

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Rocky Mountain Power for Approval of a Renewable Energy Services Contract between Rocky Mountain Power and Facebook, Inc. Pursuant to Tariff Electric Service Schedule 34

DOCKET NO. 16-035-27
ORDER MEMORIALIZING BENCH
RULING APPROVING RENEWABLE
ENERGY SERVICE CONTRACT
WITH FACEBOOK, INC.

ISSUED: August 29, 2016

Background

On June 21, 2016, PacifiCorp, doing business as Rocky Mountain Power (PacifiCorp), filed an application (Application) for approval of a renewable energy service contract (Contract) between PacifiCorp and Facebook, Inc. (Facebook). PacifiCorp seeks approval of the Contract pursuant to Schedule No. 34, Renewable Energy Purchases for Qualified Customers – 5,000 kW and Over (Schedule 34), which the Commission approved on August 17, 2016.¹ Under the Contract, PacifiCorp will provide Facebook with electric power and energy with a built in ramp-up period to allow PacifiCorp to acquire any necessary renewable resources.

The Commission held a scheduling conference and issued a scheduling order and notice of hearing (Scheduling Order). Pursuant to the Scheduling Order, on August 2, 2016, the Division of Public Utilities (Division) and the Office of Consumer Services (Office) filed comments. PacifiCorp filed rebuttal testimony on August 11, 2016.

The Commission held a hearing on August 18, 2016 at which PacifiCorp, the Division, and the Office provided testimony supporting the Application. At the conclusion of the hearing,

¹ See *In the Matter of Rocky Mountain Power's Proposed Electric Service Schedule No. 34, Renewable Energy Tariff* (Docket No. 16-035-T09). Schedule 34 governs contract guidelines for PacifiCorp to acquire renewable energy on behalf of qualified customers.

PacifiCorp moved for a bench order approving the Contract, with a corrected Exhibit D, and the reporting proposal outlined in PacifiCorp's rebuttal testimony. The Commission granted PacifiCorp's motion and entered a bench ruling approving the Contract. This Order memorializes that ruling.

Discussion, Findings, and Conclusions

PacifiCorp represents that Facebook is a prospective customer that qualifies for service under Schedule 34. PacifiCorp also represents that the Contract, which is the first contract filed under Schedule 34, is consistent with Schedule 34. PacifiCorp further represents the Contract contains protections for customers and PacifiCorp in the event it is terminated early and Utah customers will benefit from its approval.

The Division and the Office both support approval of the Contract, and no party opposes. More particularly, the Office's expert witnesses analyzed 1) the potential effects on ratepayers, using PacifiCorp's jurisdictional allocation model, and 2) the impact of the Contract to net power costs and whether net revenues from the Contract would be expected to offset the costs incurred by PacifiCorp to serve the contract, which included various grid runs. One of the Office's experts identified a rate component of the Contract that could be changed in the future, for which the Office did not want preapproval without further review by the Commission. At hearing, however, the Office acknowledged that PacifiCorp's rebuttal testimony, in which PacifiCorp agrees to file a notice with the Commission if the rate component in question is modified, satisfies the Office's concern. The Office also recommended that the Commission require that PacifiCorp file an annual report for six years, and, at hearing, the Office acknowledged that it has

worked together with PacifiCorp to refine this recommendation and agreed to the timing of and the information to be included in the reports, as is explained in PacifiCorp's rebuttal testimony. The Office further explained that although this reporting requirement will not affect the Contract in this docket, it will better enable the Office to determine the appropriateness of various contractual terms and rate elements in future contracts PacifiCorp may enter into under Schedule 34. In summary, the Office testified that its technical analyses show that the Contract provides reasonable protection from cost shifting to other ratepayers; thus, the Office recommends approval of the Contract.

The Division testified that the auditing and reporting requirements identified by the Office are reasonable and that the Contract is just and reasonable, and in the public interest. The Division and the Office clarified that Exhibit D to the Contract should be amended, as explained in PacifiCorp's rebuttal testimony, to correct a labeling error. The Division and the Office represented that the reporting requirements, explained in PacifiCorp's rebuttal testimony, while not affecting the Contract itself, could be considered in future Schedule 34 filings.

Based on the record before us, we find that the Contract provides reasonable protection against shifting costs to other customers while meeting the renewable energy needs of Facebook. PacifiCorp represents, and no party disputes, that all Utah customers will benefit from approval of the Contract. We further find the parties' ability to audit the records associated with the Contract, and to review the reports PacifiCorp has committed to provide, will give parties the information and opportunity to assess future contracts under Schedule 34, to the benefit of ratepayers.

Based on the Application and testimony filed, and there being no opposition, the Commission finds that the Contract, with the corrected Exhibit D, and the reporting proposal outlined in PacifiCorp's rebuttal testimony is just and reasonable, and in the public interest. We further conclude that the Contract is consistent with both Schedule 34 and Utah Code Ann. § 54-17-806.

ORDER

Pursuant to the foregoing discussion, findings, and conclusions:

1. We approve the Contract, with the corrected Exhibit D, between PacifiCorp and Facebook.
2. We approve the reporting and notification proposal identified by PacifiCorp in its confidential rebuttal testimony.

DATED at Salt Lake City, Utah, August 29, 2016.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#288876

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 August 29, 2016, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

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