



14 May 2015

VIA ELECTRONIC FILING AND HAND DELIVERY

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84111

Attn: Gary Widerburg
Commission Secretary

RE: COMMENTS from Cottonwood Hydro, LLC In the Matter of Rocky Mountain Power's Proposed Revisions to Electric Service Schedule No. 37, Avoided Cost Purchases from Qualifying Facilities, Docket # 15-035-T06

I write on behalf of Cottonwood Hydro, LLC ("Cottonwood Hydro"), a family-owned renewable energy company. Cottonwood Hydro owns and operates a 650 kW hydroelectric power plant in Little Cottonwood Canyon, Sandy, Utah. In 2011, Cottonwood Hydro signed two Power Purchase Agreements with PacifiCorp based on Schedule 37 pursuant to which PacifiCorp buys electricity from Cottonwood Hydro.

On April 30, 2015, Rocky Mountain Power, dba PacifiCorp, filed Advice No. 15-07, proposing revisions to Electric Service Schedule No. 37, Avoided Cost Purchases From Qualifying Facilities. Pursuant to this proposed schedule, the rate PacifiCorp would pay for Cottonwood Hydro's electricity is nearly half of the current rate.

Cottonwood Hydro opposes the proposed revisions on several bases, not least of which is the proposed decrease would dramatically affect the amount that Cottonwood Hydro is paid for its power and, as a result, would jeopardize Cottonwood Hydro's ability to stay in business. This is a step in the wrong direction for the future of Utah's renewable energy market. While PacifiCorp's proposed revisions are supposedly based on avoided costs, it is difficult to understand the source of, and rationale for, the revisions. Not only is Schedule 37 confusing and misleading, it is apparent that the system for calculating Schedule 37 is biased toward traditional energy producers and that those are the companies that would

benefit from PacifiCorp's proposed rate change, to the detriment of small renewable energy producers like Cottonwood Hydro.

Devaluing clean green energy in favor of coal power is a nonsensical travesty and jeopardizes not only Cottonwood Hydro's future, but also the future of all small renewable energy producers (to say nothing about the environment & Utah's air quality). If Cottonwood Hydro were able to sell its power elsewhere/on the open market, the pricing of Schedule 37 would not be as important. However, because PacifiCorp's tariffs for wheeling energy are prohibitively expensive, Cottonwood Hydro is unable to sell its power elsewhere for a fair price. Accordingly, Cottonwood Hydro - and doubtless other small renewable energy producers in Utah - is in the unsustainable position of having to sell our power to PacifiCorp at reduced rate, while PacifiCorp continues to monopolize the energy market.

The Public Service Commission is the gatekeeper of Utah's energy future. Utah, unlike many states, has enormous renewable energy potential. Instead of allowing PacifiCorp to continue its outdated reliance on coal power, the Commission should encourage the growth of renewable energy by requiring PacifiCorp to fairly compensate small renewable energy producers. Accordingly, we are formally requesting relief. We strongly oppose the proposed rate decrease and encourage the Commission to reject the revised Schedule 37. Furthermore, we request the Commission to order PacifiCorp to continue paying Cottonwood Hydro at the rate in its current Power Purchase Agreements.

Very truly yours,

Susannah Williams

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