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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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

Docket No. 15-035-40

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

DATE: Wednesday, June 24, 2015

TIME: 3:02 p.m.

REPORTED BY: Clark L. Edwards, CSR

JOB NUMBER: 250814-B

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A P P E A R A N C E S

THE HEARING OFFICER: MICHAEL HAMMER

FOR DIVISION OF PUBLIC UTILITIES:

JUSTIN C. JETTER, ESQ.,  
ASSISTANT ATTORNEY GENERAL  
160 East 300 South, Fifth Floor  
Salt Lake City, Utah 84114

FOR OFFICE OF CONSUMER SERVICES:

REX W. OLSEN, ESQ.,  
ASSISTANT ATTORNEY GENERAL  
160 East 300 South, 5th Floor  
Salt Lake City, Utah 84114

FOR ROCKY MOUNTAIN POWER:

YVONNE R. HOGLE, ESQ.,  
201 South Main Street, Suite 2400  
Salt Lake City, Utah 84111

FOR PAVANT SOLAR II, LLC:

CARRIE BELLAMY  
Project Sponsor

Also Present:

Paul Clements  
Charles Peterson  
Bela Vastag

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1 P R O C E E D I N G S

2 THE HEARING OFFICER: Let's go on the record,  
3 please. Good afternoon. This is the time and place noticed  
4 for hearing in Docket No. 15-035-40 in the Matter of the  
5 Application of Rocky Mountain Power for Approval of  
6 Power Purchase Agreement between PacifiCorp and  
7 Pavant Solar II, LLC.

8 My name is Michael Hammer and I am the  
9 Commission's designated presiding officer for this hearing.  
10 Let's go ahead and take appearances, please.

11 MS. HOGLE: Good afternoon. Yvonne Hogle  
12 on behalf of Rocky Mountain Power. And with me today  
13 is Mr. Paul Clements also on behalf of Rocky Mountain Power.  
14 Thank you.

15 MR. JETTER: Hello. I'm Justin Jetter  
16 representing the Utah Division of Public Utilities.  
17 And with me at the counsel table is Charles Peterson,  
18 a utility consultant for the Division of Public Utilities.

19 MR. OLSEN: I'm Rex Olsen here representing the  
20 Office of Consumer Services. And with me on behalf of the  
21 Office is Bela Vastag.

22 THE HEARING OFFICER: Is there a representative  
23 from Pavant?

24 MS. BELLAMY: Yes. It's Carrie Bellamy  
25 representing Pavant Solar II, LLC.

1 THE HEARING OFFICER: Bellamu?

2 MS. BELLAMY: Bellamy.

3 THE HEARING OFFICER: Bellamy.

4 MS. BELLAMY: B-e-l-l-a-m-y.

5 THE HEARING OFFICER: And, Ms. Bellamy, are you  
6 counsel or are you an officer of the company?

7 MS. BELLAMY: No. The project sponsor at the  
8 company.

9 THE HEARING OFFICER: Okay.

10 I suppose the first order of business is the  
11 petition to intervene that Pavant filed on June 12th.  
12 We haven't received any responses to that petition.

13 Is there any objection from any other party as to  
14 Pavant's intervention in this docket?

15 MS. HOGLE: No objection from the Company.

16 MR. JETTER: No objection for the Division.

17 MR. OLSEN: No objection from the Office.

18 THE HEARING OFFICER: And Pavant, as a  
19 counterparty to the Power Purchase Agreement at issue,  
20 I imagine it's already privy to any confidential information  
21 that might be at issue here.

22 That said, the Commission's rules require a  
23 confidential information certificate generally to be filed  
24 before intervention is formally granted.

25 Does any party have an objection to proceeding

1 in the absence of such certificate here?

2 MR. JETTER: There's no objection from the  
3 Division. And I think if this follows some of our previous  
4 similar hearings, we can probably conduct the hearing  
5 without going into any confidential information.

6 MS. HOGLE: No objection from the Company.

7 MR. OLSEN: No objection from the Office.

8 THE HEARING OFFICER: Okay. Thank you.

9 And, Ms. Bellamy, if Pavant desires an order  
10 formally granting intervention, please go ahead and file  
11 that certificate and then we can issue that order.

12 In the meantime, you're welcome to be here and  
13 participate. And I suppose if any confidential information  
14 should come up, we can address whether it's appropriate for  
15 you to stay. But that seems unlikely.

16 MS. BELLAMY: Will do. Thank you.

17 THE HEARING OFFICER: And I'll advise the parties  
18 that if we are going to delve into any confidential  
19 information during the testimony, please alert me to that  
20 so we can appropriately clear the room.

21 And finally, I know this goes against convention,  
22 but for those of you who were here about an hour ago for our  
23 other hearing, our court reporter has a hard time hearing  
24 the witnesses when they remain at counsel table.

25 So if it's not too much trouble, we'd like for the

1 witnesses to come to the witness stand when they testify.

2 Any objection to that?

3 MR. OLSEN: No objection.

4 THE HEARING OFFICER: Okay.

5 Any other procedural matters before we begin?

6 MS. HOGLE: Your Honor, I move for the admission  
7 of all of the filed comments and reply comments filed  
8 in this docket as sworn testimony in the record.

