

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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In the Matter of Rocky Mountain Power's )  
Proposed Revisions to Electric Service ) DOCKET NO. 14-035-T04  
Schedule No. 37, Avoided Cost Purchases ) ORDER ON CUMULATIVE 25,000 KW  
from Qualifying Facilities ) CAP  
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ISSUED: July 3, 2014

**SYNOPSIS**

This order affirms the validity of the 25 megawatt ("MW") cap on payments for power PacifiCorp procures via contracts with qualifying facilities ("QF") based on currently-approved Schedule 37 pricing, until such time as the Commission makes a final determination in this docket. Additionally, this order provides for the continuation of Schedule 37 pricing for QFs with design capacities of 100 kilowatts ("kW") or less. Finally, this order establishes an interim pricing process for QFs with design capacities greater than 100 kW up to and including three MW for small power production facilities and up to and including one MW for cogeneration facilities.

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**BACKGROUND AND PROCEDURAL HISTORY**

On May 7, 2014, Rocky Mountain Power, dba PacifiCorp ("PacifiCorp") filed Advice No. 14-04, proposing revisions to Electric Service Schedule No. 37 ("Schedule 37"), Avoided Cost Purchases From Qualifying Facilities ("Request"). Schedule 37 states "A cumulative cap of 25,000 kW shall apply to new resources contracted under this schedule." According to the parties present at the June 3, 2014, scheduling conference, PacifiCorp is close to reaching the 25,000 kW cap ("Cap") based on executed contracts with QFs. Parties at the scheduling conference posed the question of whether Schedule 37 pricing would be available to QFs after the time the Cap is met but prior to the Commission's decision regarding PacifiCorp's proposed revisions to Schedule 37 in this docket.

The Commission's June 5, 2014, Order Setting Schedule and Suspending Tariff and Notices of Technical Conference and Hearing ("Scheduling Order") invited interested parties to submit comments regarding the application of the Cap during the time period between the time the Cap is met but prior to the Commission's decision regarding PacifiCorp's proposed revisions to Schedule 37. This Order addresses the interim Cap issue.

Pursuant to the Scheduling Order, the Division of Public Utilities ("Division") filed comments on the Cap issue on June 11, 2014, and the following parties filed comments regarding the Cap issue on June 12, 2014: PacifiCorp; the Office of Consumer Services ("Office"); Utah Clean Energy ("UCE"); and SunEdison, LLC and First Wind ("SunEdison/First Wind"). PacifiCorp, the Division, and SunEdison/First Wind filed reply comments regarding the Cap issue on June 19, 2014.

## **DISCUSSION, FINDINGS AND CONCLUSIONS**

### **I. Parties' Positions**

#### **A. Applicant**

PacifiCorp asserts removing the Cap without implementing its proposed Schedule 37 revisions will result in serious financial harm to customers because current Schedule 37 prices do not reflect PacifiCorp's actual avoided costs. PacifiCorp contends raising the Cap while keeping current prices in place will induce a flood of requests from developers seeking to execute power purchase agreements ("PPA") prior to implementation of the proposed tariff revisions. Executing PPAs under the current Schedule 37 prices, according to PacifiCorp, will result in customers bearing millions of dollars in excess of PacifiCorp's avoided costs.

PacifiCorp notes that as of June 12, 2014, it has 16 Schedule 37 PPA requests totaling 46.17 MW.

PacifiCorp states removing the Cap and retaining current Schedule 37 prices prior to issuing an order on proposed tariff revisions would contravene the Commission's June 1, 2004, Order ("June 2004 Order") and July 20, 2004 Order on Reconsideration ("July 2004 Order on Reconsideration") in Docket No. 03-035-T10. According to PacifiCorp, the language from those orders requires the contemporaneous updating of Schedule 37 pricing when the Cap is reached.<sup>1</sup> PacifiCorp contends allowing execution of additional PPAs in excess of the Cap before proposed Schedule 37 revisions are implemented would violate the intent and explicit language of the Commission's prior orders.

As an alternative, PacifiCorp proposes a QF developer may request pricing under Electric Service Schedule No. 38 ("Schedule 38") if the QF desires to move forward with a project prior to issuance of a Commission order in this proceeding. According to PacifiCorp, Schedule 38 can accommodate such requests and represents an appropriate path for potential QF developers while limiting customer exposure to excessive costs. PacifiCorp argues this approach maintains compliance with the Public Utility Regulatory Policies Act of 1978 ("PURPA") and the rules promulgated thereunder by the Federal Energy Regulatory Commission ("FERC") requiring electric utilities to make avoided cost pricing available to potential QF producers.

