

**Exhibit SC\_\_RTB-2**

Selected Discovery Responses from Rocky Mountain Power

15-035-53/ Rocky Mountain Power  
July 31, 2015  
Sierra Club Data Request 1.3

### Sierra Club Data Request 1.3

The Company's Application at page 6 identified 1,041 MW of current PURPA QF contracts in Utah:

- (a) Please provide the percentage share of Renewable Energy Credits (RECs) from these projects that will be provided to Rocky Mountain Power.
- (b) Please provide an estimate of the annual MWhs of RECs from the 1,041 MW of solar projects that will be provided to Rocky Mountain Power.
- (c) For the most recent five calendar years (2010 – 2014), please provide Rocky Mountain Power's annual MWhs of REC sales and the annual revenues from these sales. To the extent that the data is available to Rocky Mountain Power, please indicate which state(s) the purchasers of Rocky Mountain Power's RECs used those RECs for RPS compliance.
- (d) Does Rocky Mountain Power's indicative pricing for solar contracts include any consideration of the REC values that Rocky Mountain Power will receive from REC sales.

### Response to Sierra Club Data Request 1.3

- (a) The 1,041 MW consists of 42 QF projects. For 38 of the projects, 0% of the RECs are provided to Rocky Mountain Power (note some of the 38 projects are not renewables, i.e. wind, solar or hydro). For three of the projects, 50% of the RECs are provided to Rocky Mountain Power. For three of the projects, 100% of the RECs are provided to Rocky Mountain Power.
- (b) To clarify, the 1,041 MW identified in the application are not all solar projects. Using estimated capacity factors of 29% and 32% for wind and solar respectively, the estimated annual number of RECs is 790,713. This assumes an average annual amount over the 20 year terms of the PPAs and does not account for degradation for solar projects.
- (c) The Company's volumes and revenues from sales of Renewable Energy Credits (REC) 2010 through 2014 are shown in the table below. The Company does not have the data with regards to which states' renewable portfolio standards (RPS) these RECs were purchased for compliance.

	2010	2011	2012	2013	2014
REC Sales (megawatt-hours (MWh))	3,180,995	2,282,416	4,413,723	1,779,553	792,647
REC Sales (dollars (\$))	\$101,136,015	\$72,823,885	\$81,263,095	\$7,601,287	\$4,408,064

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(d) No.

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Sierra Club Data Request 1.4

#### **Sierra Club Data Request 1.4**

Reference pages 6-7 of Rocky Mountain Power's Application, as well as the Direct Testimony of Paul H. Clements, pages 10-11, discussing executed and proposed PURPA contracts.

- (a) Based on PacifiCorp's experience across its system with QF contracts, what is the "success rate" for QFs with signed contracts to actually bring their projects on-line? Express this as a percentage of the historical MWs of signed QF contracts that have resulted in on-line QF projects.
- (b) Of the QFs under contract, but not on-line, how many MWs does Rocky Mountain Power expect will be successful at the bringing their projects on-line?

#### **Response to Sierra Club Data Request 1.4**

- (a) On a system-basis since 2007, the Company executed 1,814 megawatts (MW) of qualifying facility (QF) power purchase agreements (PPA). The success rate to reach commercial operation was approximately 75 percent based on QF PPAs that were terminated before reaching commercial operation by either the Company or the QF.
- (b) On a system-basis, the Company currently has 1,100 MW of QF PPAs that have been executed but have not reached commercial operation. The Company includes those executed agreements as appropriate in its rate case proceedings and does not have an opinion on their probability of reaching commercial operation. The Company monitors these QF PPAs through monthly progress reports and communications with the Company during the period after execution through commercial operations and manages the project's compliance with progress milestones in the PPA, as appropriate.

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Sierra Club Data Request 2.2

**Sierra Club Data Request 2.2**

What are the circumstances under which RMP might revise its indicative prices provided to a prospective QF, as stated in Section B.6.c of RMP's Schedule 38?

**Response to Sierra Club Data Request 2.2**

RMP will revise its indicative prices to a prospective QF to reflect changes in the forward price curve.

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**Sierra Club Data Request 2.3**

Regarding PacifiCorp's current pricing queue (Exhibit PHC-1), please provide the following for those projects to which PacifiCorp has provided indicative prices:

- (a) The technology of the project
- (b) The requested term, in years, of the indicative pricing
- (c) The indicative price
- (d) The month and year that the pricing was provided

Sierra Club does not seek any information that would allow identification of specific projects with any particular indicative price.

**Response to Sierra Club Data Request 2.3**

Please see Confidential Attachment Sierra Club 2.3.

Confidential information is provided subject to Utah PSC Rule 746-100-16.

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Sierra Club Data Request 2.6

**Sierra Club Data Request 2.6**

Please provide an update on whether any of the 24 new QF projects in Utah totaling 897 MW that have been executed in the last two years (see page 10 of Mr. Clement's testimony) have been terminated due to failure to meet project development milestones or due to other factors.

**Response to Sierra Club Data Request 2.6**

One project totaling 80 MW has been terminated.



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Sierra Club Data Request 2.14

**Sierra Club Data Request 2.14**

On page 12, Mr. Clement states that “PURPA contracts should have no impact on customer rates”.