9 THE HEARING OFFICER: The documents are admitted.  
10 In order for the Commission to properly consider those to be  
11 sworn documents, I'd ask that the witnesses aver to their  
12 veracity during their oral testimony. But the documents are  
13 admitted so we cannot worry about that formality.

14 And since this is Rocky Mountain Power's petition,  
15 Ms. Hogle, please proceed.

16 MS. HOGLE: Thank you. I call Mr. Paul Clements.

17 THE HEARING OFFICER: Mr. Clements, do you swear  
18 that the testimony you are going to give today will be the  
19 truth?

20 MR. CLEMENTS: Yes.

21 THE HEARING OFFICER: Thank you very much.

22 PAUL H. CLEMENTS,  
23 having been first duly sworn, was  
24 examined and testified as follows:

25 DIRECT EXAMINATION

1 BY MS. HOGLE:

2 Q. Mr. Clements, can you please state your name and  
3 occupation for the record?

4 A. Yes. My name is Paul H. Clements, and I'm  
5 currently the director of commercial services for  
6 Rocky Mountain Power.

7 Q. And are you here today in support of the Company's  
8 Application for Approval of the Power Purchase Agreement  
9 between PacifiCorp and Pavant Solar II, LLC?

10 A. Yes.

11 Q. And do you adopt the company's comments and reply  
12 comments filed in this case?

13 A. Yes, I do.

14 Q. And do you have any changes that you would like  
15 to make to any of those documents?

16 A. No. And I will note that we filed reply comments  
17 and not direct comments. So we have one document.

18 Q. And do you have a summary that you would like to  
19 give to the hearing officer here today?

20 A. I do. A brief summary.

21 Q. Please proceed.

22 A. Thank you. So I present today for Commission  
23 approval a qualifying facility Power Purchase Agreement  
24 between PacifiCorp and Pavant Solar II which was executed  
25 on March 26, 2015. This contract or agreement provides for



1 the sale to PacifiCorp of energy to be generated by the  
2 proposed solar project.

3 Now, this agreement's for a 50 megawatt solar  
4 project that has a single-access tracking system that's  
5 located in Millard County, Utah.

6 The agreement's for a 20-year term which is  
7 scheduled to begin on December 1st, 2016. In Docket No.  
8 12-035-100, the Commission issued a series of orders which  
9 established the avoided capacity and energy cost payments  
10 for renewable QF projects that are larger than three  
11 megawatts. This project would fall into that category and  
12 would be subject to that order. And the purchase prices  
13 that are set forth in this agreement were calculated using  
14 the methodology that was approved by this Commission in that  
15 docket, Docket No. 12-035-100.

16 Furthermore, this agreement was negotiated under  
17 Utah tariff schedule number 38, and the terms and conditions  
18 are consistent with the conditions of that particular tariff  
19 as it was in place at the time of negotiations.

20 At that time, the then current version of schedule  
21 38 did not set forth a specific timeline or schedule for  
22 updating avoided cost pricing and the timelines for the  
23 pricing and negotiation of this particular PPA is consistent  
24 with the timelines that have occurred with prior QF PPA  
25 negotiations and pricing updates.

1           The issue raised by the office related to the  
2 amount of time that a price can remain usable in a QF PPA  
3 before it requires an update has been addressed in a recent  
4 settlement stipulation in Docket No. 14-035-140.

5           On June 5th, 2015, the Division of Public  
6 Utilities filed their report and they recommended the  
7 Commission approve this agreement.

8           On June 5th, 2015, the Office of Consumer Services  
9 filed their report not opposing approval of the agreement.  
10 They raised several issues in their report. The Company  
11 addressed these issues in its reply comments filed on  
12 June 12th, 2015. And the Company believes and represents  
13 that its reply comments adequately addressed the issues  
14 raised by the office in its report.

15           To the Company's knowledge, no other party has  
16 opposed the application. The Company -- and I represent  
17 that the agreement is compliant with relevant Commission  
18 orders and schedules and therefore should be approved by the  
19 Commission and the Company recommends approval.

20           And that concludes my summary.

21           MS. HOGLE: Thank you, Mr. Clements.  
22 Mr. Clements is available for questions.

23           THE HEARING OFFICER: Mr. Jetter, any questions?

24           MR. JETTER: No questions from the Division.

25           Thank you.

1 THE HEARING OFFICER: Mr. Olsen?

2 MR. OLSEN: No questions.

3 THE HEARING OFFICER: And, Ms. Bellamy, you're not  
4 an attorney, but I think it would still be appropriate under  
5 the rules to allow you to ask questions assuming no other  
6 party has an objection to that.

