

### **UIEC Data Request 2.3**

Referring to Rocky Mountain Power's response to DPU data request 19.1 regarding a "round robin" generation rotation scheme;

- (a) Please demonstrate and describe the reduction in estimated generation from the Combined Projects and loss in PTC value resulting from the "round robin" generation scheme.
- (b) Will such a "round robin" generation scheme require reduction of existing generation on the system? If so, please explain accomplish that reduction.
- (c) Please explain how Rocky Mountain Power has accounted for such lost generation of existing facilities as a result of the "round robin" generation scheme. Please provided documents and work papers.
- (d) Explain how Rocky Mountain Power proposes to protect rate payers from the lost value of the curtailed existing generation and the lost generation of the Combined Project, including but not limited to PTCs) from the "round robin" scheme.

### **Response to UIEC Data Request 2.3**

- (a) If the Company is in a situation where new wind turbine generators (WTG) are being commissioned on a constrained transmission system, a "round robin" generation rotation plan can be used to satisfy the production tax credit (PTC) requirement that power from the wind turbine be put onto the grid on a regular basis. The "round robin" plan would secure the long-term PTC benefits which are in place for the first 10 years a wind turbine is operational.

For example, a transmission system with 5,000 megawatts (MW) of capacity connected to 4,000 MW of generation capacity. Assume 2,000 MW of new wind generation capacity is added to the system on November 1<sup>st</sup> and then an additional 5,000 MW of transmission capacity is added on December 1<sup>st</sup>. For the month of November, there would be 6,000 MW of generation capacity competing for space on the transmission system that is limited to 5,000 MW. If all 6,000 MW of generation resources tried to produce at the same time for a full hour in November, 1,000 megawatt-hours (MWh) of generation would need to be curtailed. For Company-owned generation assets on a Company-owned transmission system, the Company grid operators have the ability to decide which generation assets are curtailed at which times. If the grid operators decided to curtail 1,000 MWh of wind generation that was PTC eligible, the Company would lose the value of the 1,000 MWh of wind generation and the PTC benefits related to the 1,000 MWh of wind generation due to the transmission constraints of the system.

In this demonstration, the “round robin” generation rotation plan would not prevent the loss of wind PTC benefits for MWh of wind generation that was curtailed during the month of November due to transmission constraints, however the “round robin” plan would secure the PTC benefits for the new wind equipment and allow them to capture the full benefit of the PTC value during the remaining nine years and 11 months of the first 10 years the equipment is in operation and is attached to an unconstrained transmission system.

Reductions in estimated generation for the Combined Projects would be dependent upon the sum of generation resources attached to the transmission system and the selection of which generation resources would be curtailed. Curtailments could also be reduced by coordinating maintenance activities that would take some generation resources offline for routine maintenance during times when new resources are being added to the transmission system.

- (b) The “round robin” plan would not require reduction of existing generation on the system, but grid operations would have the option to reduce the generation at existing facilities if such a decision was in the best interest of customers.
- (c) The “round robin” plan is an option that could be used in the event there is a substantial delay in the completion of the 500 kilovolts (kV) transmission system to secure the long-term PTC benefits of the Combined Projects. The “round robin” plan would be dependent upon multiple factors and a complete financial evaluation has not been undertaken at this point in time.
- (d) The Company’s planning for the option to use a “round robin” scheme of commissioning and integrating the Combined Projects, as set forth in its illustration in (a) above, will optimize the ability to comply with requirements necessary for maximizing the generation and tax benefits that otherwise would not be available.

Also, please refer to Ms. Crane’s supplemental direct and rebuttal testimony, lines 203-210, which states “The Company will take every precaution to ensure that the Wind Projects meet the requirements and timelines to qualify for full PTC benefits. While we do not believe it is appropriate for the Company to absorb risks beyond its control, we are prepared to accept risks associated with our performance. We are confident that we will complete the Combined Projects before the 2020 deadline”. Accordingly, the Company believes that planning for the potential use of a “round robin” scheme is an effective approach to optimize commissioning and integration.