

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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In the Matter of the Application of Rocky)
Mountain Power for Approval of the Power) DOCKET NO. 14-035-85
Purchase Agreement between PacifiCorp)
and Enterprise Solar, LLC)
)
In the Matter of the Application of Rocky)
Mountain Power for Approval of the Power) DOCKET NO. 14-035-86
Purchase Agreement between PacifiCorp)
and Escalante Solar I, LLC)
)
In the Matter of the Application of Rocky)
Mountain Power for Approval of the Power) DOCKET NO. 14-035-87
Purchase Agreement between PacifiCorp)
and Escalante Solar II, LLC)
)
In the Matter of the Application of Rocky)
Mountain Power for Approval of the Power) DOCKET NO. 14-035-88
Purchase Agreement between PacifiCorp) ORDER CONFIRMING BENCH RULINGS
and Escalante Solar III, LLC) APPROVING QUALIFYING FACILITY
) CONTRACTS
)

ISSUED: October 7, 2014

SYNOPSIS

The Commission approves Power Purchase Agreements between PacifiCorp and Enterprise Solar, LLC, Escalante Solar I, LLC, Escalante Solar II, LLC and Escalante Solar III, LLC.

BACKGROUND AND PROCEDURAL HISTORY

On July 3, 2014, PacifiCorp, doing business in Utah as Rocky Mountain Power (“PacifiCorp”), filed with the Public Service Commission of Utah (“Commission”) applications (“Applications”) for approval of: (1) a power purchase agreement between PacifiCorp and Enterprise Solar, LLC (“Enterprise”); (2) a power purchase agreement between PacifiCorp and

Escalante Solar I, LLC (“Escalante I”); (3) a power purchase agreement between PacifiCorp and Escalante Solar II, LLC (“Escalante II”); and (4) a power purchase agreement between PacifiCorp and Escalante Solar III, LLC (“Escalante III”). Enterprise, Escalante I, Escalante II and Escalante III are collectively referred to as the “Developers” and the power purchase agreements between PacifiCorp and Developers are referred to collectively as the “PPAs.” The PPAs provide for the sale of energy to PacifiCorp to be generated from the Enterprise, Escalante I, Escalante II and Escalante III solar generation projects (“Facilities”) located in Iron County, Utah for a period of 20 years.

On July 18, 2014, the Commission issued a scheduling order that was later modified by the Commission’s July 31, 2014, first order modifying scheduling order (“Scheduling Order”). Pursuant to the Scheduling Order, the Division of Public Utilities (“Division”) and the Office of Consumer Services (“Office”) filed comments on September 4, 2014, recommending approval of the PPAs. The Developers filed reply comments on September 18, 2014, also recommending approval of the PPAs.

On October 2, 2014, the Commission’s designated Presiding Officer held a hearing to consider the Applications. At the hearing, PacifiCorp, the Division, the Office and the Developers provided testimony supporting Commission approval of the PPAs. No party provided testimony in opposition to approval of the PPAs. At the conclusion of the hearing, the Presiding Officer issued a bench order approving the PPAs. This order memorializes that bench ruling.

DISCUSSION, FINDINGS AND CONCLUSIONS

I. Parties' Positions

A. Applicant

PacifiCorp represents in the Applications it is a “purchasing utility” pursuant to Utah Code Ann. (“UCA”) § 54-12-2, and, as such, is obligated to purchase power from qualifying facilities (“QFs”) under the Public Utility Regulatory Policies Act of 1978 (“PURPA”), UCA § 54-12-1, *et seq.*, and Commission orders. PacifiCorp states the Developers represent in the PPAs they are QFs and agree to provide PacifiCorp, upon request, with evidence to show their qualifying facility status.

The Applications indicate the Facilities are located in Iron County, Utah in an area served by PacifiCorp. PacifiCorp represents all interconnection requirements will be met and the Facilities will be fully integrated with PacifiCorp’s system.

PacifiCorp states the Commission issued a series of orders in Docket No. 12-035-100¹ establishing avoided capacity and energy cost payments for purchases from renewable QF projects larger than three megawatts under contracts with PacifiCorp with terms up to 20 years. PacifiCorp represents the purchase prices set forth in the PPAs were calculated using the methodology approved in Docket No. 12-035-100.

