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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 Iron Springs Solar, LLC Docket No. 15-035-41

In the Matter of the Application
of Rocky Mountain Power for
Approval of the Power Purchase Agreement between PacifiCorp and
Granite Mountain Solar East, LLC Docket No. 15-035-42

In the Matter of the Application
of Rocky Mountain Power for
Approval of the Power Purchase Agreement between PacifiCorp and
Granite Mountain Solar West, LLC Docket No. 15-035-43

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HEARING PROCEEDINGS  
PRESIDING OFFICER MICHAEL HAMMER  
~~~~~

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

DATE: Wednesday, June 24, 2015

TIME: 1:33 p.m.

REPORTED BY: Clark L. Edwards, CSR

JOB NUMBER: 250814-A

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A P P E A R A N C E S

THE HEARING OFFICER: MICHAEL HAMMER

FOR THE APPLICANTS:

GARY A. DODGE, ESQ.
HATCH, JAMES & DODGE, P.C.
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FOR DIVISION OF PUBLIC UTILITIES:

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160 East 300 South, Fifth Floor
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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

Also Present:

Paul Clements
Charles Peterson
Bela Vastag
Daniel Patry

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PROCEEDINGS

THE HEARING OFFICER: Let's go on the record, please. Good afternoon. This is the time and place noticed for hearing in Docket Numbers 15-035-41, 15-035-42, and 15-035-43 which concern Rocky Mountain Power's Applications for Approval of Power Purchase Agreements with Iron Springs Solar, Incorporated, Granite Mountain Solar East, LLC, and Granite Mountain Solar West, LLC.

My name is Michael Hammer. And the Commission has asked me to serve as the presiding officer for the hearing today. And with that, let's go ahead and take appearances.

MS. HOGLE: Yvonne Hogle on behalf of Rocky Mountain Power. And here with me today is Paul Clements.

MR. JETTER: Justin Jetter representing the Utah Division of Public Utilities. And with me at counsel table is Charles Peterson with the Division.

MR. OLSEN: Rex Olsen representing the Office of Consumer Services. And with me from the Office is Bela Vastag.

MR. DODGE: And Gary Dodge on behalf of the three applicants or developers. And with me is Daniel Patry who is the witness and representative of the developers.

THE HEARING OFFICER: Thank you, Mr. Dodge.

Before we begin, let's just cover a few procedural

1 matters. I expect the parties would prefer to address all
2 three PPAs in one round of testimony as opposed to going
3 through them separately?

4 MR. OLSEN: We would, Your Honor.

5 MR. JETTER: Yes.

6 MR. DODGE: Yes.

7 MS. HOGLE: Yes.

8 THE HEARING OFFICER: Okay. We'll proceed
9 accordingly, then. I'd also advise the parties to let me
10 know if any party believes that a witness is delving into
11 confidential matters so we can clear the hearing room,
12 please.

13 Are there any other procedural matters that you'd
14 like to address before we begin?

15 MR. DODGE: Your Honor, could I just raise one
16 quickly? And, first of all, welcome. We haven't appeared
17 before you before. And obviously you should tell us how
18 you'd like us to proceed.

19 In similar proceedings in the past we have offered
20 the prefiled comments that have been filed by each party as
21 prefiled testimony, sworn testimony, and, without objection,
22 if there is no objection, had those admitted as sworn
23 testimony, and then have had each of the parties give
24 a brief summary and then be open for questions if there are
25 any from counsel and certainly from Your Honor. I don't

1 know if that's how you want to proceed this time.

2 We're open to how ever you want to obviously.

3 THE HEARING OFFICER: I'm certainly comfortable
4 proceeding as the parties are accustomed to. If you'd like
5 to move the admission when each party presents its case of
6 its particular comments or we can do them in a lump sum now.
7 How ever you prefer to proceed.

8 MR. DODGE: I guess I would move that the comments
9 of all four parties; the Office, the Division, PacifiCorp
10 and or the developer SunEdison on behalf of the developers
11 and the reply comments be admitted as the sworn testimony
12 of the parties.

13 We would anticipate you'd swear them in and they
14 will, like I say, give a summary but admitted as the sworn
15 testimony of each of those parties subject to any changes
16 a party may make as each one testifies.

