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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

APPLICATION OF ROCKY MOUNTAIN POWER FOR APPROVAL OF A SIGNIFICANT ENERGY RESOURCE DECISION AND REQUEST TO CONSTRUCT WIND RESOURCE AND TRANSMISSION FACILITIES	Docket No. 17-035-40 **REPLY TO ROCKY MOUNTAIN POWER'S RESPONSE TO MOTION TO VACATE REMAINING SCHEDULE AND REQUEST FOR EXPEDITED TREATMENT**

Pursuant to Utah Admin. Code r.746-100, the Division of Public Utilities ("Division") and Office of Consumer Services ("Office") (together the "Moving Parties") file this Reply to PacifiCorp's, d/b/a/ Rocky Mountain Power ("Rocky Mountain Power" or "Company"), Response to their Motion to Vacate Schedule and Request for Expedited Treatment. There is too

much uncertainty in the record for the Commission to simply accept the Company's proposal to reschedule the hearing for "either April 16, 2018 or April 24, 2018." (Company's January 24, 2018, Response to Motion to Vacate ("Response") at pg. 8.) Accordingly, the Moving Parties reassert their request that the Utah Public Service Commission ("Commission") vacate the remaining schedule set in the July 27, 2017 Scheduling Order and convene a Scheduling Conference to reset all remaining dates.

From the inception of this case, the Moving Parties have been chasing a moving target. It seems that with each new opportunity the Company revamps its prior proposal rendering significant portions of the Moving Parties' work and testimony moot and presenting substantial new information to analyze in shrinking time frames. The margin of error between positive and negative outcomes is small and the risk is significant. At a minimum, a complete and comprehensive project proposal is essential for meaningful evaluation. This uncertainty continues with the filing of the Company's Response to the Motion to Vacate, where the Company for the first time informs the Parties and this Commission that the final short list, which was scheduled to be completed on January 8, 2018, is still in flux and will not be established until the completion of additional interconnection studies. (Response at 2.)

The statutory default time-line of 120 days for review of a significant resource decision would be reasonable in most cases if the application starting the clock was a complete and comprehensive filing. Even then the timeline may be extended by the Commission if the "Commission determines that additional time to analyze is warranted and is in the public interest." Utah Code Ann. § 54-17-302(5). The Company's assertion that the Parties have had significant time already to evaluate the project is misleading. The Company did not provide all relevant information with the application and still has not provided some critical information. A

complete evaluation of the proposal in the initial Application would offer only limited value in review of the new proposed projects in the update and may have no meaningful value with respect to the outcome of the solar RFP. Though parties anticipated updates would present new information, the magnitude of the changes, particularly in the analysis of benefits, is high and unlike past cases.

Rocky Mountain Power's assertion that the "Company's supplemental testimony . . . did not materially change the case" is disingenuous. (Response at 2.) As set out in the Utah Association of Energy Users ("UAE") Comments in Support of Motion to Vacate Schedule, "the supplemental direct and rebuttal testimony and exhibits filed in this docket . . . consist of over 640 pages of new testimony and exhibits . . . plus workpapers and model runs that include dozens of spreadsheets and more than 15 GB of data." (UAE's Comments at 1-2.) The January 16, 2018, submission contains new data and analysis relating to such core concerns as revised bids, PTC treatment, terminal value, and price-policy scenario updates. (Link Supplemental Testimony, ln. 384-558.) The project grew significantly in size and added a project that is largely unrelated to the transmission or other wind projects. Clearly, the substance of the Company's request has significantly changed since the filing of its initial application. And the current proposal is still incomplete.

Likewise, the Company's criticism of the Moving Parties' contention that the Company's position has changed from its initial application regarding whether the wind projects are necessary to meet a resource need or whether the transmission projects are dependent on the wind projects is also dubious. (Response 5-8.) Nowhere in its June 30, 2017, Application did Rocky Mountain Power state that reliance on front office transactions should be reduced and that the wind projects were necessary to do so. Nor did the Application make the claim that the

transmission project will need to be built by 2024 with or without the new wind projects, as the Company now claims in its latest filing. The Company has previously asserted that it has sufficient generation and market purchase capacity throughout 2025.[1] Even the Company admits it has changed some of its position with regards to these issues. (Response at 2, 6). The fact that the Company's position has evolved over time, and apparently is still evolving, demonstrates that the Company has not been consistent with these propositions, not that the contentions in the Moving Parties' Motion were incorrect.[2]

Evaluating a concept is far different from evaluating a concrete final proposal, particularly when rationales and benefit calculations continuously shift and the proposal is not final. At a minimum the Moving Parties need the requirements found in Utah Admin. Code r746-440-1(1) such as a "description of the Resource decision" and "[s]ufficient data, information, spreadsheets, and models to permit an analysis and verification of the conclusions reached and models used by the Energy utility." Without this information, it is not possible for

[1] Chapter 5, page 75 of the Company's 2017 IRP provides: "After accounting for load growth, coal unit retirement assumptions, and front-office transactions (FOT) availability, and after incorporating future energy efficiency savings, PacifiCorp's system planning reserves margin in summer and winter exceed the 13% target planning reserve margin for the period ending 2025."