7 MS. BELLAMY: No questions. Thank you.

8 THE HEARING OFFICER: No questions. Thank you.  
9 Thank you, Mr. Clements. You can retake your seat.

10 MR. CLEMENTS: Okay.

11 MR. JETTER: The Division would like to call its  
12 witness, Charles Peterson.

13 THE HEARING OFFICER: Thank you.

14 Mr. Peterson do you swear that the testimony you  
15 will provide today will be the truth?

16 MR. PETERSON: Yes.

17 THE HEARING OFFICER: Thank you.

18 CHARLES E. PETERSON,  
19 having been first duly sworn, was  
20 examined and testified as follows:

21 DIRECT EXAMINATION

22 BY MR. JETTER:

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

25 A. Charles E. Peterson. I'm a technical consultant

1 with the Division of Public Utilities.

2 Q. Thank you. In your role as a technical consultant  
3 for the Division of Public Utilities, have you had the  
4 opportunity to review the application filed by PacifiCorp  
5 in this docket for the PPA approval?

6 A. Yes, I have.

7 Q. And did you prepare and cause to be submitted to  
8 the Commission a comment set from the Division of Public  
9 Utilities dated June 5th, 2015?

10 A. Yes, I did.

11 Q. Do you adopt those comments as your sworn  
12 testimony today?

13 A. Yes, I do.

14 Q. And do you have any edits or corrections that you  
15 would like to make to those comments?

16 A. No.

17 Q. Do you believe that approval of the PPA as it has  
18 been applied for by PacifiCorp would be just, reasonable,  
19 and in the public interest?

20 A. Yes, I do.

21 MR. JETTER: Thank you. I have no further  
22 questions for Mr. Peterson. He's available for  
23 cross-examination.

24 THE HEARING OFFICER: Ms. Hogle, do you have any  
25 cross?

1 MS. HOGLE: The Company has none. Thank you.

2 THE HEARING OFFICER: Mr. Olsen?

3 MR. OLSEN: None. Thank you.

4 THE HEARING OFFICER: Ms. Bellamy?

5 MS. BELLAMY: None. Thank you.

6 THE HEARING OFFICER: Thank you, Mr. Peterson.

7 You can retake your seat.

8 MR. PETERSON: Thank you.

9 THE HEARING OFFICER: Mr. Olsen?

10 MR. OLSEN: Thank you. At this time the Office  
11 would like to call Mr. Bela Vastag.

12 THE HEARING OFFICER: Do you swear that the  
13 testimony you are going to provide today will be the truth?

14 MR. VASTAG: Yes, I do.

15 THE HEARING OFFICER: Thank you.

16 BELA VASTAG,

17 having been first duly sworn, was

18 examined and testified as follows:

19 DIRECT EXAMINATION

20 BY MR. OLSEN:

21 Q. Mr. Vastag, could you provide your name and your  
22 occupation for the record, please?

23 A. Yes. My name is Bela Vastag, and I'm a utility  
24 analyst for the Utah Office of Consumer Services.

25 Q. And in your work for the office, did you have an

1 opportunity to review the application for the PPA that's at  
2 issue in this docket?

3 A. Yes, I did.

4 Q. And did you prepare or cause to be prepared  
5 comments on June 5th, 2015, relating to this matter?

6 A. Yes.

7 Q. Do you adopt those comments as your sworn  
8 testimony?

9 A. Yes, I do.

10 Q. Do you have any edits or changes you would like to  
11 make to them?

12 A. I have no changes.

13 Q. Thank you. Do you have a statement?

14 A. A very brief statement.

15 Q. Proceed.

16 A. In our comments, the Office did raise some  
17 concerns regarding this PPA. However, we believe that the  
18 Commission-approved settlement in Docket No. 14-035-140  
19 will help alleviate these types of concerns in future  
20 QF PPAs.

21 Furthermore, our review did not find any issues  
22 that would make this PPA not in compliance with the  
23 applicable schedules and Commission orders.

24 Therefore, the Office does not oppose the approval  
25 of this PPA. And that concludes my statement.

1 MR. OLSEN: Mr. Vastag is available for  
2 cross-examination.

3 THE HEARING OFFICER: Thank you. Ms. Hogle?

4 MS. HOGLE: I have none.

5 THE HEARING OFFICER: Mr. Jetter?

6 MR. JETTER: No questions from the Division.

7 Thank you.

8 THE HEARING OFFICER: And, Ms. Bellamy?

9 MS. BELLAMY: None. Thank you.

10 THE HEARING OFFICER: Okay. Thank you,  
11 Mr. Vastag. You can retake your seat.

12 And, Ms. Bellamy, would you like to say anything  
13 today or present any form of testimony for the Commission's  
14 consideration?

15 MS. BELLAMY: No. I have no prepared comments.

16 THE HEARING OFFICER: Okay. There's been no  
17 written request for a bench ruling.

18 Is there anything else before we adjourn?

19 MS. HOGLE: Nothing further. Thank you,

20 Your Honor.

21 THE HEARING OFFICER: Okay. We are adjourned.

22 Thank you very much.

23 (Proceedings concluded at 3:17 p.m.)

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CERTIFICATE

This is to certify that the foregoing proceedings were taken before me, CLARK L. EDWARDS, a Certified Shorthand Reporter and Notary Republic in and for the State of Utah, residing at West 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.



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Clark L. Edwards, CSR  
Utah License No. 109221-7801