17 THE HEARING OFFICER: Understood. And so we'll go
18 ahead and admit those now. I think it would be appropriate
19 for each witness to swear to the veracity of the contents
20 when that witness is testifying.

21 MR. DODGE: Okay.

22 THE HEARING OFFICER: One other housekeeping
23 matter. The court reporter has had trouble in the past
24 hearing the witnesses. So I know this goes against your
25 convention, but I believe it will be easier for him if the

1 witness takes the stand when he or she is testifying.

2 Is there any objection to that?

3 MR. DODGE: No.

4 THE HEARING OFFICER: Anything else before we
5 begin?

6 (No verbal responses)

7 THE HEARING OFFICER: Okay. Ms. Hogle?

8 MS. HOGLE: The Company calls Mr. Paul Clements.

9 THE HEARING OFFICER: Please take a seat at the
10 stand, Mr. Clements. If you prefer to stand while being
11 sworn in, that's fine.

12 MR. CLEMENTS: It doesn't matter to me.

13 THE HEARING OFFICER: You were ahead of me.
14 Please raise your right hand.

15 Do you swear that the testimony you provide today
16 will be the truth?

17 MR. CLEMENTS: I do.

18 THE HEARING OFFICER: Thank you.

19 Ms. Hogle, please proceed.

20 PAUL H. CLEMENTS,

21 having been first duly sworn, was

22 examined and testified as follows:

23 DIRECT EXAMINATION

24 BY MS. HOGLE:

25 Q. Thank you. Can you please state your name and

1 **occupation for the record?**

2 A. Yes. My name is Paul H. Clements. I'm currently
3 director of commercial services for Rocky Mountain Power.

4 **Q. And are you here in support of the Company's**
5 **Application for Approval of the Power Purchase Agreements**
6 **by and between PacifiCorp and, one, Iron Springs, LLC;**
7 **two, Granite Mountain Solar East, LLC; and, three,**
8 **Granite Mountain Solar West, LLC?**

9 A. Yes.

10 **Q. And do you adopt the company's comments filed**
11 **in this case as your own or in these cases as your own?**

12 A. Yes, I do.

13 **Q. Do you have a summary that you'd like to present**
14 **to the hearing officer today?**

15 A. Yes. I have a brief summary of the application
16 filed by the company. I present today for Commission
17 approval qualifying facilities Power Purchase Agreements
18 between PacifiCorp and three counterparties.

19 The first is Iron Springs Solar, LLC; second is
20 Granite Mountain Solar East, LLC; and the third is Granite
21 Mountain Solar West, LLC. All three contracts were executed
22 on April 6th, 2015. I will address all three agreements
23 collectively and point out any differences where applicable.

24 The agreements provide for the sale to PacifiCorp
25 of energy to be generated by the proposed solar projects.

1 Iron Springs and Granite Mountain East are 80 megawatt solar
2 projects with single-access tracking systems located near
3 Iron County, Utah.

4 Granite Mountain West is a 50.4 megawatt solar
5 project also located in Iron County, Utah.

6 The agreements are for 20-year terms starting
7 August 30th, 2016 for Iron Springs and Granite Mountain East
8 and September 30th, 2016 for Granite Mountain West.

9 In Docket No. 12-035-100 which was titled:
10 In the Matter of the Application of Rocky Mountain Power for
11 Approval of Changes to Renewable Avoided Cost Methodology
12 for Qualifying Facilities Projects Larger than Three
13 Megawatts, the Commission issued a series of orders which
14 established avoided capacity and energy cost payments for
15 purchases from renewable QF projects larger than three
16 megawatts. The purchase price as set forth in these three
17 agreements were calculated using the methodology that was
18 approved in that docket.

19 Furthermore, all three agreements were negotiated
20 under the company's tariff schedule number 38 which governs
21 the negotiation of Power Purchase Agreements for large QFs,
22 and the agreements are consistent with the terms and
23 conditions of the version of that tariff that was in place
24 at the time of negotiations.

