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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: Utah Public Service Commission

From: Office of Consumer Services
Michele Beck, Director
Béla Vastag, Utility Analyst

Date: March 17, 2017

Re: Docket No. 17-035-13: In the Matter of Rocky Mountain Power's 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

Background

On March 9, 2017, Rocky Mountain Power (the Company) filed a request with Public Service Commission of Utah (Commission) for an extension of two deadlines contained in the Company's Utah Electric Service Schedule No. 38 Qualifying Facility Procedures (Schedule 38). The Company's request for an extension pertains to a Power Purchase Agreement (PPA) that it is negotiating with sPower, the owners of a proposed 74 MW solar Qualifying Facility (QF) project located in Kane County, UT.

For the extension of the first deadline, the Required Pricing Update deadline found in Schedule 38 Section I.B.9, the Company did not provide any dates quantifying this extension request. For the extension of the second deadline, the PPA Execution Deadline found in Schedule 38 Section I.B.10.e, the Company requested a 45-day extension from March 10, 2017 to April 24, 2017.

On March 10, 2017, the Commission issued a Notice of Filing and Comment Period which set a deadline of March 17, 2017 for parties to file initial comments in this proceeding.

Discussion

As the Company presented in its request, Schedule 38 allows for extensions of deadlines under "extenuating circumstances". Sections I.B.9 and I.B.10.e also allow exceptions to their stated deadlines for "delays [that] are caused by Company actions or inactions." In

its request, the Company explains that delays in the sPower PPA negotiations were caused by sPower's request for clarification of the amount of transmission capacity available for its project in conjunction with the Company's high workload – both for employees involved in the Integrated Resource Plan (IRP) and for those involved in PPA negotiations.

The Office of Consumer Services (Office) participates in the Company's Schedule 38 Quarterly Avoided Costs Compliance Filings and in the IRP process and is aware of the transmission issues affecting sPower's proposed QF projects in Kane County. Based on our participation in these processes, we understand that there are additional non-routine and complex issues impacting the negotiation of the sPower PPA. Therefore, the Office believes that these issues justify the extension of Schedule 38 deadlines requested by the Company.

The Company did not specify how many days it was requesting for the extension of the Schedule 38 Required Pricing Update. Section I.B.9 states that pricing shall be recalculated if a PPA has not been executed within six (6) months after indicative pricing was provided to the project developer. In its request, the Company did not state the date that pricing was provided for the sPower PPA. This information should be provided so that parties can understand the length of the extension requested for this Schedule 38 deadline.

Recommendation

The Office recommends that the Commission approve the Company's requested 45-day extension of the PPA Execution Deadline under Schedule 38 Section I.B.10.e for the sPower 74 MW solar project in Kane County. In addition, the Office recommends that the Commission require the Company to file additional information providing the dates related to the Schedule 38 Section I.B.9 Required Pricing Update deadline and explain the number of days extension it is requesting for this deadline.

CC: Chris Parker, Division of Public Utilities
Jeffrey K. Larsen, Rocky Mountain Power