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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of PacifiCorp d/b/a Rocky Mountain Power's Request for a Declaratory Ruling Regarding Allocation of Interconnection Costs under the Public Utility Regulatory Policy Act (PURPA)

DOCKET NO. 17-035-25

**DIRECT TESTIMONY OF
CHRISTINE W. MIKELL
ON BEHALF OF INTERVENOR
ENYO RENEWABLE ENERGY, L.L.C.**

Q. Please state your name and business address.

A. My name is Christine Watson Mikell. I am the founder and principal owner of Enyo Renewable Energy, L.L.C. ("Enyo Renewable Energy"). My business address is 9950 South Power Plant Lane, Sandy, Utah 84092.

Q. On whose behalf are you testifying in this proceeding?

A. I am testifying on behalf of Enyo Renewable Energy, a solar and wind energy development company organized to develop utility-scale solar and wind projects principally in Utah, Wyoming, and Colorado.

Q. Please describe your background, experience, and education.

A. I have been working in the renewable energy industry since 2001. I started in the Utah Energy Office as an energy engineer and launched Utah's renewable energy program to kick start renewable energy projects in the State and to drive economic development in Utah's rural communities. In 2006, I began working at Wasatch Wind, and served as a general wind developer, as Vice President of Development, and ultimately as President of the company. At Wasatch Wind, I developed Utah's first utility-scale wind energy project

in 2008, the Spanish Fork Wind Farm. Since then, I have developed two additional wind projects: Latigo in Monticello, Utah, and Pioneer in Glenrock, Wyoming. In 2016, I founded Enyo Renewable Energy to focus on wind and solar energy development in the Intermountain West. As for my education, I earned a Bachelor of Engineering from Vanderbilt University and a Masters of Business Administration from the University of Utah.

Q. What is Enyo Renewable Energy’s interest in this proceeding?

A. As a developer of utility-scale renewable resources, including projects in Rocky Mountain Power’s (“RMP”) service territory, Enyo Renewable Energy has a direct and substantial interest in the Public Service Commission of Utah’s (“PSC”) decision in this proceeding. RMP is seeking authority to impose costs on Qualifying Facilities (“QFs”, as defined by the Public Utility Regulatory Policies Act of 1978; “PURPA”)) that would impact the economic viability of these generation resources. It is in the customers’ best interests that QFs continue to be a part of the generation mix of utilities such as RMP. QFs not only provide generation diversity but also have economic and geographic benefits to utilities and their customers. It would be contrary to the public interest and national energy policy, as evidenced by PURPA, to drive QFs out of RMP’s service territory by imposing potentially unreasonable costs suggested by RMP in its Request for a Declaratory Ruling. The basis for RMP’s request is general assumptions contained in an untested RMP analysis that has not been subject to review and scrutiny by other parties or the PSC; and therefore, cannot be the basis for a declaratory ruling.

Q. Does Enyo Renewable Energy support the Request for Declaratory Ruling (or “Request”)?

A. No, we do not support the Request for Declaratory Ruling. If the PSC deems that this matter merits further inquiry, we would request that an evidentiary hearing be scheduled.

Q. Why don't you support the Request?

A. We believe that the Request is contrary to the public interest and unsubstantiated by credible evidence.

Q. Please explain.

A. First, as recognized with the enactment of PURPA, QFs provide a valuable generation resource. As I mentioned, QFs provide valuable generation diversity in terms of the type of generation utilized and the location where the QFs are located. Geographic generation diversity benefits the local economies in which the QFs are located, and decentralizes reliance on historical centers of power generation. These benefits derived from QFs are integral to an "all-of-the-above" energy policy that seeks to enhance reliability and cost-effectiveness.

Despite these benefits, the Request would have the effect of pricing QFs out of RMP's service territory under the guise of "making sure" QFs pay the down-the-line costs associated with interconnection. It seems to me that there can be less drastic means of addressing any concerns that RMP may have regarding the siting of QFs. For example, an alternative could be a process whereby QFs and RMP share information regarding transmission constrained areas prior to siting and work together to minimize situations where RMP would incur significant additional costs. This would benefit both the QFs and RMP. (See: *Entergy Services, Inc.*, 137 FERC ¶ 61,199, at PP 52-58 (2011), order on reh'g, 143 FERC ¶ 61,143 (2013), and other FERC opinions that find that the purchasing utility, like RMP here, is required to obtain the transmission service needed to deliver the QF output from the point of QF interconnection to the purchasing utility's load. In other words, it is the purchasing utility's responsibility to pay transmission costs from the point of QF interconnection.)

Q. Is the Request supported by credible evidence?

A. The Request is based on RMP's interpretation of its own study that it conducted for a unique project (that RMP admits was not even a QF project, *see* p. 8 of Request). RMP

argues that this analysis should be the basis for the PSC to create a general rule for cost allocation for all QFs. It would be contrary to due process for the PSC in this instance to enter a declaratory ruling based on a RMP study that has not been the subject of discovery or examination, nor had its assumptions scrutinized or tested. Moreover, it would be helpful to see how the RMP study factors or otherwise considers the reasonableness or prudence of RMP's own costs and other potential costs-mitigation factors in its conclusions.

Before the PSC undertakes to change the status quo, due process requires, at a minimum, an evidentiary process with discovery, testimony and an opportunity to examine RMP's study and sponsoring witnesses.

Q. Is the study RMP references a credible example of QF siting and associated transmission costs?

A. Based upon the description of the study contained in the Request and my experience, the study does not appear to be a credible example. Not all QFs are sited in locations that require significant transmission upgrade costs. For example, there is no debate that QF projects sited north and west of the Greater Salt Lake Basin are not located in constrained areas. Based upon my experience, I believe that discovery and analysis would reveal that not all QFs and certainly not those proposed in the north and west of the Greater Salt Lake Basin require significant transmission upgrades. Also, it does not appear that the RMP study addresses the situation where an area may be considered to be restrained at one point in time but becomes unrestrained through management decisions to re-power generation sources. Accordingly, Enyo Renewable Energy is concerned that granting the Request will unfairly (and improperly) increase the costs of all future QFs thereby sidestepping the policy objectives stated in PURPA.

Q. Are you concerned that the Request could result in unintended consequences?

A. Yes, unfortunately, the broad nature of the request could open the door to disputes over which costs are related to transmission upgrades as well as if, or how, any such costs should be allocated.

Q. Please summarize your testimony and recommendations.

A. Enyo Renewable Energy objects to RMP's Request for several reasons. First, the Request seeks to impose a general rule without an evidentiary hearing to support any PSC findings, conclusions or rulings. Specifically the study RMP relied upon is not a sufficient basis for granting the Request as it has not been the subject of discovery and evaluation. Without additional proceedings that allow for discovery and examination of witnesses, granting the Request would be a violation of the due process rights of Enyo Renewable Energy and all other QFs doing business in Utah. Accordingly, we request that the PSC deny the Request for Declaratory Ruling. In the event that the PSC deems there is value in further examining this issue, we request that an evidentiary docket be opened to address the substance of the Request.

Q. Does this conclude your direct testimony in this docket?

A. Yes, it does. I reserve the right to offer additional testimony in this or any other related docket.

DATED this 1st day of June, 2017.

SNELL & WILMER L.L.P.

/s/ Paul Shakespear

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Elizabeth M. Brereton

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CERTIFICATE OF SERVICE

I hereby certify that on June 1, 2017, a true and correct copy of the foregoing was served upon the following via electronic mail:

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