PacifiCorp further recommends the Commission continue to allow QFs with a design capacity of

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<sup>1</sup> PacifiCorp Comments Regarding Cap at p. 2, citing *In the Matter of the Application of PACIFICORP, dba Utah Power & Light Company, for Approval of Standard Rates for Purchases of Power from Qualifying Facilities Having a Design Capacity of 1,000 Kilowatts or Less*, Docket No. 03-035-T10 (Order; June 1, 2004, at p. 14 and Order on Reconsideration; July 20, 2004, at p. 4)

100 kW or smaller the option to receive pricing under Schedule 37 rates. PacifiCorp asserts this approach is consistent with PURPA regulations requiring standard rates for QFs 100 kW or smaller.

**B. Division**

The Division also argues the Commission should not grant additional capacity under Schedule 37 until new pricing is approved. According to the Division, both PURPA and the Utah Code require PacifiCorp to purchase energy from QFs at “reasonable rates and conditions” with prices that “shall not be set at a rate which exceeds the incremental cost to the electric utility of alternative electric energy.”<sup>2</sup> The Division asserts that resetting the Cap under current Schedule 37 pricing is not just and reasonable and would not be in the public interest, as this would require PacifiCorp and its customers to purchase energy at rates that are out-of-date. Additionally, the Division submits these rates would be based on an avoided cost method, particularly in relationship to wind and solar resources, inconsistent with the outcome of Docket No. 12-035-100.<sup>3</sup>

The Division represents a short delay in the availability of new pricing as the Commission gathers party input on this matter is not unreasonable and would not result in a violation of PURPA. The Division asserts PURPA does not create a right to immediate and unlimited availability of published price contracts, noting contracts under Schedule 38 often require a period of pricing negotiation as well as a period of Commission review and approval.

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<sup>2</sup> Division Comments Regarding Cap at p. 2, *citing* 16 U.S.C.A. § 824a-3 and Utah Code Ann. § 54-12-2.

<sup>3</sup> *See* Division Comments Regarding Cap at pp. 2-3, *citing 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*, Docket No. 12-035-100 (Order on Phase II Issues; August 16, 2013).

The Division therefore submits a temporary delay while Schedule 37 pricing is determined by the Commission is reasonable and is the best method of ensuring the correct pricing is established.

The Division agrees with UCE's and SunEdison/First Wind's assertion (discussed below) that the Cap was intended to trigger the recalculation of Schedule 37 pricing. The Division recommends, however, that should the Commission choose to reset the Cap, it should do so only at fixed short term prices for the energy generated during the interim and at the prices proposed in the Request. The Division asserts the previously approved Schedule 37 prices "are not approved for additional generation beyond the [Cap]."<sup>4</sup>

**B. Office**

The Office opposes any effort to reset the Cap prior to a Commission decision regarding the determination of proposed Schedule 37 rates. The Office submits any such reset is not supported by Commission approved language within Schedule 37, is contrary to existing Commission Orders regarding Schedule 37, and contradicts state and federal law.

The Office asserts the June 2004 Order specifically states that when the Cap is reached, establishment of a new Cap will be considered contemporaneously with the calculation of new Schedule 37 rates. Despite subsequent Commission modification to the Schedule 37 rate determination process, the Office asserts this direction remains in force.

Like the Division, the Office also submits the Commission is not bound to immediately establish a new cap when the cumulative 25 MW limit is reached, nor was it the

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<sup>4</sup> Division Reply Comments Regarding Cap at p.2.

Commission's intention that the Cap would automatically be reset upon reaching this limit. Further, the Office asserts so long as there is remaining capacity within the Cap, the Commission is "not able, under its own precedent, to consider resetting the [Cap]." <sup>5</sup> The Office contends any decision regarding the possibility of a new Cap in the current proceeding is premature and should not be evaluated by the Commission at this time.

