

- 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</u>
--	---

ISSUED: September 8, 2023

1. Procedural History and Background.

On May 24, 2023, Rocky Mountain Power (RMP) filed its New Wind and Transmission Report for Calendar Year 2022 (“2022 Report”) with the Public Service Commission (PSC). RMP submitted the 2022 Report in accordance with the PSC’s orders issued in this docket on June 22, 2018, October 22, 2018, and July 21, 2021 (collectively, the “Gateway W&T Reporting Orders”). The Gateway W&T Reporting Orders include certain reporting requirements pertaining to the new wind and transmission projects,¹ including the substance of the materials to be reported, formatting structure, granularity, and timing.

On July 25, 2023, the Division of Public Utilities (DPU) and the Office of Consumer Services (OCS) filed comments, individually referred to as the “DPU Comments” and the “OCS Comments,” respectively. On August 8, 2023, the PSC received reply comments from (1) RMP (the “RMP Reply Comments”), including a confidential Updated 2022 Report, and (2) OCS (the “OCS Reply Comments”). DPU and

¹ The combined projects were approved as part of RMP’s Energy Vision 2020 (EV2020), coincident with approval of its Wind Repowering projects in Docket No. 17-035-39.

OCS state the 2022 Report generally complies with the Gateway W&T Reporting Orders and each recommends enhancements to the annual report going forward.

2. DPU Recommendations.

DPU recommends the following: (1) RMP include thorough footnotes to explain or clarify important numbers and the methodology of their calculations; (2) RMP consistently calculate reported numbers throughout the document whenever possible; (3) the PSC update reporting requirements to include the report's newly approved May 25 due date; (4) the PSC consider assessing which parts of the report should be deemed confidential; and (5) RMP add the project costs that were included in the last general rate case ("GRC") to the report as a relevant point of comparison. DPU also states the 2022 Report contained a formula error in Tab (i) in cell C131.

3. OCS Recommendations.

OCS states the 2022 Report lacks adequate explanation for variances and reporting period detail and, therefore, that RMP would enhance the report by including such explanations when the report is filed rather than in reply to comments or discovery. OCS Comments requested further explanation from RMP related to (1) the final project variances under Tab (i); (2) the large negative variance for PTC benefits under Tab (ii); (3) the large positive variance for energy benefits under Tab (iii); and (4) the reason wholesale transmission customers' contribution toward cost of transmission facilities was higher than forecast under Tab (iv). OCS recommends RMP

include a baseline to compare actual Wind O&M costs such as original forecast and amounts used in the last GRC under Tab (viii).

4. RMP Reply Comments.

In reply to DPU Comments, RMP included an Updated 2022 Report, correcting the formula error described in the DPU Comments and re-designating certain non-confidential tabs as confidential. RMP committed to continuing to file the report in its native form as a Confidential Excel file spanning all the report tabs and ensuring that the non-confidential information is accessible to the public.

In reply to OCS Comments, RMP included a summary of the final project costs compared to the projected project costs at the time of approval in Table 2 and explains that on a total budget basis actual costs were 0.4 percent higher than forecast. RMP also explains that after grossing up actual PTCs for comparability, the 11 percent difference in PTCs is mostly attributable to Cedar Springs and TB Flats wind projects. RMP further explains extreme weather events and other factors impacted this reporting year, 2022. RMP states higher market prices result in the value of energy produced by the wind projects to increase substantially.² Regarding transmission, RMP explained the percentage of revenues from third-party wholesale

² RMP Reply Comments at 5. RMP discusses detailed information regarding specific project overages in greater detail in Docket No. 20-035-04, *Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations* and Docket No. 21-035-42, *Rocky Mountain Power's Application for Alternative Cost Recovery for Major Plant Additions of the Pryor Mountain and TB Flats Wind Projects*.

transmission customers has steadily increased, primarily driven by an increase in the percentage of third-party long-term point-to-point and network transmission revenues when compared to RMP's own use.³ RMP agrees with OCS that a baseline would be a beneficial addition to the Report and included the projections that were used at the time of preapproval in the Updated 2022 Report.

