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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of Rocky Mountain Power's Proposed Revisions to Electric Service Schedule No. 37, Avoided Cost Purchases from Qualifying Facilities In the Matter of Rocky Mountain Power's Schedule No. 37, Avoided Cost Purchases from Qualifying Facilities	**DOCKET NOS. 14-035-T04, 14-035-55** **Utah Clean Energy and SunEdison LLC's Response in Opposition to Rocky Mountain Power's Petition for Reconsideration Review or Rehearing of the Commission's December 30, 2014 Order on Review and Motion for Stay**

INTRODUCTION

Pursuant to §§ 63G-4-301 and 54-7-15 of the Utah Code and § R746-100-11 of the Utah Administrative Code, Utah Clean Energy ("UCE") and SunEdison, LLC ("SunEdison") (together referred to as "Responding Parties") file this Response in opposition to Rocky Mountain Power's ("the Company") Petition for Reconsideration, Review or Rehearing of the Commission's

December 20, 2014 Order on Review and Motion for Stay ("January Motion"). Responding Parties will respond to the Company's January Motion as it addresses the Commission's December 30, 2014 Order on Review ("December Order on Review"). Responding Parties will not address *Part II* of the Company's January Motion (*Motion for expedited approval of CF method values*), as that part of the pleading, reflective as it is of the Company's Motion in Docket Nos. 12-035-100 and 14-035-140, has been resolved by a scheduling agreement among the parties to those dockets. The Commission should deny the Company's January Motion for the reasons set forth below.

I. GRANTING THE COMPANY'S REQUEST IS NOT IN THE PUBLIC INTEREST AT THIS STAGE OF THE PROCESS.

The Responding Parties view the Commission's rules and procedures as an extension of the Commission's obligation to uphold the public interest. As such, it is the Responding Parties position that proper procedure should be followed wherever possible, as a means of upholding the public interest. In the course of proper and customary Commission procedure, the Company already had an opportunity to raise the arguments and issues from its January Motion in its response to Utah Clean Energy, SunEdison and SPower's Petition for Reconsideration, Review or Rehearing of the Commission's October Order in this Docket ("Petitioner's Request for Review"). Because the Company failed to raise these arguments in its response, it should not now be permitted to do so. Nor is its January Motion the Company's "first chance" to address these issues, as it argued in its petition.

Although the Company titled its January Motion as a request for agency review, it presented new information and new evidence that the other parties have not had a chance to properly rebut. Because the Company presented non-record information and arguments, the Responding Parties submit that they cannot properly be considered in the current procedural context. Rather, consistent with fairness and due process, the Commission should maintain its plan as announced in its December Order on Review to receive new evidence and arguments on these issues in a future Schedule 37proceeding. This course will protect the interests of the public and other parties and provide the appropriate time they need to investigate, analyze and present new evidence.

II. THE RECORD IS INSUFFICIENT TO SUPPORT ELIMINATING THE CAPACITY AND ENERGY PAYMENT OPTION

The Commission's December Order on Review is the most technically sound and legally defensible position on this issue, given that it established an appropriate path forward for evaluation of new evidence. The Company's pleading and its presentment of a table from Mr. Duvall's direct testimony does not change this fact. The record supporting elimination of the capacity and energy payment option is both contested and very unclear. The Commission should, as indicated in its Order on Review, establish a defensible pricing method and reasonable payment options based on the record (or lack of record), rather than being distracted by changing capacity value contribution numbers, timelines or constantly changing prices.

In its Order on Review, the Commission properly found that the capacity and energy payment option is based on longstanding precedent and that it should not be eliminated without further review and evidence, including the capacity contribution adjustments contained in the October Order. As noted in the December Order: "Therefore, for the present we will retain the capacity and energy payment option. We will consider further evidence and argument regarding the two payment options in future Schedule 37 proceedings." Order on Review, page 11. This sound, measured procedural approach should be maintained.

