

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application
of Rocky Mountain Power for
approval of the Power Purchase
Agreement between PacifiCorp and
Pavant Solar, LLC

Docket No. 14-035-46

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HEARING PROCEEDINGS  
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TAKEN AT: Public Service Commission
Hearing Room 403
160 East 300 South
Salt Lake City, Utah

DATE: Tuesday, July 8, 2014

TIME: 10:02 a.m.

REPORTED BY: Scott M. Knight, RPR

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APPEARANCES

THE HEARING OFFICER: JORDAN A. WHITE

FOR DIVISION OF PUBLIC UTILITIES:

JUSTIN C. JETTER, ESQ.,

ASSISTANT ATTORNEY GENERAL

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FOR OFFICE OF CONSUMER SERVICES:

KEVIN M. McDONOUGH, ESQ.,

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FOR ROCKY MOUNTAIN POWER:

DANIEL E. SOLANDER, ESQ.,

ROCKY MOUNTAIN POWER

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Hearing Proceedings

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July 8, 2014

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PROCEEDINGS

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THE HEARING OFFICER: Go ahead and go on the

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record.

6

Good morning. This is the time and place noticed for

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Commission consideration of application of Rocky Mountain Power for

8

approval of the power purchase agreement between PacifiCorp and

9

Pavant Solar, LLC, Docket No. 14-035-46. My name is Jordan White.

10

And the commissioners have asked that I act as presiding officer for

11

this hearing.

12

I'm going to go ahead and take appearances. We'll go

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ahead over here and start on the right.

14

MR. McDONOUGH: Kevin McDonough with the Utah

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Attorney General's Office appearing on behalf of the Office of

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Consumer Services.

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MR. JETTER: Justin Jetter for the Utah Division of

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Public Utilities. And with me is Charles Peterson.

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MR. SOLANDER: Daniel Solander on behalf of Rocky

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Mountain Power. And with me at counsel table is Bruce Griswold, who

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will be the Company's witness in this matter.

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THE HEARING OFFICER: Okay. Before we go ahead

23

and proceed, are there any matters of housekeeping, etc.? I know

24

there were some confidential portions of the--or the application and

25

the PPA itself, but is there anything else we need to deal with? Yeah,

1 if there is something you wanted to discuss or cross-examine, etc., on
2 the confidentiality, just give us a heads-up well in advance so we can
3 inform the court reporter and deal with it appropriately.

4 Okay. Since this is--

5 MR. SOLANDER: Can I ask now this be admitted into
6 the record?

7 THE HEARING OFFICER: Sure. Why don't we go ahead
8 and--I was just going to go ahead and recommend you proceed. Why
9 don't you go ahead and take care of the documents you want to have
10 admitted now?

11 MR. SOLANDER: Sure. The only documents we would
12 seek to have admitted are the Company's application and I guess the
13 replacement PPA, including the new page 11 that was filed with the
14 Commission on June 5. And that is the correct and final version of the
15 PPA.

16 THE HEARING OFFICER: Okay. Are there any
17 objections to those documents being received?

18 They're received.

19 This is your application. You can go ahead and proceed.

20 MR. SOLANDER: Okay. We would call Mr. Bruce
21 Griswold as the Company's witness.

22 THE HEARING OFFICER: Go ahead and raise your right
23 hand. Do you solemnly swear to tell the whole truth and nothing but
24 the truth?

25 THE WITNESS: I do.

1 THE HEARING OFFICER: Be seated.

2 Let me ask this: The parties plan on doing any
3 cross-examination of the witnesses? Otherwise, we can just allow the
4 witnesses to sit next to counsel; otherwise, we probably don't have--if
5 we don't have any intention of doing any cross. Okay. Then, you're
6 welcome just to go ahead and sit next to Mr. Solander.

