

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Application of Rocky Mountain Power for Approval of a Significant Energy Resource Decision and Voluntary Request for Approval of Resource Decision	<u>DOCKET NO. 17-035-40</u> <u>ORDER ON REPORTING REQUIREMENTS</u>
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ISSUED: October 22, 2018

On August 31, 2018, PacifiCorp filed with the Public Service Commission of Utah (“PSC”) a proposed reporting system for information relating to its approved new wind and transmission projects (“Filing”). The Filing was made pursuant to the requirements of the PSC’s June 22, 2018 Order (“Order”) in this docket. On September 4, 2018, the PSC issued a Notice of Filing and Comment Period for interested parties to provide comments and reply comments on or before October 1, 2018, and October 15, 2018, respectively. On October 1, 2018, the Division of Public Utilities (“DPU”), the Office of Consumer Services (“OCS”), and Western Resource Advocates (“WRA”) filed comments, and on October 15, 2018, PacifiCorp filed reply comments.

In its Filing, PacifiCorp provided Table 1, summarizing its proposed reporting system along with additional details identified in the Order, and Attachment A, which shows the proposed level of reporting granularity. The Filing also identifies: 1) various filing requirements including reporting start date, frequency, and duration; 2) types of information which may be confidential; and 3) items that vary from the general proposal with an explanation of the rationale for the variance.

In its comments, the DPU states that it reviewed PacifiCorp’s proposed reporting requirements and recommends the PSC acknowledge them with certain recommendations. Specifically, the DPU recommends:

1. The duration of all reports be four years ending 2020 to 2023. Headings on all reports indicating number of months reporting if less than 12 months;
2. Final Project Costs (i): Add final budget numbers, budget variances, date of completion, and used and useful date of each project and amount or time variances;
3. Final Project Costs (i): Separate the total project cost for each project into its components. Components to have total costs, budgets, budget variances, dates completed, and used and useful dates also provided;
4. Final Project Costs (i): If successive years have true up amounts for total project cost, such cost will be added to prior reported balances and the new total at year end should agree with year-end accounting records. This would apply to the component breakout of costs as recommended by the DPU;
5. Production Tax Credit (ii): For each project, add columns showing the total number of generators for each project, the projected tax credit for each project, and the variance between actual and projected tax credits for each project;
6. Energy Benefit Report (iii): Add (Loss) to applicable headings;
7. Liquidated Damages Report (v): Add a date paid column and detailed explanation box or section;
8. Network Upgrades (vi): Provide each individual interconnection customer's costs per cost category that make up the total cost per category;
9. Wind Operations and Maintenance ("O&M") Costs (viii): For PacifiCorp Owned Projects, report break out each wind resource's total O&M costs for Scheduled Maintenance, Unscheduled Maintenance and Operations;
10. Renewable Energy Credit ("REC") Report (ix): Add additional information to the REC Report as shown in the DPU's Attachment I;
11. Provide Utah jurisdictional allocation amounts to all reporting requirements/reports.

According to the DPU, PacifiCorp's proposed reporting requirements are a step toward providing the requested information; however, changes to subsequent filings may be warranted to improve or correct the initial filing.

The OCS concurs with PacifiCorp's proposal to file the report annually on April 30 and its identification of confidential information. In its comments, the OCS recommends the PSC require that: 1) PacifiCorp submit the required report annually for ten years to cover the entire time period during which Production Tax Credits ("PTCs") will be applicable; 2) each report

include information about any payments for damages even when none are incurred; and 3) Attachment A be provided with intact formulae.

The OCS supports a 10-year reporting requirement because, among other things, PTCs were a major component in PacifiCorp's determination of the value of these resources to customers. In addition, while not included in PacifiCorp's economic analysis, additional value will be obtained from the incremental RECs generated by the new resources. A 10-year reporting requirement would match PacifiCorp's eligibility to receive PTCs. The OCS adds if at some point during those ten years PacifiCorp or any party can demonstrate that the reports are no longer necessary or beneficial, it can petition the PSC to eliminate the requirement.

In its comments, WRA provides a recommendation specifically related to PacifiCorp's proposed reporting treatment for the realized value of RECs sold associated with the generation from wind projects. WRA supports PacifiCorp's proposal to include, on a project level basis, the number of RECs sold, REC vintage, REC price, and REC revenue in its annual report. WRA recommends PacifiCorp also provide on the same basis the entities to whom RECs were sold, as well as whether any RECs were retired (instead of sold), and on whose behalf they were retired. WRA believes this information will provide a more complete picture of the disposition of the renewable attributes of the wind projects, their value to PacifiCorp ratepayers, and insight into the projects' contribution to compliance with state renewable portfolio standards. Further, WRA believes this information can help assure the renewable attributes are not double-counted, or double-claimed, which could present a liability risk to PacifiCorp associated with those sales.

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In its reply comments, PacifiCorp agreed to make all changes recommended by the DPU, the OCS, and WRA, with the exception of the DPU's recommendation 9, and the OCS's recommendation 1, noted above. In response to the DPU's recommendation 9, PacifiCorp states it will not have the information at this level of detail because the O&M work will be conducted under a single service contract which cannot be readily separated in a meaningful way. In response to the OCS's recommendation 1, PacifiCorp believes that the four years proposed by the DPU is adequate at this time and requests the PSC defer the possibility of additional reporting until closer to the end of the four-year reporting period.

In its reply comments, PacifiCorp also provided additional clarification for a few of the recommendations it is accepting. Specifically, PacifiCorp made the following four changes: 1) Final Project Costs tab i: PacifiCorp added the component categories Initial capital, AFUDC, Property Tax During CWIP, Transaction Costs, and Construction Management Costs. With inclusion of the additional detail in the report, PacifiCorp now believes this section will be confidential. 2) Production Tax Credits tab ii: PacifiCorp added "at preapproval filing" to the projection column and added an additional column for the projections at the time of commercial operation. 3) Wind O&M tab viii: PacifiCorp removed the references to scheduled and unscheduled maintenance since that detail is not available. 4) RECs tab ix: PacifiCorp added a column for "Entity" to the first table, as recommended by WRA. PacifiCorp notes that in its original reporting proposal, item 1 ((i) Final Project Costs) was identified as being non-confidential after the first report.

FINDINGS AND CONCLUSIONS

With the exception of two unresolved issues, we find PacifiCorp's reporting proposal, as amended and clarified in its reply comments, complies with the requirements of our Order and addresses parties' requests for additional information. With respect to the DPU's recommendation 9 requesting wind resource O&M data for each unit, we find PacifiCorp's explanation that it will not have the information at the requested level of detail due to the nature of the service contract reasonable. Consequently, we do not adopt this DPU recommendation.

With respect to the OCS's recommendation regarding a 10-year reporting duration, we find the OCS's proposal better corresponds with the length of the availability of PTCs, the value of which was one of the supporting pillars of PacifiCorp's economic analysis of the new wind and transmission projects. In addition, this information will be useful in future dockets where similar circumstances may exist. Therefore, we adopt the OCS's proposal for a 10-year reporting duration. If at some point during those ten years any party can demonstrate that the reports are no longer necessary or beneficial, it can petition the PSC to eliminate the requirement.

ORDER

We approve PacifiCorp's reporting proposal as modified and clarified in its reply comments with the exception that annual reporting will continue for a duration of ten years, to align with the full period of PTC eligibility.

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DATED at Salt Lake City, Utah, October 22, 2018.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg

PSC Secretary

DW#305130

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on October 22, 2018, a true and correct copy of the foregoing was delivered upon the following as indicated below:

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