
In the Matter of Rocky Mountain Power's
Fossil Fuel Energy Efficiency Standard Plan

DOCKET NO. 15-035-49

REPORT AND ORDER

ISSUED: July 21, 2015

PROCEDURAL HISTORY AND BACKGROUND

On April 29, 2015, in accordance with prior Public Service Commission of Utah ("Commission") orders in Docket No. 06-999-03,¹ Rocky Mountain Power, a division of PacifiCorp ("PacifiCorp"), filed its 2015 Fossil Fuel Heat Rate Improvement Plan ("2015 HRIP"). Pursuant to the Commission's April 30, 2015, Notice of Filing and Comment Period, the Division of Public Utilities ("Division") filed comments on the 2015 HRIP on May 29, 2015. No other party filed comments and no party filed reply comments.

SUMMARY OF THE 2015 HRIP

The 2015 HRIP describes an overall heat rate strategy to minimize heat rate losses in PacifiCorp's operating plants. In the 2015 HRIP PacifiCorp focuses on three main activities to improve system heat rate and minimize losses: 1) maintaining an emphasis on the continuous improvement of existing generating fleet efficiency; 2) adding new fossil fuel generation with improved efficiency; and 3) retiring old and less efficient fossil fuel units.

The 2015 HRIP includes coal fired units and gas fired combined cycle plants owned and operated by PacifiCorp and describes the key items that specifically support PacifiCorp's on-

¹ See *In the Matter of the Consideration of the Amendment of 16 U.S.C. § 2621 - Consideration and Determination Respecting Certain Ratemaking Standards for Electric Utilities by the Energy Policy Act of 2005*, Docket No. 06-999-03 (Determination Concerning the PURPA Fossil Fuel Generation Efficiency Standard, August 10, 2007; and Order Modifying Filing Schedule for Rocky Mountain Power's Fossil Fuel Generation Efficiency Annual Plan, November 30, 2010).

going heat rate management and improvement process as it applies to the fossil fuel generation fleet. The 2015 HRIP describes the power plant energy conversion process, the factors affecting optimum heat rate, and the overall heat rate management process. PacifiCorp identifies 17 proposed projects through 2024 that will cause the heat rate to increase as a result of environmental upgrades to its coal plants. The 2015 HRIP also shows both historical and forecast heat rates for each plant owned and operated by PacifiCorp.

DIVISION'S COMMENTS

The Division reviewed the 2015 HRIP and concludes it complies with the intent of previous Commission orders and recommends the Commission acknowledge it. However, the Division indicates that items identified in the Report and Order in Docket No. 14-035-56² (“2014 Order”) were not addressed and a required meeting did not occur. Specifically, the Division notes the 2014 Order directed PacifiCorp to convene a meeting with interested parties by February 1, 2015 to discuss the content and format of future HRIPs and encouraged PacifiCorp to work with the parties on how three specific items might be included. The Division recommends the Commission direct PacifiCorp to convene a meeting with interested parties to discuss the items listed in the 2014 Order.

DISCUSSION, FINDINGS, AND CONCLUSIONS

The Commission views PacifiCorp’s annual filing of the HRIP as a valuable tool in understanding and tracking PacifiCorp’s efforts to optimize the efficient use of its generation fleet over time. Based on the Division’s uncontested recommendation, we find and conclude that

² See *In the Matter of Rocky Mountain Power’s Fossil Fuel Energy Efficiency Standard Plan*, Docket No. 14-035-56 (Report and Order; September 3, 2014).

the 2015 HRIP complies with the intent of previous Commission orders addressing HRIP requirements. However, the 2014 Order identified three items that should be considered for inclusion in future HRIPs and directed PacifiCorp to convene a meeting with interested parties by February 1, 2015, to discuss these items and the content of future HRIPs. Based on the Division's comments, and our review, it appears the items listed in the 2014 Order were not addressed in the 2015 HRIP and the required meeting did not occur. We found merit in the comments and recommendations made by the parties in the 2014 HRIP and continue to believe the items of concern raised in that docket should be given consideration for inclusion in future HRIPs.

ORDER

1. The Commission acknowledges the 2015 HRIP.
2. PacifiCorp shall convene a meeting with interested parties within 60 days after the date of this Order to discuss the format and content of future HRIPs including, but not limited to, the three items on page 5 of the 2014 Order. Within 60 days after the meeting takes place, PacifiCorp shall file a summary of the meeting with the Commission identifying additional information to be provided in future HRIPs as agreed on by the parties.

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DATED at Salt Lake City, Utah, this 21st day of July, 2015.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#267577

CERTIFICATE OF SERVICE

I CERTIFY that on the 21st day of July, 2015, a true and correct copy of the foregoing was served upon the following as indicated below:

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