

March 9, 2017

***VIA ELECTRONIC FILING***

Public Service Commission of Utah  
Heber M. Wells Building, 4<sup>th</sup> Floor  
160 East 300 South  
Salt Lake City, UT 84114

Attention: Gary Widerburg  
Commission Secretary

RE: Notice and Request for Extension of Deadlines Related to **Schedule 38, Removal from QF Pricing Queue**. Sections I.B.9 and I.B.10.e.

Pursuant to Electric Service Schedule 38, Qualifying Facility Procedures, Rocky Mountain Power (“RMP” or the “Company”) hereby requests from the Public Service Commission of Utah (“Commission”) an extension of the deadlines related to the requirement for parties to execute a power purchase agreement (“PPA”) within five (5) months after the proposed PPA is provided by the Company to the developer (“PPA Execution Deadline”) and within six (6) months after indicative pricing was provided. Pursuant to Sections I.B.9 and I.B.10.e., the consequence of not meeting the PPA Execution Deadline is recalculation of the indicative pricing provided to the qualifying facility (QF) and removal of the QF project from the QF pricing queue priority respectively.

Extenuating circumstances have transpired during the on-going negotiations of the PPA between the Company and Sustainable Power Group, the owners of the Glen Canyon A project (“sPower”). The Glen Canyon A project is a 74 MW solar electric generating facility located near Glen Canyon in Kane County, Utah. These circumstances, described in detail below, justify an extension of the PPA Execution Deadline in Section I.B.10.e of Schedule 38 of 45 days. While RMP and sPower reasonably expected to meet the PPA Execution Deadline by Friday, March 10, 2017, the final completion and execution of the PPA has taken longer than the parties expected.

Paragraph 4 of the Preface in Schedule 38 states the following:

The Company must use its reasonable commercial efforts to meet all Company deadlines specified herein, and shall attempt to make up any Company delays in meeting subsequent Company deadlines. QF Developer deadlines will be extended to reflect Company delays beyond Company deadlines specified herein. *Under extenuating circumstances, the Company or a QF Developer may request an extension of any deadlines from the Commission.* (emphasis added)

The extenuating circumstances include the following:

1. On January 31, 2017, Mr. Gary Hoogeveen, Senior Vice President and Chief Commercial Officer of Rocky Mountain Power, received correspondence from sPower seeking additional information, clarification and confirmation pertaining to the resource designation of the Glen Canyon project, related avoided costs pricing and the interconnection processes. The clarification request has taken additional time and resources as well as collaboration with PacifiCorp Transmission (“Pac Transmission”) that was unexpected but necessary to ensure sPower receives accurate information. The discussions that have occurred internally and externally were prioritized over the actual PPA negotiations.
2. Certain key Company employees who were involved in the discussions are also involved in the preparation and completion of the Company’s 2017 Integrated Resource Plan, due for filing March 31, 2017. These employees have had to split their time between the sPower PPA negotiations and the 2017 IRP completion and filing preparations.
3. RMP is managing an extraordinarily large number of QF PPA negotiations. The Company routinely manages between ten and 20 QF negotiations at any given time. Right now, the Company is managing 51 different QF pricing requests and negotiations, which in total equal 3,200 MW of active pricing/PPA requests, with over 2,200 MW in Utah alone. The Company is not certain what is driving the large increase in these requests. However, each pricing request and PPA negotiation requires considerable time and Company resources, including commercial negotiation of material PPA terms, credit department review of all credit calculations and credit terms, legal review of the PPA terms and conditions, and management review and approval of final deal terms. The large increase in the number of QF pricing requests and PPA negotiations increased the negotiation time for all QF PPAs as the Company sought to treat each QF fairly and to progress negotiations equitably for all potential QFs. The Company utilized additional resources from within the Company to assist with the dramatically increased workload, but the increase means that all QF PPA negotiations are taking longer than the typical normal or even historically “busier” circumstances.

The Company and sPower are negotiating a PPA in good faith; however, the extenuating circumstances set forth above necessitate an extension to the upcoming deadlines. The parties are otherwise complying with the deadlines in Schedule 38. The Company considers the sPower PPA negotiation timeline to be an anomaly due to sPower’s unexpected clarification requests. The Company expects current and future QF PPA negotiations to be compliant with timelines in Schedule 38. The Company plans to identify extenuating circumstances as early as possible in future negotiations and to timely request extensions of deadlines from the Commission where appropriate.

Given the extenuating circumstances surrounding the sPower PPA negotiations and the plain tariff language that allows extensions of deadlines due to those circumstances, the Company respectfully requests that the Commission extend the deadlines set forth in Sections I.B.9 and I.B.10.e in Schedule 38 related to the requirement for the parties to execute a PPA within six (6) months after

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indicative pricing was provided and five (5) months after the proposed PPA is provided to the developer by 45 days. Specifically, the Company requests that the Commission allow the Glen Canyon A project PPA Execution Deadline be moved from March 10, 2017 to April, 24, 2017.

Sincerely,



Yvonne R. Hogle  
Assistant General Counsel  
Rocky Mountain Power

**CERTIFICATE OF SERVICE**

I hereby certify that on this 9<sup>th</sup> day of March 2017, a true and correct copy of the foregoing was served by electronic mail to the following:

**Utah Office of Consumer Services**

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