and energy through QF contracts.

Generally speaking, Interwest supports the proposed methodologies supported by Utah Clean Energy in its Rebuttal Testimony which will allow the Company to acquire such resources under conditions which best represent ratepayer indifference and good regulatory principles. Specifically, Interwest urges the Commission to incorporate the following recommendations of parties:

1. Interwest supports these recommendations of Sarah Wright of Utah Clean Energy, repeated here for convenient reference:

   A. The market proxy method is a valid method and should be utilized when there are renewable resource targets in the Company's Integrated Resource Plan (IRP).

B. QFs should receive capacity and energy payments throughout the period when the Company's loads and resources calculations reveal a capacity deficit. The Company's proposed 2013 IRP reflects capacity deficits commencing immediately and throughout the planning period, which it proposes to fill by front office transactions (purchase of power from the power market) (FOTs) or through purchase power agreements (PPAs) as appropriate. The Company does not indicate it has sufficient capacity; rather it has a market source which it relies upon to fill its demand and reserve margin requirements. Rather than accepting this reliance on market power purchases as "capacity", the Commission should enter a finding that planned reliance on FOTs to meet demand indicates a capacity deficit by definition, and that renewable QFs should be provided a capacity payment as part of the QF contract from the start.

2. The Effective Load Carrying Capability ("ELCC") method remains a highly recommended manner to determine capacity values for renewable resources. The Capacity Factor Allocation Methodology ("CFAM") recommended by UCE is a simple alternative to calculating capacity value in the event that ELCC is deemed to be too onerous. The ELCC has been found to be an appropriate measure of capacity contributions for renewables. In this sense Interwest agrees with Dr. Abdinasir Abdulle of the Division, where he states:

> Second, Mr. Duval's criticism ignores the fundamentals of the ELCC calculation. The ELCC yields a probability weighted outcome. That is, each hour's contribution is the probability that in that hour loads exceed the available resources. One would expect that the peak hours would receive a greater weight. Finally, Mr. Duval's criticism is incongruous with the Company's IRP studies. While the IRP may use system peaks to determine the timing of additional resources all hours of the year are used in various studies to determine the type of resources. Thus, the value a resource adds to the Company's choice of a least cost/least risk preferred portfolio is based on the resource's contribution in all hours of the year.

Surrebuttal Test. of Dr. Abdulle filed May 30, 2013, p. 8, lines 158-168, p. 9, lines 170-71, http://psc.utah.gov/utilities/electric/12docs/12035100/244399Surrebuttal%20Testimony%20of%20Abdulle%205-30-2013.doc. The Division apparently believes (and Interwest agrees) that the issue is not the number hours used in the study or the fact that the study covers all of the WECC area. Rather it is to understand the concept of capacity value and to determine a reasonable approximation to that value.

3. The Commission should not allow the Company to include an integration charge for solar Qualifying Facilities ("QFs") because there is no evidence that the negligible amount of solar on the Company's system imposes any integration costs.

4. Interwest agrees that renewable QFs should retain the renewable energy credits ("RECs") associated with their energy generation, unless and until the Company separately reimburses QFs ad additional sum based on agreement with the QF for the renewable energy attributes of that generation. See SurrRebuttal Test. of Scatec Solar North America witness Luigi Resta, supra, pp. 8-9, http://psc.utah.gov/utilities/electric/12docs/12035100/244404Surrebuttal%20Testimony%20of%20Resta%205-30-2013.docx.

5. QFs should receive an "un-capped" energy payment stream in addition to capacity payments beginning in the first year.

Interwest sincerely appreciates the Commission's consideration and opportunity to provide these comments.

Respectfully submitted this 13th day of June, 2013.

/s/ Lisa Tormoen Hickey
Lisa Tormoen Hickey, #15046
Alpern Myers Stuart LLC
14 North Sierra Madre, Suite A
Colorado Springs, CO 80903
Telephone: 719-471-7955
E-mail: lisahickey@coloradolawyers.net

On Behalf of Interwest Energy Alliance

CERTIFICATE OF SERVICE

I hereby certify that on this 13th day of June, 2013, a true and correct copy of the foregoing was served by electronic mail on the following:

Mark C. Moench (2284)
Yvonne R. Hogle (7550)
ROCKY MOUNTAIN POWER
201 South Main Street, Suite 2300
Salt Lake City, Utah 84111
mark.moench@pacificorp.com
yvonne.hogle@pacificorp.com

Justin Jetter
ASSISTANT ATTORNEYS GENERAL
UTAH DIVISION OF PUBLIC UTILITIES
160 East 300 South, 5th Floor
Salt Lake City, UT 84111
pschmid@utah.gov
jjetter@utah.gov

Paul Proctor
ASSISTANT ATTORNEY GENERAL
UTAH OFFICE OF CONSUMER SERVICES
160 East 300 South, 5th Floor
Salt Lake City, UT 84111
pproctor@utah.gov

Ros Rocco Vrba
Principal Partner
ENERGY OF UTAH LLC
P.O. Box 900083
Sandy, UT 84090-0083
rosvrba@energyofutah.onmicrosoft.com

Chris Parker
William Powell
Dennis Miller
DIVISION OF PUBLIC UTILITIES
160 East 300 South, 4th Floor
Salt Lake City, UT 84111
ChrisParker@utah.gov
wpowell@utah.gov
dennismiller@utah.gov

Michele Beck
Cheryl Murray
Bela Vastag
UTAH OFFICE OF CONSUMER SERVICES
160 East 300 South, 2nd Floor
Salt Lake City, UT 84111
mbeck@utah.gov
cmurray@utah.gov
bvastag@utah.gov

/s/*Lisa Tormoen Hickey*
Lisa Tormoen Hickey