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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF UTAH

In the Matter of Rocky Mountain Power's Proposed Electric Service Schedule No. 32, Service from Renewable Energy Facilities Docket No. 14-035-T02

COMMENTS OF ORMAT TECHNOLOGIES, INC.

The Public Utilities Commission of the State of Utah ("Commission") issued a scheduling order and notices of technical conference and hearing on May 16, 2014 ("Scheduling Order") which, *inter alia*, provided for two technical conferences to be convened in the instant docket regarding the proposed tariff sheets associated with Tariff P.S.C.U No. 49 of PacifiCorp, d/b/a Rocky Mountain Power Electric, Service Schedule No. 32, Service From Renewable Energy Facilities ("PacifiCorp Tariff" or "Tariff"). The first technical conference was held on June 10, 2014, and a second technical conference is scheduled to be held on August 12, 2014. The Commission, in its July 31, 2014 Request for Comments on Need for Second Technical conference, has sought comments from any interested parties on the need for the second technical conference and the Commission's July 31 Request for Comments, Ormat Technologies, Inc. ("Ormat"), hereby submits the following comments in the above-captioned matter:

1. Service Schedule No. 32, which allows a customer to receive electricity directly from a renewable energy facility is overly complex and unreasonably burdensome.

Convening a second technical conference would enable all interested parties to seek additional and necessary clarification on the terms of the proposed PacifiCorp Tariff and the application thereof.

- 2. Rather than further the intent of Senate Bill 12, (codified in Utah Code Title 54, Chapter 17, Part 8, "Renewable Energy Contracts,"), which establishes a new and innovative renewable energy option for large energy users to contract with Renewable Energy Facility owners, Schedule 32 creates a myriad of ambiguous requirements that potential customers must attempt to decipher, thereby frustrating the legislative purpose.
- 3. One example of the ambiguity of the requirements in proposed Schedule 32 pertains to incremental costs associated with obtaining service from Renewable Energy Facilities. Specifically, there are numerous components to the various charges, fees, conditions of service and adjustments set forth in the proposed Tariff and it is not clear as to how all of these components will be implemented. Nor is it apparent what will be the implications to overall service and costs for either existing customers planning to take service or for new customers which have not yet interconnected to the utility's system under the proposed Tariff provisions. These components should be clearly set forth so that each potential customer may evaluate the effect of the costs and service requirements under the Tariff.
- 4. Ormat requests that a worksheet be provided by the utility to illustrate the manner in which the Tariff provisions will be implemented, thereby allowing potential customers to assess the requirements imposed and calculate the associated costs. Such a tool would help give a better understanding of the implications for each of the

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components included in the Tariff and the manner in which the utility intends to implement them.

- 5. Ormat also requests that the utility provide a form of Renewable Energy Contract similar to that which will be executed by the utility and the customer, as referenced in the utility's direct testimony. As stated in lines 147-149 of the Direct Testimony of David L. Taylor, "RMP and the Customer will execute a Renewable Energy Contract for the sale and delivery of electricity from the Renewable Energy Facility to the delivery location or locations under one or more Customer Agreements." While the material commercial terms of the Renewable Energy Contract will be negotiated between the customer and the Renewable Energy Facility (including price, quantity and contract duration), Mr. Taylor testifies that the utility will work with the customer and Renewable Energy Facility to finalize "other contract terms necessary to facilitate the transaction" and that such terms will be included in the Renewable Energy Contracts (Direct Testimony of David L. Taylor at lines 153-165). In order to gain a concrete understanding of what these other contract terms are, the utility should supplement its filing in this proceeding to include a form of Renewable Energy Contract which seems to be an integral part of the service requirements and necessary for evaluation of the Schedule 32 applicability, implications and pricing components.
- 6. The ambiguity of the cost of implementing the proposed Tariff is further obscured by additional factors including, but not limited to, pre-scheduling maintenance, supplementary power, energy and services, and contract requirements for each specific metered delivery point. Convening the second technical conference should give interested parties an opportunity to alleviate some of the uncertainty caused by

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the proposed Tariff provisions prior to filing their direct testimony.

WHEREFORE, for the reasons set forth above, Ormat requests that the Commission convene the second technical conference.

DATED this fifth day of August, 2014.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on this 5th day of August, 2014, I placed a true and correct copy of the above and foregoing **COMMENTS OF ORMAT INTERNATIONAL**, **INC.** was served upon the following as indicated below:

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