

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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.

DOCKET NO. 17-035-13

ORDER

ISSUED: April 4, 2017

I. Introduction and Background

On March 9, 2017, PacifiCorp, doing business as Rocky Mountain Power (PacifiCorp), filed a request with the Public Service Commission of Utah (PSC) to extend deadlines in Electric Service Schedule No. 38, Qualifying Facility (QF) Procedures, Sections I.B.9 and I.B.10.e, relating to execution of QF power purchase agreements (PPA). In effect, these provisions require that a PPA subject to this Schedule must be executed within six months after PacifiCorp provides indicative pricing (unless the pricing is re-calculated) and within five months after PacifiCorp provides the proposed PPA to the developer. Importantly, Schedule No. 38 provides that these deadlines may be extended when delays are caused by PacifiCorp's actions or inactions.

On March 10, 2017, the PSC issued a notice and comment period, setting March 17, 2017 and March 24, 2017, respectively, as the comment and reply comment deadlines. On March 17, 2017, the Division of Public Utilities (DPU) and the Office of Consumer Services (OCS) both filed comments supporting the proposed deadline extensions. On March 23, 2017, PacifiCorp filed reply comments, and the OCS filed a response to PacifiCorp's reply comments the following day. On April 3, 2017, responding to a supplemental action request, the DPU provided supplemental comments. The comments of the parties are briefly summarized below.

II. Parties' Positions

According to PacifiCorp, extenuating circumstances further described in PacifiCorp's filing have transpired during the ongoing negotiations of the PPA between PacifiCorp and Sustainable Power Group (sPower) (collectively, the parties), justifying an extension of the deadlines under Schedule No. 38, Sections I.B.9 and I.B.10.e. In sum, these circumstances involve PacifiCorp's inability to devote adequate personnel and resources to its negotiations with sPower due to the simultaneous development of PacifiCorp's 2017 IRP and an extraordinarily high volume of QF PPA negotiations.

sPower is the owner of the Glen Canyon A project, a 74 MW solar electric generating facility located in Kane County, Utah. PacifiCorp explains that while the parties expected to meet the PPA execution deadline by March 10, 2017, the final completion and execution of the PPA has taken longer than the parties expected. PacifiCorp specifically requests the PSC approve an extension for the Glen Canyon A project PPA execution deadline from March 10, 2017 to April 24, 2017.

The DPU asserts extenuating circumstances exist and recommends the PSC approve PacifiCorp's request for an extension of the deadlines.¹ The DPU notes sPower requested additional information related to the project that required PacifiCorp to commit additional time and resources. The DPU concludes unforeseen circumstances justify the requested extensions.

¹ See DPU's comments, filed March 17, 2017.

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Additionally, the DPU provided the following clarification relating to PacifiCorp's requested deadline extensions,² which the PSC appreciates and finds helpful in examining this docket:

Item	Provided	Execute PPA Within	Original Deadline	Requested Deadline	Requested Deadline
Indicative Price	Aug. 26, 2016	6 month	Feb. 22, 2017*	62 days	Apr. 24, 2017
PPA	Oct. 12, 2016	5 months	Mar. 10, 2017	45 days	Apr. 24, 2017

* This is based on [the DPU's] estimate. Six months after Aug. 26, 2016.³

The OCS concurs that an extension of the deadlines is warranted. The OCS explains that, through its involvement in PacifiCorp's Schedule No. 38 quarterly avoided cost filings and integrated resource planning process, it is aware of additional non-routine and complex issues impacting the negotiation of the sPower PPA. The OCS contends these issues justify the extension of the Schedule No. 38 deadlines requested by PacifiCorp.

In its initial comments, the OCS recommended approval of PacifiCorp's requested 45-day extension under Schedule No. 38, Section 1.B.10.e, but requested PacifiCorp provide additional information regarding the requested extension of the required pricing update under Schedule No. 38, Section I.B.9. In its March 23, 2017 response, PacifiCorp identified a 62-day extension, to April 24, 2017, of the six month required pricing update under Section I.B.9. Based on PacifiCorp's response, the OCS recommends the PSC approve PacifiCorp'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.

² See DPU's supplemental action request response, filed April 3, 2017.

³ *Id.*

III. Discussion, Findings, and Conclusions

As noted in PacifiCorp's request and discussed above, Schedule No. 38 allows the PSC to grant extensions of deadlines for "extenuating circumstances."⁴ PacifiCorp asserts a number of extenuating circumstances in its request, and the DPU and OCS agree that these circumstances justify the requested extensions. Specifically, PacifiCorp seeks a 62-day extension of Schedule No. 38, Section I.B.9⁵ and a 45-day extension of Schedule No. 38, Section I.B.10.e.⁶ No one opposes.

Based on our review of the application under the applicable Schedule No. 38 standards, the comments and reply comments filed, and the lack of any opposition, we find granting PacifiCorp's request is appropriate and in the public interest. We conclude that granting the request is consistent with Schedule No. 38.

ORDER

For the reasons set forth above, we approve PacifiCorp's request to extend the deadline to execute the sPower Glen Canyon A project PPA to April 24, 2017.

DATED at Salt Lake City, Utah, April 4, 2017.

/s/ Melanie A. Reif
Presiding Officer

⁴ See Electric Service Schedule No. 38, Qualifying Facilities Procedures, Preface at 1, ¶ 4 ("Under extenuating circumstances, the Company or a QF Developer may request an extension of any deadlines from the Commission.").

⁵ See *id.*, Section I.B.9 ("The prices in the proposed [PPA] . . . shall be recalculated . . . if the QF Developer and the Company have not executed a [PPA] within six (6) months after indicative pricing was provided by the Company....").

⁶ See *id.*, Section I.B.10.e ("A PPA has not been executed by both parties within five (5) months after the proposed PPA was provided by the Company to the Developer....").

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Approved and Confirmed April 4, 2017, as the Order of the Public Service Commission of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#292956

Notice of Opportunity for Agency Review or Rehearing

Pursuant to §§ 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this Order by filing a written request with the PSC within 30 days after the issuance of this 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 PSC does not grant a request for review or rehearing within 20 days after the filing of the request, it is deemed denied. Judicial review of the PSC'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 §§ 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on April 4, 2017, a true and correct copy of the foregoing was delivered upon the following as indicated below:

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