The Company's motion does nothing to rectify the fact that the record in Docket No. 14-035-T04 is insufficient to support eliminating the capacity and energy payment method. In "support" of its January Motion, the Company states:

> The Commission's finding ignores evidence presented in the direct testimony of Company witness Gregory N. Duvall. Mr. Duvall explained that, even after accounting for the capacity contribution of intermittent resources, continuing with the capacity and energy payment option violates the ratepayer indifference standard and will discriminate between two similarly situated QFs:
>
> > Under the current Schedule 37 the two pricing options offered do not produce the same total payments to an individual QF. Furthermore, the separate capacity and energy payment structure may result in payments to low-capacity factor resources, such as wind and solar QFs that are inconsistent with the Company's ability to avoid capacity costs. (Duvall Dir. At 14;311 – 15;318.)[[1]]
>
> This is further supported by Table 2 (Table 1 to Mr. Duvall's direct testimony), which is reproduced below. This table shows the avoided cost rates reflecting all of the changes proposed by the Company to Schedule 37, including applying the Commission approved capacity contribution percentages for wind and solar resources, applied to both the capacity and energy payment option as well as the volumetric pricing option. The table was designed to show the difference between the two rate design options after all other changes and updates were made.

January Motion, pages 7-8.

Unfortunately, most of the information and claims contained included in the foregoing arguments is ***new*** information, which parties did not infer (and could not reasonably have inferred) from Mr. Duvall's actual testimony as filed.[2] The following is the entire section of Mr.

[1] In Utah Clean Energy's version, this quote appears at lines 305-309 of Mr. Duvall's direct testimony.

[2] Utah Clean Energy certainly did not infer the claimed information from Mr. Duvall's testimony, and apparently others did not as well. Nor did the Company make such claims prior to the January Motion. To the extent the parties seeking reconsideration may have misunderstood or inadvertently misrepresented the record, they humbly

Duvall's direct testimony as it relates to the Company's proposal to eliminate the capacity and energy payment option:

Volumetric Rates

Q. Please explain the Company's proposal related to the payment structure available to QFs under Schedule 37.

A. The Company proposes to continue to offer payments under Schedule 37 based on the energy produced by the QF (i.e. the volumetric winter and summer prices for on-peak and off-peak hours) and to eliminate the option for the QF to receive separate payments for capacity and energy. Under the current Schedule 37 the two pricing options offered do not produce the same total payments to an individual QF. Furthermore, the separate capacity and energy payment structure may result in payments to *low-capacity factor resources*, such as wind and solar QFs that are inconsistent with the Company's ability to avoid capacity costs.

Q. How are the separate capacity and energy prices calculated under the current Schedule 37 tariff?

A. Under the current Schedule 37, a QF has the option of choosing separate capacity payments calculated based on the fixed costs of the deferrable capacity resource. A flat energy price is paid based on the GRID model during the sufficiency period and the energy costs of the proxy CCCT during the deficiency period. The separate capacity payments are stated as a fixed dollars-per-KW-month amount, and are paid based on the QF's maximum 15 minute generation during peak hours.

Q. How are the volumetric prices currently calculated for Schedule 37?

A. Schedule 37 currently includes volumetric prices differentiated by season (summer and winter) and by on- and off-peak hours. Off-peak prices are equal to the avoided energy costs calculated in GRID during the sufficiency period and the cost of fuel for the proxy CCCT during the deficiency period. To calculate on-peak prices, the avoided capacity costs are spread to the on-peak hours using the capacity factor of the proxy resource as defined in the IRP. On-peak prices are equal to the off-peak (avoided energy rates) plus the capacity costs spread to on-peak hours. Table 6a in Appendix 1 of the Company's Schedule 37 filing shows the calculation for a base load resource.

Q. Has the Commission approved this method for calculating volumetric prices?

apologize. However, as discussed below, it is still not clear what Mr. Duvall's testimony was actually based upon or what it actually demonstrated.

A. Yes. In its December 14, 2012, order in Docket No. 09-035-T14 the Commission approved the calculation of on-peak energy prices using the on-peak *capacity factor* of the proxy resource as defined in the IRP.

Q. What is the outcome of continuing to offer two separate pricing options?

A. Under the capacity and energy payment structure, the QF is paid the same total dollars for capacity regardless of its generation output. Under the volumetric option, the QF will receive the total capacity dollars only if it generates an equivalent amount of energy during on peak hours as the avoided resource. An intermittent resource, such as a wind or solar project projected to have a relatively low annual *capacity factor*, would certainly select the capacity and energy design. The table below compares the Company's proposed rates on a $/MWh basis for various QF types under the capacity and energy payment structure versus a volumetric rate design.