7 BRUCE W. GRISWOLD, being first duly sworn, was
8 examined and testified as follows:

9 EXAMINATION

10 BY-MR.SOLANDER:

11 Q. Could you please state and spell your name for the
12 record?

13 A. Yeah. It's Bruce W. Griswold. B-R-U-C-E, W,
14 G-R-I-S-W-O-L-D.

15 Q. And what is your current position within PacifiCorp?

16 A. I'm director of short-term origination and QF contracts.

17 Q. And as part of those responsibilities, did you negotiate
18 the power purchase agreement between Pavant Solar, LLC, and
19 PacifiCorp?

20 A. Yes, I did.

21 Q. Could you please provide a brief summary of the Pavant
22 project and the PPA?

23 A. Yes. The proposed Pavant Solar project is a 50-
24 megawatt AC solar photovoltaic project using single-axis tracking
25 technology. The proposed project will be built on approximately 400

1 acres of land in Millard County adjacent to the Pavant substation and
2 is expected to be commercial operation on December 31, 2015.

3 The expected annual energy deliveries from the project
4 are consistent with a single-axis tracking project at the expected
5 capacity factor in southern Utah.

6 The PPA is a 20-year agreement, has terms and
7 conditions consistent with the previous Schedule 38 solar PPA that
8 was approved by the Commission.

9 Q. And how were the prices for this project calculated?

10 A. Prices were determined in accordance with the
11 Commission orders in Docket 12-035-100.

12 Q. And is there anything material--materially different about
13 this PPA from other solar PPAs that have recently been approved by
14 the Commission?

15 A. No.

16 Q. Do you believe that it's in the public interest for the
17 Commission to approve this agreement?

18 A. Yes, I do.

19 MR. SOLANDER: Mr. Griswold is available for questions
20 from the Commission or from the parties.

21 THE HEARING OFFICER: Thank you.

22 Mr. McDonough.

23 MR. McDONOUGH: (Moves head from side to side.)

24 THE HEARING OFFICER: Mr. Jetter.

25 MR. JETTER: I have no questions.

1 THE HEARING OFFICER: I have one question. I'll just
2 go ahead and wait for the other witnesses to provide testimony, get
3 back to you.

4 Okay. Mr. Jetter.

5 MR. JETTER: Thank you. The Division would like to
6 swear in Mr. Peterson.

7 THE HEARING OFFICER: Do you solemnly swear to tell
8 the whole truth and nothing but the truth?

9 THE WITNESS: Yes.

10 THE HEARING OFFICER: Please be seated.

11 CHARLES E. PETERSON, being first duly sworn, was
12 examined and testified as follows:

13 EXAMINATION

14 BY-MR.JETTER:

15 Q. Mr. Peterson, would you please state your name and
16 occupation for the record?

17 A. Charles E. Peterson, P-E-T-E-R-S-O-N. I'm a technical
18 consultant with the Division of Public Utilities.

19 Q. And have you reviewed the application filed by Rocky
20 Mountain Power in this docket, as well as the original and the
21 amended PPA agreement that's been filed?

22 A. Yes, I have.

23 Q. And did you create the action request response filed by
24 the Division, dated June 10, 2014?

25 A. Yes.

1 Q. And is everything in that action request response still
2 accurate and a reflection of the Division's analysis today?

3 A. Yes.

4 MR. JETTER: We'd like to move to enter this in the
5 record.

6 THE HEARING OFFICER: Are there any objections?

7 MR. SOLANDER: No objection.

8 THE HEARING OFFICER: They're received. It's
9 received.

10 MR. JETTER: Thank you.

11 BY MR. JETTER:

12 Q. And do you have some comments that you'd like to make
13 on record today?

14 A. Yes, just one or two. The Division would note that this
15 power purchase agreement has terms and conditions that are
16 consistent with what the Division had recommended in a previous
17 docket in which the Division would hope and expect that future PPAs,
18 solar PPAs would contain relative to the online--
19 prospective online dates and other milestones. And the Division notes
20 that this PPA is consistent with the recommendations that the Division
21 had made in the previous docket that's mentioned in the Division
22 memo.