The Office also asserts resetting the Cap without finalizing new avoided cost rates contravenes state and federal law requiring rates, terms, and conditions requiring Schedule 37 prices to be just and reasonable, based on PacifiCorp's avoided costs, and administered in a non-discriminatory fashion. The Office claims the Commission's August 16, 2013, Order on Phase II Issues in Docket No. 12-035-100 <sup>6</sup> ("August 2013 Order") updated formulas and variables in Schedule 38 to ensure the avoided cost calculation conforms to state and federal law requiring just and reasonable rates. According to the Office, setting a new cap without incorporating similar updates to the Schedule 37 method would contravene state and federal law, burden ratepayers with excessive rates, and would violate the public interest. The Office asserts the Commission should delay consideration of a new cap until a final determination has been reached regarding appropriate avoided costs associated with Schedule 37.

### **C. UCE**

UCE recommends that if the current Cap is reached during the course of this docket, the Commission should authorize an additional 25 MW of capacity to allow small QF

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<sup>5</sup> Office Comments Regarding Cap at p. 2.

<sup>6</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*, Docket No. 12-035-100 (Order on Phase II Issues; August 16, 2013).

producers an opportunity to contract with PacifiCorp for purchases pursuant to PURPA requirements. UCE argues state and federal laws clearly require states to promote and encourage the development of small, independent power production. As a result, UCE submits the Commission must be mindful of how the current Cap impedes or prevents independent energy development.

UCE states in the July 2004 Order on Reconsideration, the Commission increased the Cap to 25 MW “before the schedule 37 avoided costs payments must be updated.”<sup>7</sup> Based on this language, UCE states it appears the 25 MW Cap was not considered an absolute cap on contracts under Schedule 37, but rather merely a trigger for new pricing, in order to keep avoided costs prices up to date.<sup>8</sup>

UCE asserts that under PURPA, PacifiCorp has no authority to deny QFs the opportunity to sell electricity to a utility at approved avoided cost rates if the utility fails to update its pricing. UCE submits the Commission cannot authorize a period in which avoided cost pricing is not available to QFs. UCE recommends if the 25 MW Cap is reached during this docket, the Commission should authorize an additional 25 MW to allow small QFs a continued opportunity to contract with PacifiCorp for purchases pursuant to the requirements of PURPA.

**D. SunEdison/First Wind**

SunEdison/First Wind asserts PacifiCorp is required by state and federal law to purchase all power and energy produced by QFs at avoided cost rates approved by the Commission. SunEdison/First Wind claims Schedule 37 is unique in a number of ways. For

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<sup>7</sup> UCE Comments Regarding Cap at p. 5, *citing* July 2004 Order on Reconsideration at p. 2.

<sup>8</sup> UCE Comments Regarding Cap at p. 5.

instance, SunEdison/First Wind argues it is the one and only PacifiCorp tariff option available to QF projects with a design capacity of three MW or less for small power production facilities, or less than one MW for cogeneration facilities. Second, SunEdison/First Wind argues that unlike Schedule 38, where prices are determined through a process of price determination and negotiation with each individual QF, Schedule 37 provides standard, published prices and a *pro forma* contract that reduces burdensome and expensive procedures and delays that would likely otherwise make small QF projects uneconomical. Finally, SunEdison/First Wind notes Schedule 37 satisfies a PURPA mandate requiring public utilities to publish standard rates for QFs with a design capacity of 100 kW or less.

SunEdison/First Wind contends the language and purposes of PURPA require published standard rates for small QFs to be available at all times and argues a capacity limit such as the Cap cannot properly be used to withhold or delay QF contracts or to deny access to published standard rates for small QFs. According to SunEdison/First Wind, the Schedule 37 Cap can legally and properly be used only to trigger a prospective review of small QF pricing. SunEdison/First Wind submits the June 2004 Order did not contain language stating Schedule 37 contracts and pricing should be withheld from small QFs if the Cap is reached, nor did any party in that proceeding attempt to explain how such an interpretation would be consistent with the requirements of state and federal law. SunEdison/First Wind therefore concludes “[t]he only plausible and lawful interpretation of the “cap” language is to trigger a review of Schedule 37 pricing, which can properly be implemented only on a prospective basis.”<sup>9</sup>

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<sup>9</sup> SunEdison/First Wind Comments on Cap at p. 3.



