

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Rocky Mountain Power for Approval of Solicitation Process for Wind Resources

DOCKET NO. 17-035-23
ORDER AND NOTICE OF SCHEDULING CONFERENCE

ISSUED: August 22, 2017

On August 4, 2017, in accordance with the schedule established in this docket, the Division of Public Utilities (DPU) filed comments recommending approval of the proposed solicitation process (RFP) if certain conditions were met, and the Interwest Energy Alliance (IEA) filed comments requesting some modifications to the RFP. The Utah Association of Energy Users (UAE) filed comments identifying areas of concern with the RFP and requesting the Public Service Commission of Utah (PSC) hold a hearing in this matter. On August 11, 2017, the Independent Evaluator (IE) filed a report of conclusions and recommendations on the RFP, recommending some modifications to the RFP. On August 18, 2017, Rocky Mountain Power (RMP) filed reply comments identifying the modifications it has made to the RFP to address the concerns of the DPU, the IE, IEA, and UAE, and identifying some remaining areas of disagreement. The DPU filed reply comments noting that the results of the RFP will identify whether some of its concerns have been satisfied, the Office of Consumer Services (OCS) filed comments requesting that the PSC require the RFP to be redesigned, and UAE filed reply comments requesting further PSC review.

As we evaluate the RFP, we are bound by the statutory requirement that we must determine whether the RFP is in the public interest, considering factors including whether the RFP “will most likely result in the acquisition, production, and delivery of electricity at the

lowest reasonable cost to the retail customers of an affected electrical utility located in this state[.]”¹ Foundational to the RFP is the decision by RMP that a wind resource capable of directly interconnecting and/or delivering energy to PacifiCorp’s transmission system in Wyoming that qualifies for the production tax credits will provide electricity at the lowest reasonable cost. That decision is based on the 2017 Integrated Resource Plan (IRP) and RMP’s 2016 solicitation process.

We have an insufficient record before us to make a finding of fact pertinent to that decision by RMP. We have not yet acknowledged the 2017 IRP, and we are mindful of the concerns raised by parties that the inclusion of a wind resource in that IRP has not yet received adequate stakeholder input because it was not included until after all pre-IRP processes. RMP’s 2016 solicitation process has similarly received no regulatory review that would have allowed for stakeholder input.

We recognize the time sensitivity with the upcoming expiration of the production tax credits. We cannot, however, bypass our statutory obligations, obligations that arose out of a recent multi-year and robust legislative process that led to the enactment of the Energy Resource Procurement Act. We also conclude that it is more responsible to clarify the currently disputed issues now, rather than waiting to see whether the RFP as currently proposed produces a robust response.

To approve the RFP, we must find that the decision to limit the RFP to a wind resource so apparently satisfies the “lowest reasonable cost” standard that it warrants bypassing the

¹ Utah Code Ann. § 54-17-201(2)(c)(ii)(A).

opportunity to test that decision in the open market against other bidders who might choose to bid different resource types. We simply cannot make that finding based on the limited regulatory review that has occurred thus far, including the comments and replies filed in this docket. At the least, considering the opposition of some parties and the fact that neither the DPU nor the IE made a specific recommendation with respect to RMP's selection of resource type, we must conduct additional review of that issue. Recognizing the time sensitivity of the expiring production tax credits, we will allow for that additional review to take place in one of two different methods at the election of RMP. We express no preference for either method.

If RMP chooses to file a modified RFP that permits bidding by any resource type capable of interconnecting/delivering energy to PacifiCorp's transmission system, because many issues have already been evaluated in this docket thus far, we commit to conducting an expedited review of the all-source RFP. We recognize that some disputed issues remain besides the "wind vs. all-source" issue; however, we believe the remaining issues could be addressed in an accelerated process, the length of which would depend on changes to RFP terms other than resource type and location. If RMP intends to file a modified all-source RFP, we request that RMP notify the PSC of its intention before the scheduling conference discussed and noticed below.

In the alternative, we are willing to conduct an expedited hearing to evaluate the remaining disputed issues, including whether or not an RFP that is limited to wind resources meeting certain criteria allows us to find, before approving the RFP and as mandated by statute, that the RFP will most likely result in the "delivery of electricity at the lowest reasonable cost to

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the retail customers”² of RMP. We will hold a scheduling conference to establish a hearing date and to determine whether any additional process is necessary prior to hearing.

Pursuant to Utah Code Ann. § 54-17-201(2)(f) and for the reasons discussed in this order, we conclude that additional time to analyze the RFP, as outlined in the processes described in this order, is warranted and in the public interest. We conclude that this order does not constitute final agency action under the Utah Administrative Procedures Act, Utah Code Title 63G Chapter 4.

NOTICE OF SCHEDULING CONFERENCE

The PSC’s designated Presiding Officer will conduct a scheduling conference in this docket on **Tuesday, August 29, 2017, at 10:00 a.m. or the conclusion of the technical conference in Docket No. 17-035-40, or whichever occurs later, Fourth Floor Room 401,** Heber M. Wells Building, 160 East 300 South, Salt Lake City, Utah.

Individuals wishing to participate by telephone should contact the PSC two days in advance by calling (801) 530-6716 or (toll-free) 1-866-PSC-UTAH (1-866-772-8824) to receive a bridge number and participant passcode. Participants attending by telephone should then call the bridge number five minutes before the scheduling conference, entering the passcode followed by the # sign to ensure participation.

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during any proceeding

² Id.

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should notify the PSC at 160 East 300 South, Salt Lake City, Utah 84111, (801) 530-6716, at least three working days prior to the conference.

DATED at Salt Lake City, Utah, August 22, 2017.

/s/ Melanie A. Reif
Presiding Officer

Approved and Confirmed as the Order of the Commission, August 22, 2017.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#296139

CERTIFICATE OF SERVICE

I CERTIFY that on August 22, 2017, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

Data Request Response Center (datarequest@pacificorp.com)
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Administrative Assistant