RMP opposes recommendations to include project costs from a prior GRC or other proceedings because this would exceed the report's scope. RMP states that trying to anticipate which areas the parties believe would benefit from additional detail would be overly burdensome and result in an excessively voluminous report. Instead, RMP recommends parties obtain any additional information on any aspect of the report by submitting discovery or by informally contacting RMP.

5. Analysis, Findings of Fact, and Conclusions of Law.

The PSC finds this proceeding provided parties adequate opportunity to request and receive additional information or clarifications on the 2022 Report. We further find the existing process is more efficient than requiring RMP to expand the report to contain analysis contrasting the report's information with information already available to OCS and DPU, e.g. information from RMP's last GRC.

³ RMP explains that third-party, long-term point-to-point (PTP) capacity increased almost 49 percent from 2017 to 2021, and RMP terminated 24 percent of its long-term PTP capacity during that time. From 2021 to 2022, RMP terminated approximately 27 percent of its long-term PTP capacity, while third-party, long-term PTP capacity increased by almost 4.6 percent.

In sum, the PSC concludes RMP's recommendation that it supplement future reports through ongoing informal discovery or data requests is reasonable and efficient. The PSC encourages RMP to continue making reasonable efforts to enhance the report's utility in conjunction with the input received from DPU and OCS. The PSC declines to impose any new or additional reporting requirements beyond those RMP has voluntarily accepted in this docket.

With respect to the 2022 Report, based on the PSC's review of the 2022 Report, Updated 2022 Report, DPU's Comments, OCS's Comments, and Reply Comments from RMP and OCS, the PSC finds RMP has complied with the existing reporting requirements.

6. Order.

The PSC acknowledges RMP's 2022 Report, as updated in its August 8, 2023 filing, substantially complies with the Gateway W&T Reporting Orders.

DATED at Salt Lake City, Utah, September 8, 2023.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ John S. Harvey, Ph.D., Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#329727

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 30 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 September 8, 2023, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Email:

Data Request Response Center (datareq@pacificorp.com, utahdockets@pacificorp.com)
PacifiCorp

Jana Saba (jana.saba@pacificorp.com)
Rocky Mountain Power

Karen J. Kruse (karen.kruse@pacificorp.com)
Pacific Power

Katherine McDowell (katherine@mrg-law.com)
Adam Lowney (adam@mrg-law.com)
McDowell Rackner Gibson PC

Gary A. Dodge (gdodge@jdrslaw.com)
Phillip J. Russell (prussell@jdrslaw.com)
Utah Association of Energy Users

Peter J. Mattheis (pjm@smxblaw.com)
Eric J. Lacey (ejl@smxblaw.com)
Stone Mattheis Xenopoulous & Brew, P.C.

Jeremy R. Cook (jcook@cohnekinghorn.com)
Cohne Kinghorn

Mitch M. Longson (mlongson@mc2b.com)
Manning Curtis Bradshaw & Bednar PLLC

Lisa Tormoen Hickey (lisahickey@newlawgroup.com)
Tormoen Hickey LLC

Kate Bowman (kate@utahcleanenergy.org)
Hunter Holman (hunter@utahcleanenergy.org)
Utah Clean Energy

William J. Evans (bevans@parsonsbehle.com)
Vicki M. Baldwin (vbaldwin@parsonsbehle.com)
Chad C. Baker (cbaker@parsonsbehle.com)
UIEC, Parsons Behle & Latimer

Nancy Kelly (nkelly@westernresources.org)
Sophie Hayes (sophie.hayes@westernresources.org)
Western Resource Advocates

Patricia Schmid (pschmid@agutah.gov)
Patrick Grecu (pgrecu@agutah.gov)
Robert Moore (rmoore@agutah.gov)
Assistant Utah Attorneys General

Madison Galt (mgalt@utah.gov)
Division of Public Utilities

Alyson Anderson (akanderson@utah.gov)
Bela Vastag (bvastag@utah.gov)
Alex Ware (aware@utah.gov)
Jacob Zachary (jzachary@utah.gov)
(ocs@utah.gov)
Office of Consumer Services

Administrative Assistant