SunEdison/First Wind asserts PacifiCorp is interpreting the Schedule 37 Cap not to trigger a review of Schedule 37 pricing, but rather to delay or thwart small QF projects and to withhold QF contracts at Commission-approved standard rates. SunEdison/First Wind characterizes this as a misuse of the Cap, inconsistent with the legal requirements or purposes of state and federal laws. SunEdison/First Wind notes the Commission's December 20, 2012, Order in Docket No. 12-035-100 denying PacifiCorp's motion for a stay of Schedule 38 prices<sup>10</sup> "illustrates that the laudable goal of protecting ratepayers cannot trump other requirements of federal or state law, nor justify withholding QF contracts or prices while new pricing methods are being evaluated."<sup>11</sup> In its motion for a stay referenced above, SunEdison/First Wind claims PacifiCorp likewise argued the methods used to set Schedule 38 prices in that docket were outdated and no longer produced reasonable results.

Commission precedent, according to SunEdison/First Wind, has previously established that just and reasonable rates must remain in place and available to small QF developers unless and until the Commission approves a new tariff to apply on a prospective basis after considering all relevant facts. SunEdison/First Wind requests the Commission direct PacifiCorp to offer and sign QF contracts at currently approved and standard rates for small QF projects under Schedule 37, unless and until the Commission approves a new tariff to apply on a prospective basis.

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<sup>10</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*, Docket No. 12-035-100 (Order on Motion to Stay Agency Action; December 20, 2012).

<sup>11</sup> SunEdison/First Wind Comments Regarding Cap at p. 6.

In reply comments, SunEdison/First Wind argues PacifiCorp's option to offer Schedule 38 pricing to Schedule 37 customers is neither feasible nor lawful. SunEdison/First Wind asserts Schedule 38 is expressly available only to QFs with a design capacity greater than three MW for a small power production facility. SunEdison/First Wind reiterates its position that "the Schedule 38 process is prohibitively expensive and burdensome for small QF projects,"<sup>12</sup> and is therefore not a reasonable or available option for such producers. SunEdison/First Wind also rejects the Division's recommendation for a short delay in the development of Schedule 37 rates, arguing that by federal law, PacifiCorp cannot suspend or withhold its published standard rates. Moreover, according to SunEdison/First Wind, "the Schedule 37 or Schedule 38 tariffs [cannot] be amended without following proper procedures."<sup>13</sup>

SunEdison/First Wind asserts the concept of ratepayer neutrality with respect to PURPA requirements is not a relevant legal standard or requirement in approving QF contracts, but is properly considered in setting avoided cost prices and pricing methods. Opposing parties, according to SunEdison/First Wind, can object to the new avoided cost methods and prices, applied prospectively, as contained in the Request. However, they cannot apply their objections retroactively through use of the Cap on availability of standard price contracts for small QFs.

SunEdison/First Wind further asserts that opposing parties fail to give proper credence to the "filed rate doctrine." SunEdison/First Wind explains that under that doctrine, Commission-approved rates are presumptively just and reasonable and in the public interest,

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<sup>12</sup> SunEdison/First Reply Comments Regarding Cap at p. 2.

<sup>13</sup> *Id.* at p. 3.

unless and until they are changed on a prospective basis following proper procedures and observing due process rights of all parties.

## **II. Findings and Conclusions**

### **A. 25 MW Cap**

PURPA acknowledges the process of determining and applying avoided cost pricing case-by-case on a project specific basis could create complexity and costs that could potentially affect the viability of very small projects. As such, PURPA requires standard offer pricing for projects of 100 kW or less, resulting in a streamlined contracting process. In 2004, we addressed developers' recommendation that this type of abbreviated pricing process should be available for larger scale projects. The Commission agreed and raised the limits on the size of the small power production and cogeneration projects that could take advantage of the abbreviated pricing process described in Schedule 37.

Parties recognized, however, that a streamlined process could increase the risk that pricing over time would diverge from avoided costs for a variety of reasons. To protect ratepayers from the effects of over-subscription that could result from such pricing, the Commission accepted the Division's recommendation to place a cap on the payments for which ratepayers would be responsible under Schedule 37. *See* June 2004 Order.

Although the Division recommended a 25 MW cap, the Commission initially determined "[c]urrent rates are based on a 10 [MW] decrement during the period of sufficiency and therefore 10 [MW] serves as a reasonable cap. When the cap is reached, a new cap will be considered and new rates calculated." *Id.* at p. 14. We further indicated that "over-subscription from raising the design limit from one to three [MW] is checked by implementation of the

overall 10 [MW] cap.” *Id.* Significantly, the Commission’s ordering language provides: “a cap of 10 [MW] is placed *on payments made from the Schedule No. 37 rates* approved in this order” *Id.* at p. 15 (emphasis added).

