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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 Power Purchase	)	DOCKET NO. 13-035-___
Agreement Between PacifiCorp	)	
andLatigo Wind Park, LLC	)	APPLICATION OF
	)	ROCKY MOUNTAIN POWER
	)	

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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 the Power Purchase Agreement (“Agreement”) between PacifiCorp and Latigo Wind Park, LLC (“Latigo”) dated July 3, 2013. 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 Commission with regard to its rates and service. RockyMountain 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, Latigo 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)

By fax: (503) 813-6060

By mail: DataRequestResponseCenter  
Rocky Mountain Power  
825 NE Multnomah St., Suite 800  
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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 Latigo's, under contracts with PacifiCorp with terms up to 20 years.

4. The Agreement provides for the sale to PacifiCorp of energy to be generated by Latigo to [REDACTED] MW, from a wind-powered generation facility for the

generation of electric energy located in San Juan County, Utah (the “Facility”). A copy of the confidential Agreement is attached to this Application as Exhibit A. The Agreement is for a term of twenty (20) years from the later of the Scheduled Commercial Operation Date or the Commercial Operation Date.

5. The purchase prices set forth in the Agreement were calculated using the methodology approved in Docket No. 03-035-14.

6. The Agreement includes in Section 4.8 a one-time option for Latigoto elect to have a price reduction in exchange for its retention of green tags pursuant to the green tag buyback rights set forth in Commission orders in Utah Docket 03-035-14. Such option must be exercised within 120 days following final and non-appealable approval of the Agreement, for a price of [REDACTED] per Green Tag for the 20 year term. If Seller exercises this option to retain the green tags, the parties agree to replace Exhibit 5.1 of the Agreement with a revised Exhibit 5.1 reflecting the reduction in price of [REDACTED] per megawatt hour, and the parties agree to amend the Agreement to modify Section 5.1 and other sections as necessary to reflect the exercise of the option. This option is included in the Agreement and submitted for approval by the Commission as part of approval of the Agreement because the Company’s current integrated resource plan (IRP) does not specifically designate a value for green tags that can be used as intended by the Commission for the green tag buyback option established in orders in Utah Docket 03-035-14. The [REDACTED] per megawatt hours included in the Agreement as the strike price for the buyback option represents the green tag value set forth in the last Company IRP that included a specific value for green tags. The parties believe this approach is reasonably

consistent with the Commission orders in Utah Docket 03-035-14 and requests the Commission approve this contract term as part of its overall approval of the Agreement.

7. The Facility is located in San Juan County, Utah in an area served by Rocky Mountain Power. All interconnection requirements will be met and the Facility will be fully integrated with the Rocky Mountain Power system.

8. The Agreement constitutes a “New QF Contract” under the PacifiCorp Interjurisdictional Cost Allocation Protocol (“Protocol”), previously filed with the Commission pursuant to a stipulation in Docket No. 02-035-04. According to the terms of the Protocol, the costs of the QF provisions would be allocated as a system resource, unless any portion of those costs exceed the cost PacifiCorp would have otherwise incurred acquiring comparable resources.

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

DATED this 9<sup>th</sup> day of July 2013.

Respectfully submitted,

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Daniel E. Solander  
Attorney for Rocky Mountain Power

## CERTIFICATE OF SERVICE

I hereby certify that on this 9<sup>th</sup> day of July 2013, I caused to be served a true and correct copy of the foregoing Application of Rocky Mountain Power to the following:

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Latigo Wind Park, LLC  
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Palo Alto, CA 94306  
Attn: Manager

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