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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 24, 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.

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 and a deadline of March 24, 2017 for parties to file reply comments. On March 17, 2017, the Office of Consumer Services filed initial comments on the Company's request which supported the Company's extension of one of the Schedule 38 deadlines, the Section I.B.10.e deadline, but asked that the Company file additional information regarding its requested extension of the second deadline, the Schedule 38 Section I.B.9 deadline.

On March 23, 2017, the Company filed a letter with the Commission which responded to the Office's initial comments and provided additional information detailing the Company's requested Section I.B.9. deadline extension.

Discussion

The Company's March 23, 2017 letter explains that the Company is requesting a 62-day extension, to April 24, 2017, of the six (6) month repricing requirement under Schedule 38 Section I.B.9. A 62-day extension would mean that the indicative pricing for this PPA was provided to sPower on or about August 21, 2016. This also means that the pricing in the PPA would be approximately eight (8) months old if executed by the new deadline of April 24, 2017.

As we discussed in our initial comments, the Office is aware of the non-routine transmission-related issues impacting the negotiation of the sPower PPA; and therefore, we feel that under these circumstances, a two (2) month extension of the Schedule 38 Required Pricing Update is not unreasonable.

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 and the requested 62-day extension of the Required Pricing Update under Schedule 38 Section I.B.9.

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