
Application of Rocky Mountain Power for Approval of Renewable Energy Service Contracts between Rocky Mountain Power and Six Qualified Customers Pursuant to Electric Service Schedule Number 34	<u>DOCKET NO. 19-035-39</u> <u>ORDER APPROVING RENEWABLE ENERGY SERVICE CONTRACTS</u>
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ISSUED: February 6, 2020

PROCEDURAL HISTORY

On October 16, 2019, Rocky Mountain Power (RMP) filed an application (“Application”) with the Public Service Commission of Utah (PSC) requesting approval of its Renewable Energy Service Contracts with Salt Lake City Corporation (“Salt Lake City”); Park City Municipal Corporation (“Park City”); Summit County, Utah; Utah Valley University; VR CPC Holdings, Inc.; and Deer Valley Resort Company, LLC (“Deer Valley”). We refer to these counterparties collectively as the “Customers” and to their contracts with RMP collectively as the “Contracts.”¹ RMP filed the Application in accordance with Utah Code Ann. § 54-17-806 and Electric Service Schedule No. 34, Renewable Energy Purchases for Qualified Customers – 5,000 kW and Over (“Schedule 34”). RMP states that it seeks approval of the Contracts as part of its ongoing efforts to help the Customers meet their renewable energy goals.

On December 5, 2019, the Utah Division of Public Utilities (DPU) filed comments on the Application. On December 27, 2019, RMP filed reply comments accompanied by Exhibit B, which provided executed Contracts for four of the six Customers. Also on December 27, 2019,

¹ The Application included an unsigned master version of the contract so parties could review the contract terms and conditions while the six Contracts were in the process of being executed. The executed Contracts were later filed with the PSC on December 27, 2019 and January 2, 2020.

the PSC received public comments from Salt Lake City and Park City recommending the PSC approve the Contracts.

On January 2, 2020, RMP made a Supplemental Filing in which it submitted the remaining executed Contracts for Deer Valley and Park City. The Supplemental Filing also contained clarifying information in response to the DPU's December 5, 2019 comments.

On January 13, 2020, the PSC's designated presiding officer held a hearing to consider the Application. At the hearing, RMP and the DPU provided testimony supporting PSC approval of the Application. The evidence supporting the Application is uncontested.²

DISCUSSION, FINDINGS AND CONCLUSIONS

The Application arises from the PSC's approval of RMP's request for approval of its 2019 Renewable Resource Utah Request for Proposals solicitation process ("2019R RFP").³ Upon its approval, RMP issued the 2019R RFP to solicit bids for new solar photovoltaic, wind, or geothermal resources on behalf of the Customers. The winning bid in the 2019R Utah RFP was for a power purchase agreement rather than for RMP's acquisition of a resource. RMP states that as the 2019R RFP proceeded to final selection, it worked with the Customers to negotiate the Contracts.

RMP asserts the Contracts allow the customers to meet all or a portion of their energy needs with new renewable resources acquired on its behalf and represents that the Contracts' rates are calculated in compliance with Utah Code Ann. § 54-17-806. RMP also represents that

² On February 5, 2020, RMP submitted a Second Supplemental Filing removing some extraneous language.

³ See *Application of RMP for Approval of Solicitation Process for Solar Photovoltaic and Thermal Resources*, Docket No. 18-035-47, Order Approving RFP (issued March 11, 2019).

the Contracts follow the standard rate structure found in Schedule 34 and that the Contracts utilize the standard methodology, enumerated in Schedule 34 at Section 1(c), for determining the cost of the renewable resources.⁴ At hearing, RMP testified that the Contracts include a billing mechanism to account for variability in both the monthly solar production and the load served by the renewable resources.

Owing to discussions with the DPU, RMP identified extraneous language in Exhibit F of the master contract included with the Application, and RMP agreed to remove it. RMP stated the executed Deer Valley contract includes the required correction. RMP committed to filing corrections to the other Contracts as soon as possible.

RMP asserts the Contracts comply with the requirements of Schedule 34 and are in the public interest and recommends that the PSC approve them.

Based on its review, the DPU believes the Contracts comply with the requirements of Schedule 34. The DPU also believes appropriate safeguards exist to ensure that costs for the Schedule 34 acquisitions are borne by the Customers and not by non-participating customers. The DPU represents that these provisions adequately protect other non-participating customers.

At hearing, the DPU stated that while future resources could be purchased or acquired under Schedule 34 for the Customers, the PSC's approval of the Contracts would "not obviate the need for future company purchases of facilities, or PPAs, with an option to purchase, to follow the applicable procedures."⁵ The DPU also asserts that RMP's proposed true-up procedure is a reasonable billing method for dealing with the costs of procuring a variable

⁴ Application at 3-4.

⁵ Hr'g Tr.at 12:2-5.

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resource on behalf of the Customers, while still accounting for the Customers' variable monthly usage. Overall, the DPU believes the Contracts are in the public interest and recommends that the PSC approve them.

Based upon our review of the Application, the Contracts, the comments filed in the docket, the corrections made to the Contracts, and the evidence at hearing, we find and conclude the prices, terms, and conditions of the Contracts are consistent with applicable law, relevant PSC orders, and Schedule 34. We conclude the Contracts to be just, reasonable, and in the public interest.

ORDER

We approve the Contracts, as amended, for the six Customers identified in the Application.

DATED at Salt Lake City, Utah, February 6, 2020.

/s/ Michael J. Hammer
Presiding Officer

Approved and Confirmed February 6, 2020, as the Order of the Public Service Commission of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#312046

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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 PSC 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 PSC 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 PSC'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 February 6, 2020, a true and correct copy of the foregoing was delivered upon the following as indicated below:

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