23 And given those facts and the Division's determination
24 that the PPA is consistent with Commission orders, particularly in
25 12--Docket No. 12-035-100 that Mr. Griswold recently cited.

1 The Division recommends approval of this PPA as being
2 just and reasonable and in the public interest.

3 Q. Thank you. And just one last question: Are you aware
4 or have you been made aware, through the Division, of any opposition
5 to approval of this application?

6 A. I'm unaware of any opposition.

7 MR. JETTER: Thank you. I have no further questions.

8 THE HEARING OFFICER: Thank you.

9 Any cross?

10 MR. McDONOUGH: No cross.

11 The Office would like to call Mr. Bela Bastag.

12 THE HEARING OFFICER: Do you solemnly swear to tell
13 the whole truth and nothing but the truth?

14 THE WITNESS: Yes.

15 THE HEARING OFFICER: Be seated.

16 BELA BASTAG, being first duly sworn, was examined
17 and testified as follows:

18 EXAMINATION

19 BY-MR.McDONOUGH:

20 Q. Mr. Bastag, would you please state your full name and
21 business title for the record?

22 A. My name is Bela Bastag. It's B-E-L-A, B-A-S-T-A-G. I
23 am a utility analyst. And I work for the Office of Consumer Services.

24 Q. And, Mr. Bastag, on behalf the Office, did you prepare
25 comments in this docket that were submitted on or about June 10 of

1 this year?

2 A. Yes.

3 Q. Do you have a summary of the Office's position in this
4 matter?

5 A. Yes. I have a very brief statement.

6 Q. Will you please proceed?

7 A. The Office reviewed the PPA and materials provided by
8 the Company through discovery. And it appears that the terms and
9 conditions of the PPA are--
10 adhere to the Commission's orders on avoided cost pricing. And,
11 therefore, the Office recommends approval that the Commission
12 approve this power purchase agreement. That concludes my
13 statement.

14 MR. McDONOUGH: Mr. Bastag is available for
15 cross-examination.

16 MR. JETTER: I have no questions.

17 MR. SOLANDER: No questions. Thank you.

18 THE HEARING OFFICER: Did you want to deal with the
19 receipt in evidence of his--

20 MR. McDONOUGH: We'd move for admission.

21 THE HEARING OFFICER: Any objections to receipt?

22 MR. SOLANDER: No.

23 THE HEARING OFFICER: They're received.

24 Okay. I did have one question. And this question's
25 probably directed to Mr. Griswold and perhaps Mr. Solander. This is

1 actually on page 1 of the revised, I guess, or the April 24 version. I
2 don't know if you have a copy or not, or the other parties, but these
3 are in the "Recital" section.

4 MR. SOLANDER: What section?

5 THE HEARING OFFICER: The "Recital" section on page
6 1 of the PPA itself. And look into the second-to-last recital. Let me
7 know when you get there. It's the one essentially referring to the
8 revised protocol. Just--I'm just going to go ahead and read it. I just
9 have a question on it. Is everyone there?

10 Okay. It says, "Whereas, for purposes of inter-
11 jurisdictional cost allocations, this agreement is a 'New QF Contract'
12 under the PacifiCorp Inter-Jurisdictional Cost Allocation Revised
13 Protocol and, as such, its costs are allocated as a system resource
14 unless any portion of the cost of this Agreement exceeds the cost
15 PacifiCorp would have otherwise incurred acquiring comparable
16 resources, in which case such excess costs shall be assigned on situs
17 basis."

