

October 20, 2020

***VIA ELECTRONIC FILING***

Utah Public Service Commission  
Heber M. Wells Building, 4<sup>th</sup> Floor  
160 East 300 South  
Salt Lake City, UT 84114

Attention: Gary Widerburg  
Commission Administrator

RE: **Docket No. 20-035-43 – In the Matter of the Application of Rocky Mountain Power for Approval of an Amendment to the Power Purchase Agreement between PacifiCorp and Kennecott Utah Copper LLC – Smelter**

Rocky Mountain Power (the “Company”) hereby submits for filing its application for approval of an Amendment to the Power Purchase Agreement between PacifiCorp and Kennecott Utah Copper LLC (“Kennecott”) for sales from its smelter.

The Company respectfully requests that all formal correspondence and requests for additional information regarding this filing be addressed to the following:

By E-mail (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)  
[utahdockets@pacificorp.com](mailto:utahdockets@pacificorp.com)  
[jana.saba@pacificorp.com](mailto:jana.saba@pacificorp.com)  
[emily.wegener@pacificorp.com](mailto:emily.wegener@pacificorp.com)

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

Informal inquiries may be directed to Jana Saba at (801) 220-2823.

Sincerely,



Joelle Steward  
Vice President, Regulations

Enclosures

CC: Service List

Emily Wegener (12275)  
 Rocky Mountain Power  
 1407 W North Temple, Suite 320  
 Salt Lake City, UT 84116  
 Telephone: (801) 220-4526  
 Facsimile: (801) 220-4615  
[emily.wegener@pacificorp.com](mailto:emily.wegener@pacificorp.com)

Attorney for Rocky Mountain Power

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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In the Matter of the Application of Rocky Mountain Power for Approval of an Amendment to the Power Purchase Agreement between PacifiCorp and Kennecott Utah Copper LLC - Smelter	) ) ) ) ) ) )	DOCKET NO. 20-035-43  ROCKY MOUNTAIN POWER’S APPLICATION
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Pursuant to Utah Code Ann. § 54-12-2, PacifiCorp, doing business in Utah as Rocky Mountain Power (“Rocky Mountain Power” or “Company”) hereby applies for an order approving an Amendment dated October 14, 2020 (“Amendment”) to the Power Purchase Agreement (“Agreement”) between PacifiCorp and Kennecott Utah Copper LLC (“Kennecott”) dated October 9, 2019. In support of its Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is a public utility in the state of Utah and is subject to the jurisdiction of the Public Service Commission of Utah with regard to its rates and service. Rocky Mountain Power also provides retail electric service in the states of Idaho and Wyoming. As a “purchasing utility,” as that term is used in Utah Code Ann. §54-12-2, PacifiCorp is obligated to purchase power from qualifying facilities pursuant to the Public Utility Regulatory Policies Act of 1978, Utah Code Ann. §54-12-1, *et seq.*, and the

Commission's orders. Under the Agreement, Kennecott represents itself to be a qualifying facility, and agrees to provide PacifiCorp, upon request, with evidence to show its qualifying facility status.

2. Communications regarding this Application should be addressed to:

By e-mail (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)  
[jana.saba@pacificorp.com](mailto:jana.saba@pacificorp.com)  
[utahdockets@pacificorp.com](mailto:utahdockets@pacificorp.com)  
[emily.wegener@pacificorp.com](mailto:emily.wegener@pacificorp.com)

By mail: Data Request Response Center  
Rocky Mountain Power  
825 NE Multnomah St., Suite 2000  
Portland, OR 97232

Jana Saba  
Rocky Mountain Power  
1407 W. North Temple, Suite 330  
Salt Lake City, UT 84116  
Telephone: (801) 220-2823  
Facsimile: (801) 220-3299

3. In Docket No. 03-035-14, *In the Matter of the Application of PacifiCorp for Approval of an IRP-Based Avoided Cost Methodology for QF Projects larger than One Megawatt*, the Commission issued a series of Orders, which established avoided capacity and energy cost payments for purchases from QF projects larger than one megawatt, such as Kennecott's, under contracts with PacifiCorp. This methodology was then confirmed by the Commission in an August 16, 2013, Order on Phase II Issues in Docket No. 12-035-100.<sup>1</sup>

4. The Amendment modifies the Agreement, which was approved by the Commission in Docket No. 19-035-36 on December 20, 2019. The Agreement provides

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<sup>1</sup> See *In the Matter of the Application of Rocky Mountain Power for Approval of Changes to Renewable Avoided Cost Methodology for Qualifying Facilities Projects Larger than Three Megawatts*, Order on Phase II Issues (August 16, 2013).

for the sale to PacifiCorp of energy to be generated by Kennecott up to 31.8 MW, from a waste heat-fired cogeneration facility constructed by Kennecott and located in Salt Lake City, Utah (the “Facility”). The Amendment, attached to this Application as Exhibit A, extends the term of the Agreement, establishes the pricing for the extension period and updates the Line Loss Factor for the period that the Amendment extends the Agreement. The Amendment extends the Agreement for 12 months: January 1, 2021 to December 31, 2021.

5. The purchase prices set forth in the Agreement include a “lesser of” provision to account for Kennecott’s ability to purchase market blocks of power under the Energy Services Agreement approved by the Commission in Docket No. 16-035-33, whereby the Company will pay the lesser of the price for such market blocks or prices that were calculated using the methodology approved by the Commission orders in Docket No. 03-035-14 and Docket No. 12-035-100.