Table 1

Company Proposed Rates

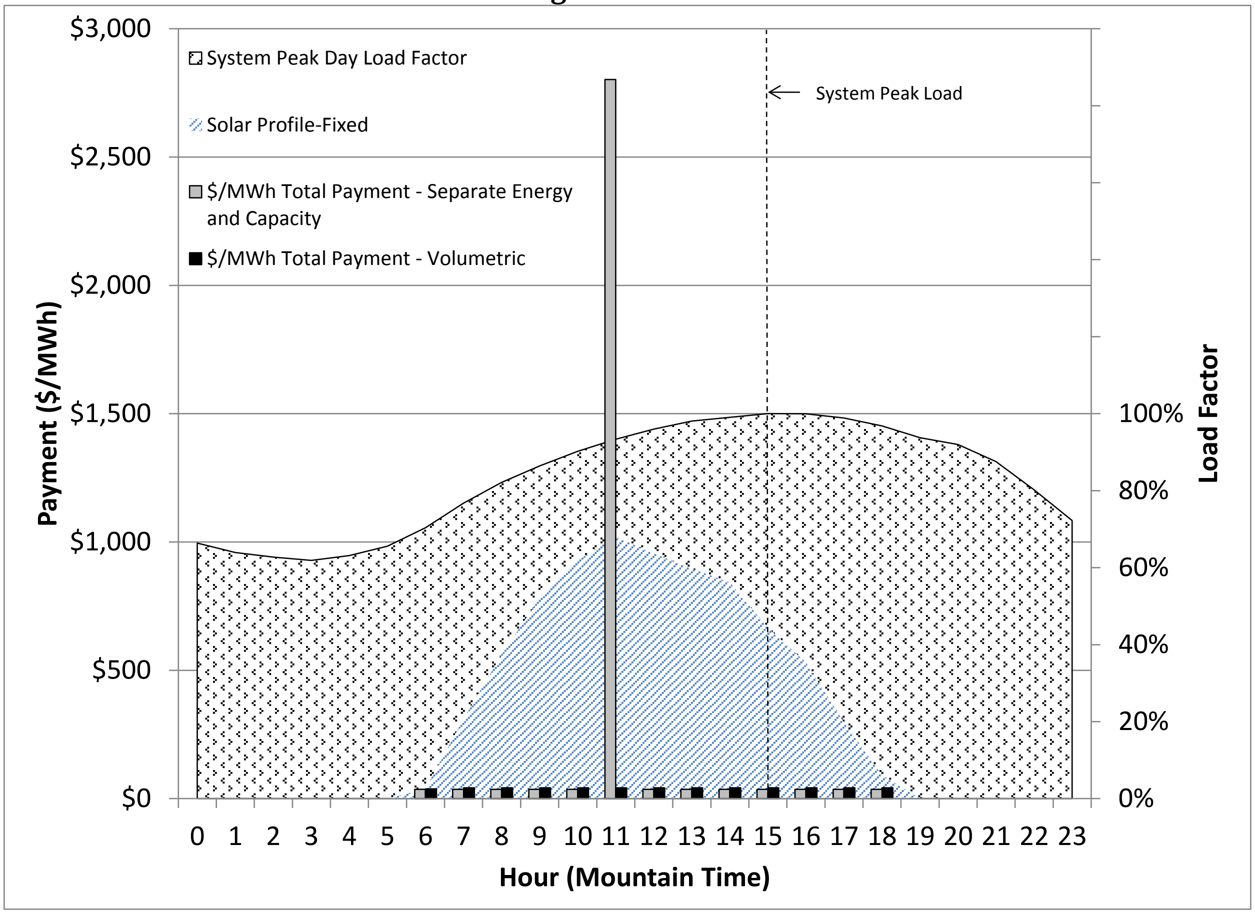
	Capacity Factor	**Capacity/Energy Structure**	**Volumetric**
Base Load	85.0%	$45.90	$45.46
Wind	40.0%	$37.57	$35.79
Fixed Solar	18.5%	$54.39	$43.77
Tracking Solar	29.0%	$51.51	$45.81

Q. Are there any issues with paying a QF the capacity payment based on its maximum 15-minute generation during on-peak hours?

