

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Rocky Mountain Power for Approval of a Significant Energy Resource Decision and Voluntary Request for Approval of Resource Decision)
)
) Docket No. 17-035-40
)
)

REBUTTAL TESTIMONY OF

BELA VASTAG

FOR THE

OFFICE OF CONSUMER SERVICES

JANUARY 16, 2018

1 **Q. WHAT IS YOUR NAME, BUSINESS ADDRESS AND OCCUPATION?**

2 A. My name is Béla Vastag. My business address is 160 East 300 South Salt Lake
3 City, Utah 84111. I am a Utility Analyst for the Utah Office of Consumer Services
4 (Office).

5 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS DOCKET?**

6 A. Yes, I filed direct testimony on December 5, 2017.

7 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

8 A. I will respond to the direct testimony of Robert A. Davis of the Utah Division of
9 Public Utilities (Division). First, I would like to be clear that the Office fundamentally
10 agrees with Mr. Davis' conclusions in which he says, "The Division is not convinced
11 the transmission projects and associated benefits are currently needed or
12 prudent."¹ I am only responding to the section of Mr. Davis' testimony where he
13 states that the Northern Tier Transmission Group's (NTTG) 2016-2017 Regional
14 Transmission Plan supports Rocky Mountain Power's (Company) statements that
15 their proposed new transmission lines in Wyoming are needed. I will rebut that
16 characterization of the NTTG Transmission Plan.

17 **Q. WHAT DOES MR. DAVIS SAY ABOUT THE NTTG TRANSMISSION PLAN?**

18 A. On page 5, lines 98 - 99, of Mr. Davis' direct testimony, he states:

19 *The Northern Tier Transmission Group's (NTTG) Final Regional Transmission*
20 *Plan, supports Mr. Vail's statements[.]*
21
22

¹ Davis Direct Testimony, lines 107-108.

23 Mr. Davis' indicates that the statements to which he refers are those contained in
24 lines 324 – 328 of Mr. Vail's direct testimony where Mr. Vail states the following:

25 • "[T]he Company's transmission system in southeastern Wyoming is
26 operating at capacity, which limits transfer of existing resources from
27 eastern Wyoming."

28 • "[I]nterconnection of additional resources in this region is precluded to
29 maintain grid stability."

30 **Q. DO YOU AGREE THAT THE NTTG 2016-2017 REGIONAL TRANSMISSION**
31 **PLAN SUPPORTS THE COMPANY'S CLAIM THAT THEIR TRANSMISSION**
32 **LINES IN WYOMING ARE OPERATING AT CAPACITY?**

33 A. While I agree that the NTTG Transmission Plan supports the limited statements
34 made in lines 324 – 328 of Mr. Vail's testimony, it is important not to overplay the
35 conclusions of the NTTG Transmission Plan. Any potential claim that the proposed
36 new transmission lines are needed on a standalone basis does not take into
37 account the nature of the NTTG modeling nor does it address the fact that the
38 results of the NTTG modeling group, the Technical Workgroup (TWG), are
39 disputed.

40 **Q. PLEASE EXPLAIN WHAT YOU MEAN BY THE NATURE OF THE NTTG**
41 **MODELING.**

42 A. NTTG's TWG accepts the resource and load forecasts of each utility and then
43 models different configurations of existing and new transmission lines. PacifiCorp
44 submitted new Wyoming wind resources to NTTG to be included in the TWG's
45 modeling. Therefore, the NTTG studies presumed the existence of the new wind

46 and show that in such circumstances of high wind output, new transmission is
47 needed. In this docket, the Company states that the new transmission and new
48 wind are co-dependent – without new wind no new transmission is needed. But,
49 because PacifiCorp incorporated new Wyoming wind into the NTTG modeling
50 process, the NTTG plan selects new transmission. What we have here is a case
51 of circular reasoning. Therefore, the NTTG study cannot be used to justify new
52 transmission on a standalone basis. Both this docket and the NTTG study
53 evaluate the transmission system in the context of the addition of significant new
54 energy from wind resources, and even in that context the results of the TWG in the
55 NTTG transmission plan have been disputed.

