



in the states of Oregon, California, and Washington. Rocky Mountain Power is a public utility in the state of Utah and is subject to the Commission's jurisdiction with respect to its prices and terms of electric service to retail customers in Utah. The Company serves approximately 870,000 customers in Utah. Rocky Mountain Power's principal place of business in Utah is 1407 West North Temple, Suite 310, Salt Lake City, Utah 84116.

2. Communications regarding this Application should be addressed to:

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In addition, Rocky Mountain Power respectfully requests that all data requests regarding this matter be addressed to:

By e-mail (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

By regular mail: Data Request Response Center  
PacifiCorp  
825 NE Multnomah, Suite 2000  
Portland, OR 97232

Informal inquiries may be directed to Bob Lively at (801) 220-4052.

## **BACKGROUND**

3. In the past several years, the Company has received inquiries from large customers related to renewable energy options. These large energy users have sustainability goals or corporate mandates to power their facilities with renewable energy. Many view sustainability as a core principle of their business strategy and make expansion or new facility siting determinations based on the availability of renewable energy supply options.

4. Based on these interactions, the Company has taken action to offer additional renewable service energy options to its customers.

5. To that end, the Company, business leaders, legislators and others collaborated on legislation that would authorize, among other things, additional renewable product offerings, culminating in SB 115, the Sustainable Transportation and Energy Plan Act (“STEP”), with the component addressing a renewable energy tariff, codified at UTAH CODE ANN. § 54-17-806.

6. To implement this part of STEP, on June 17, 2016, the Company filed tariff Advice No. 16-08 with supporting testimony seeking approval of Schedule 34, Renewal Energy Tariff, to govern contract guidelines for the Company to serve qualified customers<sup>1</sup> with renewable energy, consistent with the Commission’s authority under UTAH CODE ANN. § 54-17-806.

7. STEP and Schedule 34 allow the Company to offer renewable service options that have not been previously offered in the State. For example, they allow the Company to offer flexibility in the contract structure to facilitate the timing and process for acquisition of the required renewables and customization in the rate determination and

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<sup>1</sup> For example, among other requirements, for those customers whose total aggregated electric load is at least 5,000 kW, based on annual peak load.

design. They also allow for “additionality” which means that the energy can be acquired from designated renewable projects that would not be built but for the customer’s load and its desire to purchase renewable energy.

8. Facebook is a prospective customer that qualifies for service under Schedule 34.

9. Given Facebook’s timing needs,<sup>2</sup> the Company and Facebook have been diligently negotiating an agreement for several months. The parties have agreed to terms and conditions as reflected in the Contract, attached to this Application as Confidential Exhibit A.

10. The Contract represents the first under Schedule 34.

11. The Company’s application for approval of the Contract is supported by witnesses Gary W. Hoogeveen, Paul H. Clements and Steven R. McDougal.

#### **APPLICATION SUPPORT FOR THE CONTRACT**

12. Gary Hoogeveen, Senior Vice President and Chief Commercial Officer of Rocky Mountain Power provides background and insights on the reasons the Company is keen on responding to customers’ desire for additional renewable energy products.

13. Mr. Hoogeveen testifies about his experience and the interactions with customers, both existing and prospective, that drove the Company to set policies and offer programs that have not been historically offered in the State.

14. Mr. Hoogeveen also testifies about the challenges with the accessibility of renewable energy for customers of regulated utilities that are not present in unregulated markets and the importance of leveling the playing field to the extent possible.

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<sup>2</sup> Rocky Mountain Power requests that the Commission issue its decision in this case, to the extent possible, by the end of August 2016 to meet Facebook’s deadline.

15. Paul H. Clements, Director of Commercial Services for Rocky Mountain Power, provides a comprehensive overview of the material terms and conditions of the Contract. Mr. Clements testifies about the Contract's a) basic structure; b) rate calculation and rate design; and c) billing mechanics. He also testifies about the renewable resource procurement process.

16. Mr. Clements testifies that it was important for Facebook to have 100 percent of its electric energy serving its facilities generated by renewable energy (Renewable Supply). Recognizing that this cannot be accomplished all at once, Facebook desired a contract that would allow for the flexibility of a ramp-up period in which its facilities would be served with Company Supply (which may or may not be from renewable resources) to allow for the acquisition of renewable resources.

17. Mr. Clements explains the different rate components used to serve Facebook with Renewable Supply, Company Supply, or both. Mr. Clements also explains the calculation and rate design of each and the costs that are covered under each category of service.

18. Mr. Clements testifies about the difference between the rates to be charged for Renewable Supply and Company Supply and Schedule 9 rates.

19. Mr. Clements also provides an overview of the billing mechanism that will be used with the service provided under the Contract.

20. Mr. Clements describes the renewable resource acquisition process including how the resources will be identified. Mr. Clements testifies that the terms and conditions of the acquisition of the renewable resources will be primarily negotiated by the Company with guidance from Facebook. Mr. Clements notes that the acquisition process

and the acquisition of renewable resources on behalf of Facebook will be governed by a separate contract between the Company and the renewable resource counterparty.

21. Finally but no less important, Mr. Clements describes the benefits that are realized by this new service option and the protections that are in place to protect other customers to ensure customers are not adversely impacted by the Contract.

22. Steve McDougal testifies about the regulatory treatment of the Contract and explains the allocation methodology of this Contract and its effect on other customers.

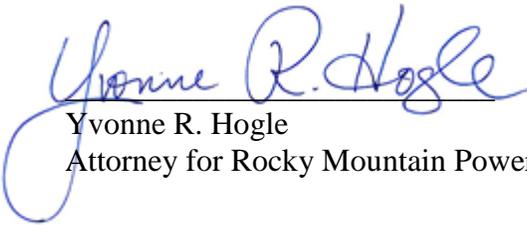
### CONCLUSION

WHEREFORE, based on the foregoing and by this application, Rocky Mountain Power respectfully requests that the Commission:

- a) Hold a scheduling conference in this matter on June 28, 2016;
- b) Grant the Company's petition for expedited treatment, to the extent possible;
- c) Approve the Company's application for approval of the Contract, as filed; and
- d) Grant such other relief it deems just and reasonable and in the public interest.

DATED: June 21, 2016.

Respectfully submitted,



Yvonne R. Hogle  
Attorney for Rocky Mountain Power