According to PacifiCorp, the PPAs constitute “New QF Contracts” under the PacifiCorp Interjurisdictional Cost Allocation 2010 Protocol (“2010 Protocol”), previously filed

¹ *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.*

with the Commission pursuant to a stipulation in Docket No. 02-035-04.² According to the terms of the Protocol, the costs associated with the PPAs would be allocated as a system resource, unless any portion of those costs exceed the cost PacifiCorp would have otherwise incurred acquiring comparable resources. PacifiCorp represents the costs of the PPAs do not exceed the costs PacifiCorp would have otherwise incurred acquiring resources in the market as defined as “Comparable Resources” in the 2010 Protocol.

At hearing, PacifiCorp testified negotiation of the PPAs conforms with Rocky Mountain Power Electric Service Schedule No. 38, “Qualifying Facilities Procedures” (“Schedule 38”) and the pricing contained in the PPAs is consistent with Schedule 38. As such, PacifiCorp recommends the Commission approve the PPAs.

B. The Developers

The Developers reply comments state the Applications and the Comments of the Division and the Office in these dockets clearly demonstrate all four PPAs are compliant with applicable Commission orders and are in the public interest. The Developers further state that given all parties in these proceedings support approval of the PPAs, the Developers request the Commission promptly approve the PPAs so the Developers can continue in their development efforts to bring significant new solar resources to Utah.

² *In the Matter of the Application of PacifiCorp for an Investigation of Inter-Jurisdictional Issues*. On July 10, 2014, PacifiCorp submitted replacement pages in these dockets replacing references in the PPAs to the PacifiCorp Inter-Jurisdictional Cost Allocation Revised Protocol with references to the 2010 Protocol.

C. The Division

At hearing, the Division testified that based on its review of the PPAs and the pricing contained therein, approval of the PPAs by the Commission would be just, reasonable, and in the public interest. The Division further testified the pricing and other terms and conditions of the PPAs are consistent with previous Commission rulings and directives. The Division testified that previous nominal concerns identified in its written comments were satisfactorily resolved by answers provided by the Developers to the Division. The Division testified that it is not aware of any opposition to the PPAs.

D. The Office

At hearing, the Office testified that the PPAs are just and reasonable and in the public interest. Based on the Office's review of the PPAs, the Office further testified the PPAs are consistent with the Commission's guidelines under Schedule 38. The Office indicates that it plans to pursue concerns identified in its written comments in a separate docket and therefore recommends the Commission approve the PPAs. The Office further testified that it is not aware of any objection to the PPAs.

II. Findings and Conclusions

Based upon the Applications, the comments filed in these dockets, the testimony provided at the hearing, and the lack of opposition to the Applications, we find the prices, terms and conditions of the PPAs in these dockets are consistent with applicable state laws, relevant Commission orders, and Schedule 38. Therefore, we conclude the PPAs are just and reasonable and in the public interest.

ORDER

Pursuant to the foregoing discussion, findings and conclusions, we order:

1. The Power Purchase Agreement between PacifiCorp and Enterprise Solar, LLC is approved, effective October 2, 2014.
2. The Power Purchase Agreement between PacifiCorp and Escalante Solar I, LLC is approved, effective October 2, 2014.
3. The Power Purchase Agreement between PacifiCorp and Escalante Solar II, LLC is approved, effective October 2, 2014.
4. The Power Purchase Agreement between PacifiCorp and Escalante Solar III, LLC is approved, effective October 2, 2014.

DATED at Salt Lake City, Utah, this 7th day of October, 2014.

/s/ Jordan A. White
Presiding Officer

DOCKET NOS. 14-035-85, 14-035-86, 14-035-87 AND 14-035-88

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Approved and confirmed this 7th day of October, 2014, as the Order of the Public Service Commission of Utah.

/s/ Ron Allen, Chairman

/s/ David R. Clark, Commissioner

/s/ Thad LeVar, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary

DW#261307

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this written order by filing a request for review or rehearing with the Commission within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on the 7th day of October, 2014, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

Data Request Response Center (datarequest@pacificorp.com)
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