Parties petitioned the Commission for reconsideration of the June 2004 Order, requesting the 10 MW cap be eliminated, or if a cap was determined to be useful and necessary, to increase it to a minimum of 25 MW or 50 MW. July 2004 Order on Reconsideration at p. 2. In support of the request, parties referred to the legislative policy announced in Utah Code Ann. § 54-12-1 to encourage the development of small power production facilities and to remove unnecessary barriers to energy transactions involving independent energy producers and electrical corporations. *Id.* at p. 3.

Based on the parties’ request, the Commission increased the previously ordered cap from 10 to 25 MW, stating “[t]herefore, in order to reduce barriers to small QF development, we will raise the cumulative cap from 10 to 25 [MWs] before the schedule 37 avoided costs payments must be updated.” *Id.* at p. 4. The ordering paragraph from the July 2004 Order on Reconsideration further states “[t]he cumulative cap for Schedule 37 QF projects is increased from 10 to 25 megawatts before avoided cost payments must be updated.” *Id.* at p. 4. This language does not alter the language announced in the June 2004 Order placing a cap or limit on the payments made from approved Schedule 37 rates. In other words, contrary to the argument made by parties in this docket, the 25 MW Cap provided in Schedule 37 does not act solely as a trigger to update Schedule 37 prices. Rather, the Cap also limits the payments made under approved Schedule 37 prices to 25 MW, until such time as the Commission approves new prices.

The policy of placing a 25 MW Cap on payments made under Schedule 37 until new rates are approved is consistent with PURPA, the Federal Energy Regulatory Commission's ("FERC") regulations implementing PURPA, and Utah Code Ann. § 54-12-2. We recognize these laws and regulations are intended to promote QF development by requiring utilities to purchase QF power and that part of the Commission's mandate is to act as a check on the historical reluctance many utilities have exhibited to negotiate with QFs. We further recognize that Schedule 37 encourages the development of smaller QFs by reducing the necessary time and resources associated with transactions for larger QFs under Schedule 38.

We are mindful, however, that in addition to preventing barriers to QF development, the Commission is simultaneously charged with the responsibility to establish rates for QF power purchases. Those rates must "[b]e just and reasonable to the electric consumer of the electric utility," be "in the public interest," and "[n]ot discriminate against qualifying cogeneration and small power production facilities." Further, "[n]othing in [FERC's regulations] requires any electric utility to pay more than the avoided costs for purchases." 18 C.F.R. § 292.304(a)(1)-(2). *See also* 16 U.S.C. § 824a-3(b).<sup>14</sup>

The Commission fashioned Schedule 37 to meet its dual responsibilities to encourage QF development and to maintain ratepayers' indifference to the sources of the power they consume. The 25 MW Cap under Schedule 37 balances these objectives by allowing for a discrete block of power to be purchased from smaller QFs in a streamlined fashion at published

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<sup>14</sup> FERC's regulations define avoided costs as "the incremental costs to an electric utility of electric energy or capacity or both which, but for the purchase from the qualifying facility or qualifying facilities, such utility would generate itself or purchase from another source." 18 C.F.R. § 292.101(b)(6).

rates. Once the Cap is achieved, avoided cost payments must be updated before a new discrete block of power is slated for the streamlined Schedule 37 process. This method provides a check and balance to assure that Schedule 37 prices are consistently updated to reflect PacifiCorp's avoided costs. Indeed, part of the Commission's decision to approve a cap was based on concerns that a published rate would become out-of-sync with avoided costs and become over-subscribed.

Based on the foregoing, we find that Schedule 37's Cap limits the payments made under approved Schedule 37 prices to 25 MW, until such time as new prices are approved by the Commission. We conclude this provision is consistent with the Commission's obligations under PURPA. Accordingly, PacifiCorp is precluded from entering into contracts for more than 25 MW based on currently-approved Schedule 37 published rates for projects with design capacities greater than 100 kW.

We further conclude SunEdison/First Wind's concern regarding a potential conflict with the "filed rate doctrine" is not applicable in this case. Rather, as discussed above, the ordering language from the June 2004 Order provides clear notice to developers and all interested parties that payments made under published Schedule 37 rates are available to a discrete block of projects. Schedule 37 is clear that the streamlined process it affords does not amount to an unlimited entitlement to published Schedule 37 prices.