18 I guess my question is just--and this is a potential
19 question for clarification--the first, the revised protocol. And, you
20 know, as many of you are aware, we have the current protocols, the
21 2010 protocol method approved by the Commission that was submitted
22 pursuant to stipulation approved on February 3, 2012. Was that the
23 intent, I guess? And if it was, I guess the question's how--you know,
24 how should we deal with that? We have the currently approved, you
25 know, protocol pursuant to the 2012 agreement, but this one is maybe

1 just a scrivener's error, etc., but I want to make sure we're not
2 approving an agreement that is referring to a protocol that's no longer
3 in effect. And I don't know if you want to--I'm happy to go off the
4 record for a second. And I'm open to suggestions, but just pointed
5 that out. Why don't we go ahead and go off the record for a second, if
6 you want to chat amongst yourselves?

7 (A discussion was held off the record.)

8 MR. SOLANDER: It was the Company's intent that it
9 referenced the 2010 protocol, but we can submit an errata to this
10 page. It certainly was our intent that the protocol that's currently in
11 effect be applicable to this agreement.

12 THE HEARING OFFICER: Okay. Any comments from
13 the--I guess, you know, I think that's fine. I guess I'm just trying to
14 think through--I don't want to--you know, I don't want to put a--you
15 know, a stick in the spokes of-- because, again, this is kind of a de
16 minimis issue, essentially, and I think that was the Company's--but
17 does the Division or Office have thoughts on how we might deal with
18 this expeditiously, procedurally, what might be required to allow for
19 the Commission's consideration?

20 Why don't we go off the record for a second outside?

21 MR. JETTER: Can we just take a minute?

22 THE HEARING OFFICER: That's fine.

23 (A discussion was held off the record.)

24 THE HEARING OFFICER: This sounds like the parties
25 have had a chance to discuss.

1 MR. SOLANDER: Sure. And I think we can either
2 submit just a simple errata filing or we can file a motion if we need
3 Pavant Solar to be a party to the errata, if that makes sense--

4 THE HEARING OFFICER: Uh-huh (affirmative).

5 MR. SOLANDER: --or sign off on that. We can submit a
6 motion for acceptance of revised contract, something along those
7 lines.

8 THE HEARING OFFICER: Let me ask you this--this is a
9 question, I guess, for the Division or Office: Is this something that
10 you think would need to be vetted pursuant to an action request or
11 would we need to open this up again for comment, etc.? Is this
12 something we can deal with more expeditiously, I guess?

13 MR. JETTER: I'm inclined to say we can do this just by
14 an errata to this agreement.

15 THE HEARING OFFICER: Okay. So, you--

16 MR. JETTER: I think our view of what was intended by
17 the term of this was the 2010 protocol. And, so, we would remain in
18 favor of approval so long as nothing else changes.

19 THE HEARING OFFICER: Okay. That's--

20 MR. JETTER: No other party has intervened, so I don't
21 anticipate any new parties being interested in that change.

22 THE HEARING OFFICER: Okay. That's--do you have
23 anything, Mr. McDonough?

24 MR. McDONOUGH: No. The Office concurs with the
25 Division.

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THE HEARING OFFICER: Okay. All right. Well, then, why don't--you can, I guess, decide what makes most sense practically just to accomplish the-- you know, whether it's an errata or whatever and just-- and then--with that, is there any other matters of housekeeping or any other requests, etc., that we need to address?

Okay. With that, I appreciate everyone's time today. And we're adjourned. And we'll issue an order.

MR. SOLANDER: Thank you.

THE HEARING OFFICER: Thank you.

(Proceedings adjourned at 10:17 a.m.)

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CERTIFICATE

This is to certify that the foregoing proceedings were taken before me, SCOTT M. KNIGHT, a Registered Professional Reporter and Notary Public in and for the State of Utah, residing at South Jordan, Utah;

That the proceedings were reported by me in stenotype and thereafter caused by me to be transcribed into typewriting, and that a full, true, and correct transcription of said proceedings so taken and transcribed is set forth in the foregoing pages, inclusive.

I further certify that I am not of kin or otherwise associated with any of the parties to said cause of action, and that I am not interested in the event thereof.

Scott M. Knight, RPR
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