A. Yes. Using the maximum 15-minute on-peak generation to determine the capacity payment for intermittent resources may result in capacity payments to a QF even though the Company cannot actually avoid capacity costs. For example, a 3 MW solar QF will likely generate its maximum output during July between 11:00 AM and 12:00 PM and will receive its monthly capacity payment based on its nameplate capacity of 3 MW. However, the Company's system load likely will not reach its peak until between 3:00 PM and 4:00 PM when the generation from the solar resource is significantly lower. Under volumetric rates, the compensation for capacity is spread to all on peak hours based on the expected output of the deferred resource. Figure 1 below illustrates the difference between the two pricing structures.[3]

[3] Figure 1 reflects the forecasted system peak day in July 2015.

Figure 1



Q. Has the Commission previously considered whether the separate capacity payment over-compensates QFs with a low capacity factor?

A. Yes. In its June 2004 order in Docket 03-035-T10 the Commission eliminated the capacity and energy payment option for wind QFs, finding that it systematically overpays low-capacity-factor resources. On reconsideration, the Commission reversed its decision and reinstituted the capacity and energy payment option for wind QFs "in order to remove a stated impediment to wind resource development and to address concerns of discrimination."[4] However, the Commission determined that the capacity payments to wind QFs would only be 20 percent of the stated rate for all other QF types.

Duvall Direct, pages 14-17 (emphasis added).

[4] July 20, 2004 Order on Reconsideration, Docket No. 03-035-T10, at 3.

The Company's January Motion, filed after the Commission issued its Order on Review, demonstrates just how unclear the record is on this issue. For example, the January motion is the first time the Company has claimed that Mr. Duvall's table was "designed to show the difference between the two rate design options after all other changes and updates were made." Likewise, it is the first time the Company explained that the table allegedly accounts for the capacity ***contribution*** of renewable resources, rather than just capacity ***factors***.

Mr. Duvall's arguments for eliminating the capacity and energy payment option are based on statements about the capacity ***factors*** of renewable resources, not their capacity ***contributions*** (or capacity values), as addressed by Ms. Wright in her direct testimony:

> The Commission's Order on Reconsideration in Docket No. 03-035-T10 is applicable to this case and the Commission should continue to authorize the capacity and energy payment option for renewable QFs under Schedule 37. In the current case, however, we can benefit from additional information regarding the capacity value (reliability benefits) of renewable resources than was available in 2004.
>
> Energy resources can be characterized by both a capacity factor and a capacity value. The capacity factor is used to estimate the amount of energy produced by a resource, while the capacity value (or credit) is a reliability-based calculation that assigns a value to a resource based on its ability to reduce the probability of a loss of load event (LOLE) and maintain system reliability. For example, a solar resource's effective capacity value is significant, and considerably higher than its capacity factor.
>
> In order to appropriately value the reliability benefits of renewable resources, the Commission recently ordered the Company to perform and file a study calculating the capacity value of wind and solar using either the Effective Load Carrying Capability (ELCC) or Capacity Factor Approximation Method (CF) considering Loss of Load Probability (LOLP).[5] The Company is conducting this evaluation as part of its 2015 IRP.
>
> **Q: What is your recommendation regarding the capacity payment option?**
>
> A: Rather than eliminating the capacity and energy payment option (as the Company proposes), and rather than calculating the capacity payment based on a QF's maximum

[5] Docket No. 12-035-100, Order on Phase II Issues (Issued August 16, 2013), page 30.

> output during the peak period (as is the current method, which may overestimate a QF's capacity value), the Commission should continue to authorize the capacity payment option, but modify the capacity payment to reflect a QF's value in reliably meeting load. In other words, the capacity payment offered to renewable QFs should be adjusted consistent with the capacity value of the renewable resource, but should not be eliminated as a payment option.

Wright Direct, page 26.[6]

The purpose of assigning a capacity value based on an ELCC method (or an approximation based on loss of load probability, as the Company has now purportedly done[7]), is to allow consistency of comparison between base load and variable resources for a variety of purposes, including integrated resource planning and avoided costs. Once you assign the capacity value, you are able to compare resources on an equal footing in terms of capacity. Thus, you should be able to pay for capacity from a renewable resource just as you would from a base load resource because the adjustment for capacity value has already been made.