**B. Interim Pricing Options**

As noted by several parties, FERC regulations, at a minimum, require PacifiCorp to provide standard offer rates for purchases from QFs with design capacity of 100 kW or less. For that category of QFs, we direct PacifiCorp to continue to provide standard offer rates under

Schedule 37, as approved in Docket No. 13-035-T09, for purchases from QFs with design capacity of 100 kW or less, until such time as the Commission makes a final determination in this docket. No party has suggested that providing current Schedule 37 pricing for this category of QFs will harm ratepayers. Moreover, this interim process satisfies the standard offer requirements of PURPA.

As discussed above, PacifiCorp is precluded from entering into contracts for more than 25 MW based on currently-approved Schedule 37 published rates for QFs with design capacities greater than 100 kW. We recognize, however, that under PURPA, QF projects larger than 100 kW that would otherwise qualify under Schedule 37 should have an option for selling power to PacifiCorp. To address this issue, we accept PacifiCorp's recommendation and temporarily waive the design capacity eligibility thresholds under Schedule 38 (more than three MW for small power production facilities, and more than one MW for cogeneration facilities), until such time as the Commission makes a final determination in this docket. With this temporary waiver, QFs with design capacities greater than 100 kW have the option to pursue PPAs with PacifiCorp.

As noted above, Schedule 37 limits payments made under Schedule 37 to prevent over-subscription and assure prices are consistently updated to reflect PacifiCorp's avoided costs. Given that Schedule 38 pricing is based on the Commission's most recently-approved avoided cost methodology in the August 2013 Order, we find Schedule 38 pricing for QFs with design capacities greater than 100 kW presents the most reasonable interim process until the Commission examines proposed revisions to Schedule 37 pricing and orders any changes

warranted. Moreover, we note the schedule for this review is expeditious and will enable the Commission to order any such changes within about four months.

While this interim process differs from the Schedule 37 method in that it calculates avoided costs on the basis of the unique characteristics of each prospective QF, the Schedule 38 method incorporates explicit values for wind and solar capacity contribution and integration costs, consistent with our August 2013 Order and with an update for the first quarter of 2014. It satisfies PURPA and state law requirements. We therefore direct PacifiCorp to provide prospective QFs having a design capacity greater than 100 kW but less than or equal to three MW for small power production facilities, or less than or equal to one MW for cogeneration facilities, pricing under Schedule 38 using the same method PacifiCorp utilized to calculate its most recent avoided cost quarterly update compliance filing in Docket No. 14-035-40, until such time as the Commission makes a final determination in this docket.

**ORDER**

Pursuant to our discussion, findings and conclusions, we order:

1. PacifiCorp shall apply the 25 MW cap on currently-approved Schedule 37 published rates for projects with design capacities greater than 100 kW, until such time as the Commission makes a final determination in this docket.
2. PacifiCorp is directed to continue to provide standard offer rates under Schedule 37, as approved in Docket No. 13-035-T09, for purchases from QFs with design capacity of 100 kW or less, until such time as the Commission makes a final determination in this docket.



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3. The design capacity eligibility thresholds under Schedule 38 (more than three MW for small power production facilities, and more than one MW for cogeneration facilities), are temporarily waived until such time as the Commission makes a final determination in this docket.
4. We direct PacifiCorp to provide prospective QFs having a design capacity greater than 100 kW but less than or equal to three MW for small power production facilities, or less than or equal to one MW for cogeneration facilities, pricing under Schedule 38 using the same method under which PacifiCorp calculated its most recent avoided cost quarterly update compliance filing in Docket No. 14-035-40, until such time as the Commission makes a final determination in this docket.

DATED at Salt Lake City, Utah, this 3<sup>rd</sup> day of July, 2014.

/s/ Ron Allen, Chairman

/s/ David R. Clark, Commissioner

/s/ Thad LeVar, Commissioner

Attest:

/s/ Gary L. Widerburg  
Commission Secretary

DW#257939

Notice of Opportunity for Agency Review or Rehearing

Pursuant to §§ 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this Order by filing a written request with the Commission within 30 days after the issuance of this Order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission does not grant a request for review or rehearing within 20 days after the filing of the request, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a petition for review with the Utah Supreme Court within 30 days after final agency action. Any petition for review must comply with the requirements of §§ 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on the 3<sup>rd</sup> day of July, 2014, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

Data Request Response Center ([datarequest@pacificorp.com](mailto:datarequest@pacificorp.com))  
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