25 The then current version of schedule 38 did not

1 set forth a specific timeline or schedule for updating
2 avoided cost pricing. The timelines for pricing and
3 negotiation of these three PPAs are consistent with
4 timelines that have occurred with prior QF PPAs that have
5 been brought before the Commission for approval.

6 The issue related to the length of time and
7 avoided cost price can remain usable in a QF PPA before
8 requiring an update has been addressed in a recent
9 settlement stipulation approved by the Commission
10 in Docket No. 14-035-140.

11 On June 5th, 2015, the Division of Public
12 Utilities filed their report recommending the Commission
13 approve the agreements. On June 5th, 2015, the Office of
14 Consumer Services also filed their report not opposing
15 approval of the agreements.

16 The Office raised some issues in their report and
17 the Company addressed those issues in its reply comments
18 filed on June 12th, 2015. The Company believes that its
19 reply comments adequately addressed the issues raised by the
20 Office in their memo or their report.

21 To the Company's knowledge, no other party has
22 opposed the Company's applications, and therefore the
23 Company -- or I testify that the agreement, all three
24 agreements are compliant with relevant Commission orders
25 and with Utah schedule number 38. And therefore, the

1 Company requests that the Commission approve the three
2 agreements. And that concludes my summary.

3 MS. HOGLE: Mr. Clements is available for
4 questions.

5 THE HEARING OFFICER: Any cross, Mr. Jetter?

6 MR. JETTER: None from the Division. Thank you.

7 THE HEARING OFFICER: Mr. Olsen?

8 MR. OLSEN: None from the Office.

9 THE HEARING OFFICER: From Dodge?

10 MR. DODGE: No. Thank you.

11 THE HEARING OFFICER: Thank you, Mr. Clements.

12 You can retake your seat.

13 I thought we would proceed with the Division
14 if that's okay. Mr. Dodge, you intend to call a witness?

15 MR. DODGE: Yes.

16 THE HEARING OFFICER: Okay.

17 MR. DODGE: Mr. Patry will be called.

18 THE HEARING OFFICER: So, we'll --

19 MR. DODGE: That's fine to go with the Division
20 and Office first.

21 THE HEARING OFFICER: Okay. Mr. Jetter, please.

22 MR. JETTER: Thank you, Your Honor. The Division
23 would like to call and have sworn in Mr. Charles Peterson.

24 THE HEARING OFFICER: Do you swear that the
25 testimony you give today will be the truth?

1 MR. PETERSON: Yes.

2 THE HEARING OFFICER: Thank you.

3 (Brief break)

4 THE HEARING OFFICER: Let's go off the record for
5 just one moment.

6 (Discussion off the record)

7 THE HEARING OFFICER: We'll go back on the record.
8 Please proceed, Mr. Jetter.

9 CHARLES E. PETERSON,
10 having been first duly sworn, was
11 examined and testified as follows:

12 DIRECT EXAMINATION

13 BY MR. JETTER:

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

16 A. Charles E. Peterson. I'm a technical consultant
17 with the Division of Public Utilities located here in the
18 Heber Wells Building.

19 Q. Thank you. In the course of your employment as a
20 technical consultant, have you had the opportunity to review
21 the applications made by the Company Rocky Mountain Power
22 or PacifiCorp for the Power Purchase Agreement approvals for
23 the Docket Numbers 15-035-41, 42, and 43?

24 A. Yes.

25 Q. And did you prepare a Action Request Response

1 **dated June 5th, 2015 from the Division of Public Utilities?**

2 A. Yes.

3 **Q. Do you have any edits or corrections you'd like to**
4 **make to that?**

5 A. No, I do not.

6 **Q. And would you adopt that recommendation as your**
7 **sworn testimony today?**

8 A. Yes, I do.

9 **Q. And finally, do you believe that approval of each**
10 **of these three Power Purchase Agreements would be just,**
11 **reasonable, and in the public interest?**

12 A. Yes, I do.

13 MR. JETTER: Thank you. I have no further
14 questions. And Mr. Peterson is available for cross.

