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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 Request to Construct Wind Resource and Transmission Facilities

Docket No. 17-035-40

UAE'S REDACTED INITIAL COMMENTS ON ROCKY MOUNTAIN POWER'S NEW WIND AND TRANSMISSION REPORT

Pursuant to the May 3, 2021 Notice of Filing and Comment period issued by the Commission in this docket, the Utah Association of Energy Users ("UAE") hereby submits the following Confidential comments regarding the New Wind and Transmission Report ("Report") filed April 29, 2021 by Rocky Mountain Power ("RMP" or "Company").

RMP's Report consists of a spreadsheet containing multiple tabs, some of which contain confidential information. UAE's comments regarding the Report are organized by and correspond to the tabs in the Report. Comments regarding the tabs containing Confidential information are treated as confidential and will be redacted in a public filing.

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(i) Final Project Costs (CONFIDENTIAL)

¹ RMP combined the TB Flats I and II projects into a single project in its Second Supplemental Direct Testimony in the pre-approval portion of this docket. *See, e.g.*, Second Supplemental Direct Testimony of Chad A. Teply (Aug. 31, 2018) at line 33 ("TB Flats I and II (combined into single project))."



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² Direct Testimony of Rick A. Vail (June 30, 2017) at lines 50-51.
³ Id. at lines 290-292.

(ii) **PTC Benefits**

This portion of the Report provides information related to the realized PTC benefits of each Company-owned Wind Project. The information presented in this section includes Total Company and Utah allocated numbers for PTC benefits. UAE's comments will refer to the Total Company numbers.

UAE notes that there is significant variance in the actual realized PTC benefits for each project than from the projected tax credits for each project. The tax credits for the Cedar Springs BTA are approximately 17 times higher than the benefits projected in the pre-approval portion of this docket. Conversely, the tax credits for Ekola Flats are 86% below the benefits projected, and the tax credits for TB Flats are 95% below the benefits projected. UAE understands that delays associated with placing the TB Flats project in service may explain some of this variance for that project, but those delays do not appear to explain all of the variance. The data for individual circuits provided for the Ekola Flats and TB Flats projects indicates that some circuits provide more PTC benefits than others. That could be a result of circuits having different numbers of generators, but that information is not made available.

UAE respectfully requests that the Commission direct the Company to identify the number of generators on each circuit when circuit information is available. UAE further requests that the Commission direct the Company to explain the significant variation in actual PTC benefits provided as compared to the benefits projected during the pre-approval portion of this docket.

(iii) Energy Benefits

This portion of the Report provides information related to the realized net power cost benefits of each Company-owned Wind Project. The NPC calculations provided in this tab utilize the same calculations for Incremental Generation and NPC Incremental Savings that the Company used in the pre-approval portion of this docket.⁴ The calculations are useful to understand how the

⁴ See, e.g., Exhibit RMP (JRS-4SS).

Company determines the NPC benefits of each project, but additional information would be welcome. In particular, additional information regarding a comparison of the NPC benefits resulting from each Wind Project with the NPC benefits projected in the pre-approval portion of this docket would be useful. In particular, the distinction between energy production during low load hours ("LLH") and heavy load hours ("HLH") would be more meaningful if the Company identified what the LLH and HLH hours are during the period in question. This information could help to provide context for the distinction between the two categories, particularly given the relatively small difference between the HLH Monthly Market Price and the LLH Monthly Market Price. UAE respectfully requests that the Commission direct the Company to identify the HLH and LLH hours in this tab in future Reports.

(viii) Wind O&M

This portion of the Report provides information related to the O&M costs associated with each Wind Project. The information presented in this tab indicate vastly different O&M costs for each of the Wind Projects. The O&M costs for Cedar Springs are approximately 10 times the costs for Ekloa Flats and approximately 100 times the O&M costs for TB Flats. The differences in costs between projects persist even when comparing these costs on a per MWH basis. Dividing the O&M Costs for each project by the project's total generation as presented in column D in Tab (ii) "PTC Benefits" shows O&M costs on a per MWh basis as follows:

Cedar Springs –	\$1.60/MWh
Ekola Flats –	\$0.12/MWh
TB Flats –	\$0.03/MWh

UAE respectfully requests that the Commission direct the Company to explain the reasons for the difference in O&M costs for each Wind Project.

CONCLUSION

Consistent with the foregoing, UAE respectfully requests that the Commission direct the Company to provide the following information:

(i) Final Costs -

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(ii) <u>PTC Benefits</u>

- Identify the number of generators on each circuit for each Wind Project; and
- Explain the significant variation in actual PTC benefits provided as compared to the benefits projected during the pre-approval portion of this docket.

(iii) Energy Benefits

- Identify the HLH and LLH hours.
- (viii) <u>Wind O&M</u>
 - Explain the difference in O&M costs between Wind Projects

DATED this 2nd day of June 2021.

Respectfully submitted,

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By:

Phillip J. Russell JAMES DODGE RUSSELL & STEPHENS, P.C. Attorneys for UAE

Certificate of Service **Docket No. 17-035-40**

I hereby certify that a true and correct copy of the foregoing was served by email this 2nd day of June 2021 on the following:

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