6. The Facility is located near Magna, Utah in an area served by Rocky Mountain Power. All interconnection requirements have been met and the Facility is fully integrated with the Rocky Mountain Power system.

7. According to the terms of the 2020 Protocol, approved by the Commission on April 15, 2020, in Docket No. 19-035-42, costs of the qualifying facility power purchase agreement will be allocated in accordance with section 4.4.2 of the 2020 Protocol.

8. The existing Agreement between PacifiCorp and Kennecott expires on December 31, 2020. Therefore, the parties desire that there be no time lapse between the expiration of the Agreement and the approval of the Amendment for which approval is sought in this Application.

WHEREFORE, Rocky Mountain Power respectfully requests that the Commission issue an order approving the Agreement and find the terms and conditions of the Agreement as modified by the Amendment to be just, reasonable and in the public interest.

DATED this 20<sup>th</sup> day of October, 2020.

Respectfully submitted,

A handwritten signature in blue ink that reads "Emily Wegener". The signature is written in a cursive style and is positioned above a horizontal line.

Emily Wegener  
Attorney for Rocky Mountain Power

CONFIDENTIAL

Exhibit A

**FIRST AMENDMENT TO  
NON-FIRM POWER PURCHASE AGREEMENT**

This First Amendment (this "Amendment") to the Non-Firm Power Purchase Agreement (Smelter) entered into on October 9, 2019 (the "Agreement"), is entered into by and between PacifiCorp and Kennecott Utah Copper L.L.C. This Amendment will become effective on the date associated with the signature of the last Party to sign it. All defined terms used but not defined in this Amendment have the meanings provided to them in the definition for such terms in the Agreement.

WHEREAS, the Parties wish to extend the term of the Agreement and establish the pricing for the extension period;

The Parties agree as follows:

1. Section 2.2 of the Agreement is hereby replaced in its entirety with the following:


"Unless earlier terminated as provided herein, this Agreement shall terminate at 11:59:59 p.m. MPT December 31, 2021."

2. The Exhibit E attached hereto as **Attachment 1** shall replace Exhibit E of the Agreement in its entirety for the period for which the Agreement is extended by this Amendment.
3. Except as expressly modified and amended in accordance with the provisions of this Amendment, all other terms and conditions of the Agreement remain in full force and effect and continue to bind the Parties. The Parties executing this Amendment warrant that they have the requisite authority to do so.

By signing below, the duly authorized representatives of the Parties indicate their agreement to the terms of this Amendment.

**Kennecott Utah Copper L.L.C.**

**PacifiCorp**

By:   
Name: Mark Goodwin  
Title: GM Finance  
Date: October 14, 2020

By: \_\_\_\_\_  
Name: Bruce Griswold  
Title: Director, Short-term Origination  
Date: October 12, 2020

**FIRST AMENDMENT TO  
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By signing below, the duly authorized representatives of the Parties indicate their agreement to the terms of this Amendment.

**Kennecott Utah Copper L.L.C.**

**PacifiCorp**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: **Bruce Griswold**  Digitally signed by Bruce Griswold  
Date: 2020.10.12 14:41:17 -07'00'  
Name: Bruce Griswold  
Title: Director, Short-term Origination  
Date: October 12, 2020



**Attachment 1**

EXHIBIT E  
PRICING (\$/MWh)

“Energy Price” shall be the lesser of:

- (a) The Block 2 Rate under the Electric Service Agreement for the hour of the Delivered Energy; or
- (b) The price in the following table times 1.0253.

“On-Peak” means “Monday through Saturday hour ending 07:00 through hour ending 22:00 Pacific Prevailing Time Excluding NERC Holidays).

“Off-Peak” all hours that are not On-Peak.

Month	2021	
	HLH	LLH
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

The 1.0253 adjustment factor accounts for avoided line losses. This adjustment factor is based on a rate of 4.45% for real power losses for voltage of 46 kV or greater as set forth in Schedule 10 of PacifiCorp’s Open Access Transmission Tariff (OATT) approved in the settlement of Federal Energy Regulatory Commission (FERC) Docket No. ER11-3643.

**CERTIFICATE OF SERVICE**

Docket No. 20-035-43

I hereby certify that on October 20, 2020, a true and correct copy of the foregoing was served by electronic mail to the following:

**Utah Office of Consumer Services**

Michele Beck [mbeck@utah.gov](mailto:mbeck@utah.gov)  
[ocs@utah.gov](mailto:ocs@utah.gov)

**Division of Public Utilities**

[dpudatarequest@utah.gov](mailto:dpudatarequest@utah.gov)

**Assistant Attorney General**

Patricia Schmid [pschmid@agutah.gov](mailto:pschmid@agutah.gov)  
Justin Jetter [jjetter@agutah.gov](mailto:jjetter@agutah.gov)  
Robert Moore [rmoore@agutah.gov](mailto:rmoore@agutah.gov)  
Victor Copeland [vcopeland@agutah.gov](mailto:vcopeland@agutah.gov)

**Rocky Mountain Power**

Data Request Response Center [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)  
Jana Saba [jana.saba@pacificorp.com](mailto:jana.saba@pacificorp.com)  
[utahdockets@pacificorp.com](mailto:utahdockets@pacificorp.com)  
Emily Wegener [Emily.wegener@pacificorp.com](mailto:Emily.wegener@pacificorp.com)



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Katie Savarin  
Coordinator, Regulatory Operations