15 THE HEARING OFFICER: Mr. Olsen, any cross?

16 MR. OLSEN: No cross. Thank you.

17 THE HEARING OFFICER: Mr. Dodge?

18 MR DODGE: No.

19 THE HEARING OFFICER: Okay.

20 Mr. Peterson, you can retake your seat.

21 MR. PETERSON: Did we admit these documents?

22 THE HEARING OFFICER: It was done at the inception
23 of the hearing. And you --

24 MR. PETERSON: Oh, they were? Okay. I didn't
25 understand that. So.

1 THE HEARING OFFICER: Assuming I'm referring to
2 the same documents.

3 MR. PETERSON: I think --

4 THE HEARING OFFICER: What is it you're referring
5 to?

6 MR. PETERSON: The Action Request Responses that
7 Mr. Jetter just questioned me about. So.

8 THE HEARING OFFICER: I believe that the comments
9 were encapsulated in those that were referred to by
10 Mr. Dodge at the beginning of the hearing. I don't know
11 about the action request itself, but we can go ahead and
12 admit that as well if there's no objection.

13 MR. DODGE: Yeah. No objection.

14 MS. HOGLE: No objection.

15 MR. OLSEN: No objection.

16 THE HEARING OFFICER: Okay. It's admitted.

17 Mr. Olsen?

18 MR. OLSEN: Thank you. The Office would like to
19 call Mr. Bela Vastag to be sworn.

20 THE HEARING OFFICER: Do you swear that the
21 testimony you give today will be the truth?

22 MR. VASTAG: Yes.

23 THE HEARING OFFICER: Thank you.

24 Go ahead, Mr. Olsen.

25 BELA VASTAG,

1 having been first duly sworn, was
2 examined and testified as follows:

3 DIRECT EXAMINATION

4 BY MR. OLSEN:

5 Q. Mr. Vastag, could you provide the tribunal with
6 your -- the Court with your position with the Office of
7 Consumer Services?

8 A. Yes. I'm a utility analyst.

9 Q. And in that capacity, did you have occasion to
10 review the PPA applications that are under consideration
11 in this docket at this hearing?

12 A. Yes, I did.

13 Q. And did you prepare or cause to be prepared
14 comments dated June 5th, 2015?

15 A. Yes.

16 Q. And do you have any changes or modifications you
17 would propose at this time?

18 A. No changes.

19 Q. Do you have any further comment you'd like to
20 provide for the Court at this time?

21 A. Just a very brief statement.

22 Q. Go ahead and proceed, then.

23 A. In our comments, the Office did raise some
24 concerns regarding these PPAs. However, we believe that the
25 Commission-approved settlement in Docket No. 14-035-140 will

1 help alleviate these type of concerns in future QF PPAs.

2 Furthermore, our review did not find any issues
3 that would make these PPAs not in compliance with the
4 applicable schedules and Commission orders.

5 Therefore, the Office does not oppose the approval
6 of these PPAs. And that concludes my statement.

7 MR. OLSEN: Mr. Vastag is available for
8 cross-examination.

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

10 MR. JETTER: No questions from the Division.

11 Thank you.

12 THE HEARING OFFICER: Mr. Dodge?

13 MR. DODGE: No questions. Thank you.

14 THE HEARING OFFICER: Mr. Vastag, do you adopt
15 the comments that the Office filed in this case as your own
16 testimony?

17 MR. VASTAG: Yes.

18 THE HEARING OFFICER: Okay. Thank you.

19 You can retake your seat.

20 MR. DODGE: Thank you, Your Honor.

21 The developers Iron Springs Solar, Granite
22 Mountain Solar East, and Granite Mountain Solar West would
23 like to call Daniel Patry to the stand.

24 THE PRESIDING OFFICER: Do you swear that the
25 testimony you are about to give today will be the truth?

1 MR. PATRY: Yes, I do.

2 THE HEARING OFFICER: Thank you.

3 DANIEL PATRY,

4 having been first duly sworn, was

5 examined and testified as follows:

6 DIRECT EXAMINATION

7 BY MR. DODGE:

8 Q. Mr. Patry, could you tell the Commission who you
9 are, where your office is, and what your title is with your
10 company?

11 A. Certainly. Dan Patry. I'm a director of
12 government affairs for SunEdison based in Denver, Colorado.