The conflated discussion of capacity ***factor*** and capacity ***values*** throughout this docket undermines any proper evidentiary findings supposedly supporting the elimination of the capacity and energy payment option. The Company's (and Division's) discussion of capacity *factor* muddles the issue and the record, and, significantly, is *inconsistent* with the Commission's direction in Docket No. 12-035-100 to establish capacity values for renewable resources based on an ELCC or capacity factor approximation method.[8] The capacity and energy payment option

[6] The Company did not respond to this recommendation in rebuttal. Rather, Mr. Duvall stated, "Ms. Wright's recommendation does nothing to remedy the concerns raised in my direct testimony over having two options that result in different avoided costs." There was no surrebuttal opportunity in this docket.
[7] *See* Docket Nos. 12-035-100 and 14-035-140.
[8] *See* Docket No. 12-035-100, Order on Phase II Issues (Issued August 16, 2013) at pages 29-30. "PacifiCorp's Exceedance Method is not an industry standard approach. Rather, it was developed by PacifiCorp, and this is our first exposure to this method. The record shows this method arbitrarily weights Company data because it fails to consider reliability measures, like LOLP, in the determination of the hours evaluated. Therefore, the method may

should not be eliminated as an option based on the record in this docket, particularly now that the Company has submitted a completely new reliability-based capacity valuation study that is under review in a separate proceeding.

Moreover, it is still not clear to the Responding Parties, based on efforts to evaluate Mr. Duvall's direct testimony and workpapers, that his testimony in fact demonstrates what the Company is now (belatedly) claiming it demonstrates. Among other things, the Responding Parties have not been able to verify Mr. Duval's table or conclusions. Indeed, the testimony is very unclear on this point.

The Responding Parties respectfully submit that the only defensible path forward at this point is to leave the December Order on Review in place while the parties investigate relevant issues in current or future proceedings, including the Company's capacity contribution study.

III. ALTHOUGH DIFFERENT PAYMENT OPTIONS PRODUCE DIFFERENT QF PAYMENTS, THE RECORD LACKS EVIDENCE SHOWING THAT THE CAPACITY AND ENERGY PAYMENT OPTION PRODUCES UNREASONABLE RESULTS

The Responding Parties have never represented or intended to suggest that the capacity and energy option would produce the same prices as an energy-only option for any given QF project. Moreover, the Responding Parties respectfully submit that it is not necessary for any

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incorrectly state the reliability value of an intermittent resource and the capacity payment to intermittent QFs, and contravene the important objective of ratepayer indifference. Given the evidence demonstrating significant flaws in the Exceedance Method and the fact it results in a wind capacity contribution assumption for reliability planning and QF capacity payments substantially different from values used or approved in the past, we reject its use in this case. We are persuaded by the parties opposing PacifiCorp's method that the ELCC and CF methods described in the NREL Study reasonably account for LOLP. Therefore, we direct PacifiCorp to calculate capacity contribution for wind and solar resources for the Proxy/PDDRR method using either the ELCC method or CF method considering LOLP." *Id.*

such showing to be made. Whether the capacity and energy payment option generates a different price from the volumetric option is immaterial. The mere fact that one payment option is different than another does not make one more accurately reflect "avoided costs."[9] In fact, evidence on the record shows that the volumetric pricing option *undercompensates* QFs (particularly solar QFs) because it ignores their (reliability-based) *capacity contribution*.[10] Although parties have argued that having payment options that result in different prices "violates ratepayer indifference," that claim does not logically follow, and the Commission should be very wary of setting such a precedent.

Ratepayer indifference, while an important consideration, is by no means the single requirement (nor even the most important component) of PURPA or Utah law implementing PURPA, and the Commission should be careful not to hamstring its ability to implement the law properly. Rather, the focus should be on establishing an appropriate, evidence-based Schedule 37 pricing method (and associated payment options).

In its December Order on Review, the Commission reviewed its numerous obligations under PURPA:

> We are mindful, however, that in addition to preventing barriers to QF development, the Public Utility Regulatory Act of 1978 (and the Federal Energy Regulatory Commission or "FERC" regulations promulgated thereunder) and Utah Code Ann. § 54-12-2 charge the Commission with the responsibility to establish rates for QF power purchases. Those rates must "[b]e just and reasonable to the electric consumer of the electric utility," be "in the public interest," and "[n]ot discriminate against qualifying cogeneration and small power production facilities." Further, "[n]othing in [FERC's regulations] requires any electric utility to pay more than the avoided costs for purchases." 18 C.F.R. § 292.304(a)(1)-(2). See also 16 U.S.C. § 824a-3(b)2 and Utah Code Ann. § 54-12-2.

