

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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

DOCKET NO. 16-035-19

In the Matter of the Consideration of the  
Amendment of Title 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

ORDER

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ISSUED: October 26, 2016

BACKGROUND

On April 29, 2016, PacifiCorp, doing business as Rocky Mountain Power (PacifiCorp), filed its annual 2016 Fossil Fuel Heat Rate Improvement Plan (Plan) in response to the Commission's order adopting the PURPA Fossil Fuel General Efficiency Standard issued in 2007 (2007 Order),<sup>1</sup> as amended in 2010 (2010 Order),<sup>2</sup> in Docket No. 06-999-03. The Commission invited interested parties to file comments and reply comments on the Plan. The Division of Public Utilities (Division) was the only party to comment on the Plan. On June 16, 2016, the Commission acknowledged the Plan.

On June 30, 2016, the Commission sought comment on the value of the annual heat rate improvement plan (HRIP) and whether PacifiCorp's requirement to file an annual plan should be modified or discontinued. On August 29, 2016, the Division filed comments recommending the Commission discontinue the requirement for PacifiCorp to file the HRIP. Instead, the Division

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<sup>1</sup> See *In the Matter of the Consideration of the Amendment of Title 16 U.S.C. 2621 – Consideration and Determination Respecting Certain Ratemaking Standards for Electric Utilities by the Energy Policy Act of 2005* (Determination Concerning the PURPA Fossil Fuel Generation Efficiency Standard, issued Aug. 10, 2007), Docket No. 06-999-03.

<sup>2</sup> See *id.* (Order Modifying Filing Schedule for Rocky Mountain Power's Fossil Fuel Generation Efficiency Annual Plan, issued Nov. 30, 2010).

proposes the HRIP should be included as an appendix to PacifiCorp's Integrated Resource Plan (IRP) where it will be more useful to the parties and available for review in context of the IRP.<sup>3</sup> The Division made that IRP recommendation "if the Commission believes the report has merit," but did not opine on that issue.<sup>4</sup>

On September 13, 2016, PacifiCorp filed reply comments.<sup>5</sup> PacifiCorp agrees with the Division's recommendation to discontinue the annual HRIP filing going forward. However, PacifiCorp disagrees with the Division's proposal to include the HRIP as an appendix to the IRP. PacifiCorp asserts that its IRP filing is not an appropriate forum in which to file the HRIP because the IRP is voluminous and already sufficiently addresses heat rate improvement as part of its long-term planning. Further, PacifiCorp stresses that the IRP addresses areas involving fossil fuel efficiency through modeling and analysis.

#### DISCUSSION, FINDINGS, AND CONCLUSIONS

In Docket No. 06-999-03, we adopted the PURPA Fossil Fuel Generation Efficiency Standard.<sup>6</sup> In doing so, our 2007 Order in that docket, as amended by our 2010 Order, set May 1 as the annual filing date of the HRIP. We now consider whether to discontinue the current HRIP filing requirement. The Division recommends we do so, and PacifiCorp concurs. No other party commented.

In support of its position, the Division notes that while PacifiCorp has filed an annual HRIP with the Commission since 2009, the Division has been the only party to comment for the

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<sup>3</sup> See Division's Action Request Response at 2, filed Aug. 29, 2016.

<sup>4</sup> *Id.*

<sup>5</sup> See PacifiCorp's Reply Comments, filed Sept. 13, 2016.

<sup>6</sup> See *supra* n.1.

last couple of years. Further, the Division postulates that other parties do not use the HRIP. We find the lack of comments supporting the value of PacifiCorp's annual HRIP and the continuation of PacifiCorp's annual filing of the HRIP persuasive. Therefore, based on the comments and reply comments filed, and the lack of opposition to eliminating PacifiCorp's annual filing of the HRIP, we eliminate the current annual HRIP filing requirement.

In adopting the PURPA Fossil Fuel Generation Efficiency Standard we found value in receiving information related to fossil fuel efficiency "in a consolidated package which will help inform both regulators and ratepayers of the Company's intent and plans for managing its fossil fuel generation fleet."<sup>7</sup> We also agreed with the Division "that this information will indeed keep the Company focused on efficiency which ultimately will support all of the goals of PURPA."<sup>8</sup>

According to the Division, including the HRIP as an appendix to the IRP will make it more available and noticed by more parties. The Division also suggests that including the HRIP report in the IRP will place it in context of the IRP's various provisions.

PacifiCorp disagrees with the Division's recommendation to include the HRIP as an appendix to the IRP. According to PacifiCorp, the combined effect of the following three factors results in improving fossil fleet efficiency: 1) emphasizing continuous improvement in operation of existing generation units, 2) adding new fossil fuel generation with improved efficiency, and 3) in the long-term, retiring old, less efficient fossil units. PacifiCorp asserts, "The IRP addresses each of these three areas. ...[I]mprovements in heat rate efficiencies of existing units are captured in the heat rate data input into the IRP modeling. ...[N]ew fossil fuel generation is

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<sup>7</sup> *Supra* n.1 at 10.

<sup>8</sup> *Id.* at 10.

modeled as potential supply-side resources using heat rate assumptions for new and clean facilities if a new resource were to be selected for the IRP preferred portfolio. ...[And] PacifiCorp does rigorous analysis as part of its Confidential Volume III of the IRP considering early retirement or fuel conversion of existing plants.”<sup>9</sup>

We generally agree with PacifiCorp’s assessment. PacifiCorp has not presented heat rate data assumptions for existing fossil fuel-fired units used in IRP modeling in recent IRP documents. To the extent that PacifiCorp relies on these data in its IRP modeling, and includes heat rate data for new resources in the supply side resource table, we recognize that a party to the IRP may make a data request for the heat rate data used in IRP modeling if that party finds the data meritorious.

In light of PacifiCorp’s representations, the lack of comment on the value of the HRIP in this docket, and for purposes of regulatory efficiency, we find that the topic of heat rate improvement will be appropriately addressed within the context of PacifiCorp’s IRP with our clarification noted above. Parties will, of course, have an opportunity to comment on the sufficiency of the IRP-related heat rate improvement content during the IRP comment period.

This decision does not amend or otherwise alter our previous adoption of the PURPA Fossil Fuel Generation Efficiency Standard in Docket No. 06-999-03. Rather, it modifies and clarifies implementation of the HRIP reporting requirements going forward.

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<sup>9</sup> See PacifiCorp Reply Comments, filed Sept. 13, 2016.

ORDER

The requirement for PacifiCorp to file its HRIP annually is discontinued effective the date of this Order.

DATED at Salt Lake City, Utah, October 26, 2016.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg  
Commission Secretary  
DW#289750

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the Commission within 30 days after the issuance of this written 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 fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, 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 Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on October 26, 2016, a true and correct copy of the foregoing was served upon the following as indicated below:

By E-Mail:

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