56 **Q. PLEASE FURTHER EXPLAIN HOW THE NTTG TWG RESULTS ARE**
57 **DISPUTED.**

58 A. While the TWG did make the statement that Mr. Davis referred to on lines 101 –
59 104 of his direct testimony, several organizations representing retail and wholesale
60 transmission customers of PacifiCorp filed comments questioning the validity and
61 transparency of some of the TWG's analyses. These organizations included the
62 Utah Office of Consumer Services, Deseret Power, Utah Associated Municipal
63 Power Systems, the Utah Association of Energy Users and Wyoming Industrial
64 Energy Consumers (collectively referred to as "the customer groups"). The
65 customer groups submitted extensive stakeholder comments on NTTG's draft
66 2016-2017 transmission plans questioning whether the modeling of Wyoming wind
67 resources was realistic. I have attached a copy of NTTG's stakeholder comment
68 responses to this testimony as Exhibit Vastag OCS-1.1R.

69 The TWG is comprised of personnel from NTTG electric utility members
70 (including PacifiCorp Transmission) who have experience working with power flow
71 and production cost modeling. In NTTG parlance, these personnel are from the
72 transmission providers (TPs). Only the members of NTTG's TWG have access to
73 the data and the models used. The data used in the models are supplied by the
74 TPs to NTTG and NTTG must rely on the TPs that their information is accurate.

75 **Q. SINCE THE TPs PROVIDE THE DATA AND PERFORM THE MODELING, WHY**
76 **WOULD THE CUSTOMER GROUPS OF NTTG DISPUTE THE TWG'S**
77 **RESULTS?**

78 A. The TWG's modeling results, in particular when modeling Wyoming wind output,
79 call for billions of dollars of new transmissions lines to be built, including
80 PacifiCorp's Energy Gateway West and South segments. To achieve this result,
81 it appears to the customer groups that NTTG has modeled unrealistic scenarios,
82 such as one with high simultaneous Wyoming wind output along with high thermal
83 resource output which then requires large exports of energy out of Wyoming. It
84 seems to the customer groups that the real-life operational approach to such a
85 scenario would involve better resource planning and dispatch instead of building
86 the massive amounts of new transmission called for in the NTTG plan.
87 Furthermore, PacifiCorp's 2017 IRP analysis showed reduced customer loads and
88 no need for new transmission to meet its future load growth. These questions and
89 inconsistencies raised concerns among the customer groups that the modeled
90 scenarios and modeling results were unrealistic.

91 **Q. DID NTTG RESPOND TO THESE CONCERNS IN THEIR RESPONSES TO**
92 **STAKEHOLDER COMMENTS?**

93 A. Yes, but their responses did not alleviate our concerns or provide the requested
94 details to understand the outcomes of their planning scenarios. The customer
95 groups wanted more information to know if the reliability issues that developed
96 from the TWG scenario modeling were avoidable, including NTTG's only proposed
97 solution of having customers provide billions of dollars to build new transmission
98 lines. However, the necessary information was lacking.

99 **Q. CAN YOU PROVIDE AN EXAMPLE OF THIS LACK OF INFORMATION?**

100 A. Yes, below is a comment from Deseret Power followed by the response from
101 NTTG.²

102 Comment

103 *The simultaneous southern Idaho exports coupled with Wyoming Wind exports*
104 *(likely converging in PACE) appears to reveal an over-build of resources when*
105 *combining the Idaho Power and PacifiCorp IRPs. How do these studies address*
106 *a resource overbuild scenario? Did NTTG study a re-optimized "capacity*
107 *expansion" plan as an alternative to transmission?*

108
109 Response

110 *NTTG did not assume that this was a resource over-build condition, rather*
111 *assumed that the information rolled up by the TP's were in load resource balance*
112 *as provided by the LSE's.*

113
114 *NTTG does not re-optimize the resource capacity expansion of its members.*

115
116 **Q. WOULD THE OFFICE RECOMMEND RELYING ON THE NTTG**
117 **TRANSMISSION PLAN AS SUPPORT FOR THE COMPANY'S PROPOSED**

² NTTG 2016-2017 Draft Final Regional Transmission Plan Stakeholder Comments and NTTG Response, approved on August 9, 2017, page 3. See Exhibit Vastag OCS-1.1R.

118 **WYOMING TRANSMISSION PROJECTS AS MR. DAVIS OF THE DIVISION**
119 **HAS IN HIS DIRECT TESTIMONY?**

120 A. No. Because of the circular reasoning involved and the many questions and
121 concerns raised by the NTTG customer groups, the Office believes that the 2016-
122 2017 NTTG Regional Transmission Plan should not be relied upon to determine
123 the need for new transmission in Wyoming.

124

125 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

126 A. Yes it does.