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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, Energy Section Manager
Justin Christensen, Utility Analyst
Joni Zenger, Technical Consultant

Date: August 12, 2014

Subject: **Docket No. 14-035-89:** In the Matter of Rocky Mountain Power's Courtesy Notice for Renewable Resource in 2015.

RECOMMENDATION: (No Action)

The Division of Public Utilities ("Division") recommends that the Public Service Commission ("Commission") take no action. In its review of the Company's filing and of Utah Code §54-17-502, the Division determined that the Company's solar and geothermal resource projects are outside of the solicitation process as indicated by §502(6).

ISSUE

On July 11, 2014, Rocky Mountain Power ("Company") filed a courtesy notice to the Commission indicating that the Company reasonably expects to acquire a small solar project pursuant to ORS 757.370, the Oregon Photovoltaic Capacity Standard, which would come into

service during 2015. In addition, pursuant to Utah Code Ann. § 54-17-502(6)(b), the Company filed notice that it expects its Blundell well integration project to be placed into service by September 2014. On July 14, 2014, the Commission issued an Action Request to the Division to review the filing for compliance with Utah Code Ann. §54-17-502 and to make recommendations. This memorandum represents the Division's response to the Commission's Action Request.

DISCUSSION

In this filing the Company stated that the 2015 solar project would be an Oregon situs renewable resource, rather than a system-wide renewable resource, such as the Blundell integration project.

The Division reviewed Utah's statutes, specifically Utah Code Ann. §54-17-502, to determine if the Company's renewable resource acquisitions are 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 and the Commission shall retain a consultant. Subsection §502(2)(e) requires the Company to file a notice with the Commission indicating, among other things, its intent to acquire a renewable energy resource. When the Commission receives the Company's notice, the Commission shall promptly retain a consultant as required by 502(3)(a). However, §502(6) states in relevant part that "nothing 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 with both the Oregon solar and the Utah geothermal well integration projects. Therefore, with respect to §54-17-502, the Division determined that the Company will operate outside the solicitation process and it will not be necessary to hire an independent evaluator for these two projects.

The Division will ensure that, when the Company seeks cost recovery for the solar project, the costs are situs assigned to Oregon customers so the Utah ratepayers will not be directly impacted by the acquisition. The Blundell geothermal well integration project has already gone through a thorough cost review in Docket No. 13-035-184 and is described in Mr. Chad Teply's testimony

in the referenced docket. 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 acquisition of a small Oregon solar project and the Blundell well integration project, as well as Utah Code Ann. §54-17-502, the Division concludes that both renewable resource acquisitions 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.

CC David Taylor, Rocky Mountain Power
Michele Beck, Office of Consumer Services
Cheryl Murray, Office of Consumer Services
Service List