- (a) Please provide RMP’s calculation of the adverse impact that the additional potential QF contracts will have on RMP’s rates in Utah.
- (b) Is it RMP’s position that these QF contracts will be priced higher than the market alternative by 10 percent, as stated on page 13?
- (c) Does RMP agree that ratepayers will benefit to an equal degree if these QF contracts are priced lower than the market alternative by 10 percent?
- (d) Does RMP believe that there is a greater likelihood that energy market prices will fall in the future than that they will rise?
- (e) Does RMP believe that there are any circumstances under which additional fixed-price, long-term PURPA contracts might benefit its ratepayers? If so, please describe those circumstances.
- (f) On page 6, Mr. Clement states that “Under PURPA, then, customers must remain indifferent or unaffected by QF contracts.” Does RMP contend that, if a QF signs a PPA with a utility based on fixed prices that reflect the current forecast of future avoided cost prices at the time the contract is signed, and subsequently the utility’s avoided costs drop, there is a violation of PURPA for the utility to continue to purchase this QF power under the terms and prices in the original contract?

**Response to Sierra Club Data Request 2.14**

- (a) Please see Mr. Clements’ testimony where he refers to the potential for adverse impact, page 21 line 433 through page 23 line 1.
- (b) Please see page 13 of Mr. Clement’s testimony. See response to Sierra Club 2.14 a.
- (c) Yes.
- (d) Rocky Mountain Power cannot predict the direction of the market.
- (e) Yes. Mr. Clements explains the circumstances under which long term fixed price contracts may be voluntarily entered into by the Company. See page 18 line 361 through page 19 line 390.



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- (f) The utility's current avoided costs are not an accurate reflection of the utility's avoided costs five, ten, fifteen or twenty years in the future.

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Sierra Club Data Request 2.16

### **Sierra Club Data Request 2.16**

Page 9 of Mr. Clements' testimony states that "Over the next 10 years, the Company is under contract to purchase 44.6 million MWhs under its PURPA contract obligations at an average price of \$64.13 per MWh. The average forward price curve for the Mid-Columbia wholesale power market trading hub over this same ten years is \$38.11 per MWh [footnote: "Based on a February 2, 2015 forward price curve for a 7x24 (flat) electricity product."], or a difference of \$26.02 per MWh. This fact further illustrates that the current 20-year contract term for QFs exposes customers to unreasonable fixed-price risk".

- (a) Are these purchases just in Utah, or system-wide? If they are system-wide, please provide the comparable figures for QF purchases in Utah alone. If they are in Utah alone, please provide the comparable figures for QF purchases system-wide.
- (b) Please provide the Company's PURPA contract obligations over the next ten years, in MWh and average \$ per MWh, from the QFs now under contract that are expected to come on-line in 2015 and 2016, both in Utah alone and system-wide.
- (c) Please provide the annual, and if possible monthly, forward price data for Mid-Columbia used for this comparison. Provide the Mid-Columbia data for this period broken down into on-peak and off-peak (or High Load / Low Load) prices. Specify the hours used for the on-peak and off-peak (or High Load / Low Load) pricing.
- (d) Please provide the annual costs for 500 MW of firm transmission capacity from Mid-Columbia east to RMP's service territory in Utah, for the ten-year period 2016-2025. If this amount of capacity is not available to PacifiCorp today, please provide the cost of new transmission facilities, such as the proposed Boardman-Hemingway 500 kV line plus other required transmission expansions in Idaho or Nevada that would be needed to move 500 MW of Mid-Columbia power to Utah on a firm basis.

### **Response to Sierra Club Data Request 2.16**

- (a) The purchases are system-wide. The Utah purchases are 25.4 million MWhs of the 44.6 million MWhs.
- (b) System-wide: 21.2 million MWhs, \$56.21 per MWh; Utah alone: 19.6 million MWhs, \$55.16 per MWh.
- (c) See Confidential Attachment Sierra Club 2.16.

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- (d) Please refer to PacifiCorp's Open Access Transmission Tariff for information related to transmission costs and how to obtain information related to transmission availability.

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Sierra Club Data Request 2.18

### **Sierra Club Data Request 2.18**

This question follows up RMP's response to Sierra Club Question 1-3. Mr. Clements' testimony, at page 10, states that, "[o]f this total, 51 projects totaling 1,145 MW (58 percent of the total PURPA MWs under contract) have online dates of 2014 or later, further demonstrating the exponential increase in PURPA contract requests and resulting contracts that have occurred in the last two years. In Utah, 24 new projects totaling 897 MW have been executed in the last two years".

- (a) Please provide the percentage share of Renewable Energy Credits (RECs) from these 1,145 MW and 897 MW of contracted but not on-line projects that will be provided to Rocky Mountain Power.
- (b) Please provide an estimate of the annual MWhs of RECs from these 1,145 MW and 897 MW of QF projects that will be provided to Rocky Mountain Power.

### **Response to Sierra Club Data Request 2.18**

- (a) Two Utah wind projects totaling 140 MW provide 100% of the RECs. One Utah solar project totaling 50 MWs provides 100% of the RECs. Three Utah solar projects totaling 210.4 MW provide 50% of the RECs. One Wyoming wind project totaling 80 MW provides 100% of the RECs. The rest of the projects provide zero percent of the RECs.
- (b) Annual estimate over the contract terms is 1,002,635 RECs. Assumes 29% capacity factor for Utah wind, 38% capacity factor for Wyoming wind, and 28% capacity factor for Utah solar.