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Department of Commerce Division of Public Utilities

CHRIS PARKER
Executive Director

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Director, Division of Public Utilities

Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Artie Powell, Director

Doug Wheelwright, Utility Technical Consultant Supervisor

Joni S. Zenger, Utility Technical Consultant

Date: October 9, 2020

Re: **Docket No. 17-035-39**, Voluntary Request of Rocky Mountain Power for Approval of Resource Decision to Repower Wind Facilities, Compliance Filing.

Recommendation (Approve with continuation of previous condition)

The Division of Public Utilities (Division) has reviewed PacifiCorp's (the Company) September 9, 2020, filing that identifies the final project costs for seven of the eleven wind repowering projects that have been placed in service. The Division has determined that the final project costs for the Glenrock I, Glenrock III, High Plains, McFadden Ridge, Rolling Hills, Seven Mile Hill I and Seven Mile Hill II wind facilities are each in compliance with the Public Service Commission's (Commission) May 24, 2018 Report and Order (Order). The Division recommends that the Company file an accounting of the project costs for the four remaining projects once the final project costs are known.

Issue

This memorandum is in response to the Commission's Action Request dated September 9, 2020, in Docket No. 17-035-39 that directs the Division to review the Company's filing and determine if the Company is in compliance with the Commission's May 24, 2018 Order. In its Order, the

Commission approved the project costs for 11 wind repowering projects (on a project-by project basis) and required the Company to file an accounting of each project's final costs when each of the projects are completed. The Company has submitted final project costs for seven of its eleven wind repowered facilities.

Discussion

The Division reviewed the Commission's wind repowering Order that states:

The PSC approves, on a project-by-project basis, the projects and costs identified in PacifiCorp's voluntary request for approval of a resource decision to repower the Glenrock I, Glenrock III, Rolling Hills, Seven Mile Hill I, Seven Mile Hill II, High Plains, McFadden Ridge, Dunlap, Marengo I, Marengo II, and Goodnoe Hills wind facilities.¹

The Commission went on to require an accounting of the final project costs for the 11 approved wind repowering projects:

When each of the projects we have approved in this order are completed, we direct PacifiCorp to file in this docket an accounting of each project's final costs.²

On September 9, 2020, the Company submitted its final project costs for the Glenrock I, Glenrock III, High Plains, McFadden Ridge, Rolling Hills, Seven Mile Hill I and Seven Mile Hill II wind facilities. The Division reviewed the final costs for each of the seven wind repowering projects contained in the Company's confidential report. The Division finds these seven projects are in compliance with the Commission's Order. The total capital in-service costs for each of the respective wind repowering projects are below the amounts approved by the Commission in the wind repowering docket. The Division recommends the Commission approve for compliance the project costs for the Glenrock I, Glenrock III, High Plains, McFadden Ridge, Rolling Hills, Seven Mile Hill I and Seven Mile Hill II wind facilities.

The Company's compliance filing indicates that the repowered Goodnoe Hills, Marengo I and Marengo II wind facilities have been placed into service, and the Dunlap facility is scheduled to

¹ Docket No. 17-035-39, Report and Order, May 25, 2008, p. 1.

² Id. at p. 26.

be placed into service during September 2020. The costs for each of these respective wind repowering projects are not yet finalized, and close-out activities remain to be completed.

The Company has previously explained that after wind turbine generators are commissioned, there is still an additional six to nine months of work that continues as part of construction completion. Additional activities such as site demobilization, reclamation of laydown areas used during construction, crane pad removal, county and site road repairs (if any), site restoration and revegetation, project documentation, job book completion, training, receipt of lien waivers, and permit close-out activities occur after a project achieves commercial operation.³ The Company states that it will file the final project costs for the remaining four wind repowering projects once the costs are known.

The Division recommends the Commission approve for compliance the seven identified wind repowered facilities in the Company's September 9, 2020 report and take no other action at this time with respect to the remaining four wind repowering projects.



Conclusion


The Division reviewed the Company's September 9, 2020 confidential report containing wind repowering project costs on a project-by-project basis, as well as the Commission's requirements in its wind repowering Order. The Division recommends the Commission approve for compliance the Glenrock I, Glenrock III, High Plains, McFadden Ridge, Rolling Hills, Seven Mile Hill I and Seven Mile Hill II wind facilities.





The Company intends to notify the Commission once the final projects costs are known for the Goodnoe Hills, Marengo I and Marengo II, and Dunlop wind facilities. The Division will review the final project-by-project costs for compliance for the four remaining repowered facilities at that time. No action is required by the Commission at this time with respect to the Goodnoe Hills, Marengo I and Marengo II, and Dunlop wind facilities.

Cc: Jana Saba, Rocky Mountain Power
Michele Beck, Office of Consumer Services

³ See written response from Jana Saba in March 5, 2020 email to the Division following this memorandum.

RE: [INTERNET] Re: Docket No. 17-035-59 Completed project costs  

 17-035-39 Wind Repowering x

 **Saba, Jana** <Jana.Saba@pacificcorp.com> Mar 5, 2020, 11:22 AM   
to me ▾

Hi Joni, Below is a paragraph summarizing our discussion.

PacificCorp's repowering projects are immediately placed into service when the new turbines are commissioned and can be dispatched normally. However, the work involved in the repowering project does not conclude when the turbines are placed in service and additional activities including site demobilization, reclamation of laydown areas used during construction, crane pad removal, county and site road repairs (if any), site restoration and revegetation, project documentation, job book completion, training, receipt of lien waivers, and permit close-out activities occurs after a project achieves commercial operation. Additionally, some control system programming follows turbine commissioning to establish curtailment schemes and other necessary turbine monitoring functions to support long-term maintenance. Project management actions such as the resolution of outstanding change order requests and project notices also occurs following commercial operation. Given these project activities (and since some site reclamation/vegetation restoration activities cannot occur in winter), final project closing of the repowering projects is not anticipated until 9 months following commercial operation of the projects.

Please let me know if you need anything else! Thanks!

Jana