[2] In addition, in its Response the Company erroneously characterizes statements and testimony from the Division. For example, the Company's reference to the Moving Parties' Motion mischaracterizes the filing and the testimony of Division witness Mr. Daniel Peaco. The motion does not say the transmission is no longer necessary and Mr. Peaco instead simply states that the transmission is no longer required by 2020. This is not the only mischaracterization by the Company. Mr. Peaco's testimony cited (Peaco Direct Testimony at lines 846-853) is simply a statement of the IRS requirements for determining the date that is defined to determine "placed in service." There is no opinion offered in this passage on the timing of the transmission projects Mr. Peaco's testimony states that the PTCs are at risk if the Transmission Projects are not complete by end of 2020 (Peaco Direct at lines 863-874), just the opposite of the assertion in the Company's response.

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the Moving Parties to discharge their statutory duties and sufficiently analyze this yet to be fully presented two-billion-dollar project. This fact, in and of itself, is ample justification for vacating the Scheduling Order.

Even with the Company's latest filing of supplemental and rebuttal testimony, we are left not knowing which wind projects might be finally selected, whether such wind projects will necessitate the use of newly constructed transmission facilities (*see, e.g.,* Uintah Wind Project), or whether any of the bids submitted by solar projects in response to the company's recently conducted Solar RFP process might obviate the need for aspects of the proposed transmission/wind combined project as initially proposed. While the Commission's Order Approving RFP With Suggested Modification issued on September 22, 2017 in the related Docket No. 17-035-23 provided approval for a modified RFP concerning the Company's proposed wind projects, that Order also contained specific guidance suggesting an RFP that would assess the possibility of large scale solar projects being used to meet the Company's identified generation needs.[3]

[3] In its September 22, 2017 Order the Commission stated:

> We are recommending that the RFP be modified to include solar resources that can interconnect at any point in PacifiCorp's system, rather than accepting PacifiCorp's offer to execute a second RFP for solar resources. We find that a second and separate RFP for solar resources, based on modeling inputs that would assume the construction of the proposed wind resource, would not accomplish the objective of comparing the proposed solar resources against the wind resources on an equal basis. Simply put, the question is not whether solar resources should be built in addition to the opposed wind resources. Rather, we find that the more relevant question is whether solar resources should be built instead of, before, or in conjunction with the proposed wind resources. A separate, subsequent RFP cannot answer that question due to the dynamic nature of generation and resource decisions. Ultimately, without the benefit of conclusive evidence regarding the current and actual costs to build and connect utility scale solar projects to

In response to this Commission's specific guidance, the Company commenced a solar RFP process. However, the results of that process have not, as yet, been incorporated into the analysis of the Company's proposed wind/transmission project analysis consistent with the suggestions made by this Commission. Either the directives of this Commission are being ignored or we are yet to see another major supplementation to this ever-evolving application. Procedural and timing issues related to the solar RFP process must be addressed by Rocky Mountain with this Commission prior to establishing another hearing date and related scheduling milestones.

Given that we are still without a final project to review, the Commission should not set hearing dates without a scheduling conference. At present we do not know when the "final" short list will be provided or what information and analysis will be presented in conjunction with the short list. In addition, the transmission interconnection information is still missing. Moreover, because the Solar RFP shortlist has not been presented and analyzed, some or all of the wind projects may not be the "least cost" resource as the Company asserts. Setting the hearing dates without further consultation among the Parties and without further information concerning when and under what conditions the final short list will be finalized is not justified by the Company's claim that such an approach is consistent with the statute or necessary for the completion of the project.

PacifiCorp's system, we believe the market would provide the best comparative result.

Order Approving RFP With Suggested Modification, Docket No. 17-035-23. (September 22, 2017, Utah P.S.C.)

While a 60-day delay in all scheduled deadlines may be sufficient to analyze the project, depending on when the short list is finalized, that is not what Rocky Mountain Power is proposing. Rather, the Company proposes that the target decision date be pushed back 60 days with a hearing date set for the 18th or 24th of April 2018. (Response at 8.) Under the Company's approach, the actual time allowed for the Moving Parties to propound discovery and prepare testimony must be agreed upon within this time frame. An Order setting the hearing dates without also setting the dates for discovery and testimony does not alleviate the real possibility that the schedule will not allow sufficient opportunity to analyze the new—and upcoming—submissions from the Company.

Indeed, because the Company did not include all workpapers with formulas intact with its supplemental filing the Parties have been forced to send discovery requests to obtain this information, delaying analysis of the Company's proposal for over a week. Conflicts with other state processes, witness availability, etc. may require the moving of the hearing date to allow the parties sufficient time to complete their analysis, particularly because the date of finalization of the short list is still unknown. Given these uncertainties, the parties should be allowed the opportunity to rework the remaining schedule at a scheduling conference without a hearing date imposed by Commission Order. This will ensure that Moving Parties have the ability to advocate sufficient time for fulfilling statutory duties and adequately reviewing a proposal of this magnitude. While the Company states "its resource decisions should be granted or denied on the merits and not by a procedural motion," it must be remembered that the Company alone chose when to file and what to include in its application. (Response at 2) (quotations omitted). Furthermore, if the Moving Parties have insufficient time to review the Company's analysis, the

answers are not likely to be to the Company's liking. The Moving Parties cannot testify that a given course of action is in the public interest without sufficient time to evaluate the proposition.

CONCLUSION

The record in this case presents too many uncertainties to set a hearing date by Commission Order without further consultations among the parties and without further information concerning the finalization of a short list. Accordingly, the Commission should grant the Moving Parties' motion and vacate the July 27, 2017 Scheduling Order and convene a scheduling conference to set all remaining dates.

Respectfully submitted, January 26, 2018.

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_/s/ Robert J. Moore___
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