13 Q. And in these dockets, did you oversee the
14 preparation of reply comments filed on June 12th, 2015?

15 A. Yes, I did.

16 Q. And do you adopt those reply comments as your
17 sworn testimony in this proceeding?

18 A. Yes, I do.

19 Q. And do you have any changes you'd like to make to
20 those?

21 A. No changes.

22 Q. Do you have a brief summary you'd like to deliver
23 as to the comments in your testimony?

24 A. I do. Just a very brief summary.

25 Q. Thank you.

1 A. Your Honor, the developers appreciate
2 Rocky Mountain Power's efforts with respect to these PPAs.
3 The developers respectfully submit that the applications of
4 the Company, the comments in support of the Division, the
5 comments in non-opposition of the Office, and these reply
6 comments here demonstrate that the PPAs are compliant with
7 all applicable tariffs and orders and are in the public
8 interest. And we're very excited to continue to develop
9 these significant investments in Utah.

10 Our reply comments as they stand in the order
11 respond to some of the issues that the office raised.
12 And so I'll leave it at that.

13 Again, just a simple request I guess we have
14 at this point is, you know, requesting a bench order
15 following this hearing and a written order on or about
16 July 17th, 2015.

17 Q. Mr. Patry, can you briefly explain the reason for
18 the requested timeframe for the orders?

19 A. Certainly. The timeframe for construction and the
20 process by which we're trying to meet certain milestones,
21 we'd like to get that order in place now to take to
22 financial counterparties to begin that process.

23 MR. DODGE: Thank you. No further questions.
24 And Mr. Patry's available for cross.

25 THE HEARING OFFICER: Mr. Jetter, any cross?

1 MR. JETTER: No questions from the Division.

2 Thank you.

3 THE HEARING OFFICER: Mr. Olsen?

4 MR. OLSEN: No questions from the Office.

5 THE HEARING OFFICER: Thank you, Mr. Patry.

6 MR. PATRY: Thank you.

7 THE HEARING OFFICER: Given that we have a request
8 for a bench ruling on this matter, we'll recess for a few
9 minutes so I can discuss it with the commissioners.

10 MR. DODGE: Thank you.

11 THE HEARING OFFICER: Go off the record, please.

12 (Recess taken 1:53 p.m. to 1:56 p.m.)

13 THE HEARING OFFICER: We'll be back on the record.

14 First of all, Ms. Hogle, I apologize to you.

15 Some of my colleagues informed me that there may have been
16 a time or two that I didn't give you an opportunity to
17 cross. So I'm very sorry for that.

18 Do you have any questions for any of the
19 witnesses?

20 MS. HOGLE: I do not. Thank you for --

21 THE HEARING OFFICER: And I apologize for the
22 oversight. And is there any opposition from any of the
23 parties to Mr. Dodge's clients' request for a bench ruling
24 today?

25 MR. OLSEN: None from the Office, Your Honor.

1 MS. HOGLE: None from the Company.

2 THE HEARING OFFICER: Okay. Well, then, we will
3 thank everyone for their participation in today's hearing.

4 Having considered Rocky Mountain Power's
5 applications, the comments filed in the dockets, the
6 testimony and comments presented today, and the fact that
7 the applications are unopposed, the Commission finds the
8 approval of the applications as just, reasonable, and in the
9 public interest and concludes that such approval is
10 consistent with relevant statutes, rules, and Commission
11 orders.

12 And therefore, the Commission approves the
13 applications filed in Docket Numbers 15-035-41, 15-035-42,
14 and 15-035-43. And this bench order has been approved and
15 confirmed by the Commission and a written memorialization of
16 this decision will be filed. We will endeavor to use our
17 best efforts to do that before July 17th.

18 Before we adjourn, is there anything else from the
19 parties?

20 MR. DODGE: Thank you.

21 MS. HOGLE: Thank you.

22 MR. JETTER: Thank you.

23 MR. OLSEN: Thank you.

24 THE HEARING OFFICER: We are adjourned.

25 Thank you. (Proceedings concluded at 1:58 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.



Clark L. Edwards, CSR
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