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State of Utah
Department of Commerce
Division of Public Utilities

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ACTION REQUEST RESPONSE

To: *Public Service Commission*

From: Division of Public Utilities
Chris Parker, Director
Artie Powell, Manager
Joni Zenger, Technical Consultant
Sam Liu, Utility Analyst

Date: January 16, 2013

Re: **Docket No. 12-035-118**, Rocky Mountain Power-Renewable Resource in 2013

RECOMMENDATION (No Action Required)

Based upon the Division of Public Utilities (Division's) review of the Company's filing and of Utah Code Ann. §54-17-502, the Division understands that the Company's solar resource acquisition is not proceeding under the Utah solicitation process as set forth in Utah Code Ann. § 54-17-502. Therefore, the Division recommends that the Public Service Commission (Commission) take no action.

ISSUE

On December 18, 2012, Rocky Mountain Power (Company) filed a courtesy notice to the Commission indicating that it reasonably intends to acquire a small solar project pursuant to Oregon Statute ORS 757.370, the Oregon Photovoltaic Capacity Standard. On December 18, 2012, the Commission issued an Action Request to the Division requesting a review of the filing and a review for compliance with Utah Code Ann. §54-17-502. This memorandum is in response to the Commission's Action Request.

DISCUSSION AND FINDINGS

The Division reviewed the Company's letter to the Commission indicating that it reasonably intends to acquire a small solar project in 2013 pursuant to Oregon Statute ORS 757.370. The Oregon statute requires the Company to acquire 8.7 MW_{ac} of qualifying solar photovoltaic system capacity by 2020. The Division notes that the Company acquired a two megawatt, 9,000 panel solar resource in approximately October 2012 pursuant to the referenced statute (PacifiCorp's 2012 IRP Update, Chapter 2, p. 15). In its courtesy notice the Company states that the 2013 solar project would be a situs only renewable resource, rather than a system-wide renewable resource.

The Division reviewed Utah's statutes, specifically Utah Code Ann. §54-17-502, to determine if the Company's solar acquisition is in compliance with Utah's statute and if any further action needs to be taken. Section 54-17-502 sets forth a solicitation process under which the Company may participate. While many of the provisions of § 503(1)–(5) use the word "shall," indicating a potential requirement of participation, § 502(6) states in relevant part that "[n]othing in this section precludes an affected electrical utility from constructing or acquiring any renewable energy source project outside the solicitation process..." The Company has provided a courtesy notice of its intent to proceed under Oregon laws for a solar project that is situs only. Therefore, with respect to §54-17-502, in the Division's opinion the Company will operate outside the solicitation process and it will not be necessary to hire an independent evaluator.

The Division will ensure that, when the Company seeks cost recovery for the solar project, the costs are situs assigned to Oregon customers and that Utah ratepayers will not be directly impacted by the acquisition. Therefore, the Division finds that no further action is required by the Commission.

CONCLUSION

After reviewing the Company's courtesy notice to the Commission regarding its 2013 acquisition of a small solar project to be located in Oregon, as well as Utah Code Ann. §54-17-502, the Division concludes that the solar resource acquisition will operate outside the Utah solicitation

process, and it will not be necessary to hire an independent evaluator. The Division recommends that no further action is required by the Commission. With this memorandum, the Division requests that this action request be closed.

CC Dave Taylor, Rocky Mountain Power
Michele Beck, Office of Consumer Services
Yvonne R. Hogle, Rocky Mountain Power