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[9] The Office's witness himself testified that there is, "unfortunately," no Platonic ideal avoided cost. Transcript, page 58, lines 12-13.
[10] Wright DT, lines 595-604 and RT, lines125-147.

> FERC's regulations define avoided costs as "the incremental costs to an electric utility of electric energy or capacity or both which, but for the purchase from the qualifying facility or qualifying facilities, such utility would generate itself or purchase from another source. 18 C.F.R. § 292.101(b)(6).

December Order on Review, pages 3-4 (emphasis added).

The mandates of the statutes are diverse, and can even appear at odds with each other, depending on one's perspective. In addition to removing barriers and encouraging QF development, rates must be just and reasonable to customers, in the public interest and non-discriminatory to QFs. Importantly, while nothing ***requires*** paying more than avoided costs, the statutes and regulations do not clearly prohibit it either.

The Responding Parties are not asking that QF rates be set at higher than avoided cost rates. However, it is inappropriate to elevate the "ratepayer indifference" standard above all other considerations, including the express mandates of PURPA and Utah law implementing PURPA. As this Commission and participating parties have learned over the years, projecting avoided costs out for 20 years is a very complicated and imprecise art.

Furthermore, a bald claim of ratepayer indifference is an insufficient basis for abandoning longstanding precedent, sound logic or the burden of proof necessary to implement significant changes. Rather, reasonable assumptions, reasonable approaches, and reasonable processes should be followed to evaluate and implement reasonable avoided cost methods and results. QFs are *risk-mitigating* resources and should properly be recognized as such. There is time to get this right, based on an adequate record and clear evidence.

While the record may show that different payment methods produce different payment amounts for a given assumed project, the record is devoid of any evidence showing which payment option is most ***correct***, or that the capacity and energy payment option produces a number that is too high as opposed to the energy-based payment option being too low. The record shows only that they produce different results. The arguments raised in Petitioner's Request for Review remain valid, and the Commission's December Order on Review should remain in effect.[11]

There is no evidence that the capacity and energy payment option, when adjusted for the capacity value of renewable resources, produces unreasonable avoided cost rates. As discussed above, Mr. Duvall did not adequately support his numbers or explain them on the record. The record on this issue is muddled at best, and does not support elimination of the capacity and energy payment option. Based on the record in the current docket, the appropriate response is to require an adequate showing in another docket, particularly after the capacity contribution values are better understood and approved.

IV. THE COMMISSION SHOULD DENY THE COMPANY'S REQUEST TO REVERSE ITS DECEMBER ORDER ON REVIEW WITH REGARD TO FRACTIONAL CAPACITY COSTS OF AN SCCT IN SHORT TERM CAPACITY CONSTRAINED MONTHS.

Recognizing the reality of the record before it, the Commission, in its December Order on Review, established an appropriate path forward for addressing short term (resource sufficient) capacity compensation in the Schedule 37 avoided cost pricing method. Rocky Mountain Power's January Motion has not presented a case to the Commission for changing the December

[11] One sentence in the Petitioner's Request for Review is incorrect; that is Rocky Mountain Power, as explained above, allegedly calculated the capacity and energy payment option while taking into consideration an adjustment for the capacity value of renewable resources. *Cf.* Petitioner's Request for Review at page 12 (the last sentence on the page).

Order on Review. Rather, the Company has presented *new* evidence, which should be treated in accordance with the Commission's plan to evaluate new evidence in other Schedule 37 proceedings.

The Commission's December Order on Review explained:

> Our decision to remove the SCCT capacity cost from the Schedule 37 avoided cost calculation method was based "at least in part, on our Schedule 38 Order that finds wholesale power purchased to meet capacity constraints already contains capacity value; therefore, adding the SCCT value to the wholesale market price is excessive." Upon further examination of the record, we find the two methods are meaningfully different with respect to the identification of capacity cost avoidance during the resource sufficient period. We recognize our decision on this issue in the Schedule 38 Order was specific to the PDDRR/Proxy method.
>
> While it is true PacifiCorp does not currently plan to build a resource like an SCCT to meet its short term capacity constraints, for Schedule 37 pricing we long ago approved using SCCT fixed costs as a *proxy to value the capacity avoided through power purchases in months during the period of resource sufficiency in which PacifiCorp is capacity deficient*. PacifiCorp's proposed Schedule 37 method *contains no alternative means for identifying the full capacity value contained in such avoided purchases*. In fact, PacifiCorp's calculations yield identical peak and off-peak prices during the period of resource sufficiency, a first time result for Schedule 37 pricing. The record contains no discussion by PacifiCorp, the Division, or the Office that this result is reasonable, and our October Order recognized that further evaluation of peak and off-peak prices was appropriate.
>
> While it remains our goal to produce logically consistent avoided cost pricing in Schedule 37 and Schedule 38, we recognize *the record in this case presents no alternative means, aside from the fractional SCCT value, for calculating the full Schedule 37 avoided capacity cost* during resource constrained months in the period of resource sufficiency. Thus, pending receipt of *additional evidence in a future proceeding*, we will maintain the SCCT cost component in Schedule 37 to account for the value of capacity avoided in the constrained months during years in which PacifiCorp is otherwise resource sufficient. We await the presentation of evidence in future Schedule 37 proceedings describing any alternative approach for valuing avoided capacity costs and peak and off-peak avoided costs during the period of resource sufficiency.

December Order on Review, pages 14-15 (footnotes and citations omitted) (emphasis added).

In its January Motion, the Company produced new evidence “based on the same data and evidence in this record,” showing the impact of the December Order on Review compared to the Commission’s initial October Order.[12] The Company argued that because the December Commission-approved method results in prices that are different from (higher than) the October method, the December method violates “PURPA’s ratepayer indifference standard.” The Company argues that this is somehow determinative of the entire issue:

> Implementing the avoided cost pricing contained in the Order on Review results in prices that, as demonstrated, dramatically exceed the Company’s avoided costs included in the October Order and Schedule 38, in violation of PURPA’s ratepayer indifference standard. The Company’s proposed update consistent with the Commission’s October Order, as discussed above, appropriately reflects the Company’s avoided capacity and energy costs during peak periods and satisfies the PURPA ratepayer indifference standard.

January Motion, page 16.

Notwithstanding the absurdity of saying one Commission-approved method violates ratepayer indifference because its result is higher rates than another Commission-approved method, the Company’s argument is legally insufficient as a basis for overturning the December Order on Review. As described above, the so-called ratepayer indifference standard is not the sole requirement of PURPA. The Commission must balance several objectives, many of which are hard to define (such as public interest and just and reasonable). In the current case, the Commission must balance the requirements of PURPA and Utah law (and procedure), given the constraints of the record before it and past Commission precedent.

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[12] The Company argues that the Commission was persuaded to change its findings on this issue “based on erroneous arguments from the petitioners that were not based on the record,” but does not provide citations to these arguably erroneous arguments, making them hard to defend, clarify or correct, if necessary, in this responsive pleading. *See* January Motion, page 15.

The Commission should deny the Company's request to reverse its December Order on Review with regard to fractional capacity costs of an SCCT in near term capacity constrained months. The Commission established a sound course for addressing this issue going forward by specifically requesting evidence on the issue of capacity compensation for Schedule 37 QFs in future proceedings. The Commission should recognize the value of this approach and fairness of the process it adopted in its December Order on Review.

V. CONCLUSION AND OPPOSITION TO THE COMPANY'S MOTION FOR STAY

The current docket was useful for flushing out issues, but it did not resolve all of the issues raised. How to compensate small QFs for capacity was one of them—whether through the method of compensation (capacity or energy payment option) or through the pricing calculation itself (fractional SCCT costs in the resource sufficiency period). The Commission, in its December Order on Review, recognized the weaknesses of the record before it and provided a reasonable course forward for addressing the outstanding issues and concerns. Consistent with the Commission's December Order on Review, it is in the best interest of the public for the Commission to follow standard procedures, make reasonable assumptions, use reasonable approaches and require reasonable processes to evaluate and implement just and reasonable avoided cost methods and results. Nothing in the Company's January Motion changes that. QFs mitigate risks for ratepayers. Ratepayers will not be harmed by the Commission denying the Company's January Motion, following standard procedure and gathering an adequate record with clear evidence.

Consistent with the foregoing recommendations to deny the Company's January Motion, the Responding Parties recommend that the Commission lift the existing stay of its December

Order on Review pertaining to the capacity and energy payment option and deny the Company's requested stay with regard to the fractional SCCT capacity payment in the resource sufficiency period.

Dated this 26th day of January, 2015.

RESPECTFULLY SUBMITTED,

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