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UTAH DEPARTMENT OF COMMERCE

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To: The Public Service Commission of Utah

From: The Office of Consumer Services

Michele Beck, Director
Béla Vastag, Utility Technical Consultant

Date: July 21, 2025

Subject: Docket No. 17-035-40 – OCS Comments

Application of Rocky Mountain Power for Approval of a Significant Energy Resource Decision and Voluntary Request for Approval of Resource Decision

New Wind and Transmission Report for Calendar Year 2024

REDACTED VERSION

INTRODUCTION

On May 22, 2025, Rocky Mountain Power ("RMP") filed its calendar year 2024 New Wind and Transmission Report ("Report") with the Utah Public Service Commission ("PSC") as required by the PSC's June 22, 2018 and October 22, 2018 Orders in this docket. On May 23, 2025, the PSC issued a Notice of Filing and Comment Period that set a deadline of July 21, 2025 for parties to file initial comments and August 5, 2025 for reply comments on RMP's Calendar Year 2024 Report.

Accordingly, the Utah Office of Consumer Services ("OCS") submits the following comments on RMP's 2024 Report.

BACKGROUND ON RMP'S REPORTING REQUIREMENTS IN THIS DOCKET

The PSC's June 22, 2018 Order approving PacifiCorp's resource decision to acquire new wind and transmission projects also included certain reporting requirements for RMP. A subsequent Order on October 22, 2018 required that a report containing 10 specific information items be filed annually for a 10-year duration matching the period over which PacifiCorp would be collecting the production tax credits ("PTCs") generated by the proposed new wind projects which were located in Wyoming. Wind farm capacity factors in Wyoming are generally expected to be much higher than in other areas of PacifiCorp's service territory, enabling these wind farms to generate more energy, and thus more PTCs. The PTCs, and therefore the capacity factors, were important components of RMP's economic modeling of the wind projects.

The PSC's August 2022 Order on RMP's 2021 New Wind and Transmission Report granted RMP's request to move the filing date of the report from April 30 to May 25 of each year to accommodate when transmission related data would be available.

OFFICE OF CONSUMER SERVICES COMMENTS

The OCS has reviewed RMP's 2024 New Wind and Transmission Report which was provided as Attachment 1 to RMP's May 22, 2025 filing. Based on our review, the Report appears to comply with the PSC's October 2018 Order on reporting requirements.

Heeding past guidance from the PSC, parties need to document and explain variances from the original forecasts and provide other important details in our comments and reply comments. For past reports, RMP has stated that including explanations on variances within the report itself would be overly burdensome and nearly impossible to achieve without making the report voluminous.[1] However, RMP has committed to working with parties to provide additional information through discovery and informal discussions and requests.[2] Based on RMP's commitment, the PSC has declined to impose any new or additional reporting requirements in this docket[3], i.e. requiring RMP to include explanations of variances within the report itself.

Therefore, as in past comments on this annual report, the OCS continues to highlight an important issue concerning the wind projects which is not specifically identified or explained in RMP's annual report. As shown in the table below, the actual capacity factors for the three wind projects are substantially lower than forecasted in RMP's original analyses in 2017 and 2018 in this docket.[4] Actual capacity factors for 2024 for

[1] Docket No. 17-035-40, PSC Order, October 3, 2024, page 4.
[2] Id, page 5.
[3] Id., page5.
[4] Actual capacity factors for 2023 and 2022 were calculated by the OCS using data from tab (ii) PTC Benefits of RMP's CY 2023 and 2022 Reports while 2024 capacity factors were calculated using data from tab (iii) Energy Benefits of RMP's CY 2024 Report.

the three wind farms, Cedar Springs, Ekola Flats and TB Flats are [redacted] respectively, below their original forecasts.

Total MW	Wind Farm	Average Annual Capacity Factors: 2024 Actual	2023 Actual	2022 Actual	Original Forecast	2020 GRC[5]	2024 GRC[5]
200.0	Cedar Springs	[redacted]					
250.9	Ekola Flats						
503.2	TB Flats						

When RMP filed its application for Approval of a Significant Energy Resource Decision in June of 2017 and then updated its filing three times, in 2018, the wind farm capacity factors were a key component of the company's analysis that showed that acquiring these new resources were beneficial for ratepayers. The OCS believes that one of the purposes of these annual New Wind and Transmission Reports is to compare the forecasted performance with actual results to provide parties information that would be useful in evaluating future Energy Resource Decision filings.

OCS data request ("DR") 18.1(b) asked RMP to "explain the reasons why the 2024 capacity factors are lower than forecasted." RMP responded as follows:

> "*The CF projections developed for the purposes of Public Service Commission of Utah (UPSC) approval to proceed with the acquisition and construction of these wind projects reflect the output expected from the resources over a long time period and under conditions in which they are operating independently from other system resources. Operation of these wind projects within a broader system of generation resources impose different operating restrictions in which broader system costs are optimized in a grid that has evolved significantly since the pre-construction forecasts were performed in 2018, which considered the wind projects operating in isolation from the system. Optimizing generation resources across the grid results in curtailments being a significant cause of variances of 2024 CFs from pre-construction forecasts. Other factors include wind speed variances and faulted turbines.*"

[5] Capacity factors listed from the 2020 and 2024 general rate cases ("GRC") are for the test year of each rate case. Note that capacity factors for the 2020 GRC were optimistic but now for the 2024 GRC, capacity factors are well below what was forecasted in the original 2017 application.

For the PSC's and other parties' convenience, RMP's responses to OCS DR Set #18 are attached at the end of these comments.

The Division of Public Utilities ("DPU") discovery request, DPU DR 35.4, asked if there were any curtailments for 2024 that exceeded 1 MWh. RMP responded with the following:

Please refer to the table below which provides approximate calendar year 2024 total economic curtailments for Cedar Springs Wind II (BTA), Ekola Flats Wind and TB Flats Wind:

	Cedar Springs II	TB Flats	Ekola Flats
2024 Total MWh	-26,977	-53,448	-4,895

Based on the forecasted capacity factors from RMP's application in 2017/2018, the MWh of curtailments shown in the table above amount to a [redacted] reduction in Cedar Springs, TB Flats and Ekola Flats predicted energy production, respectively. Therefore, these curtailments do not come close to fully explaining the significantly lower actual production in 2024 (i.e. [redacted] as shown above) from what was forecasted for these three wind farms.

CONCLUSION

RMP's annual New Wind and Transmission Report continues to show that based on the capacity factors, the EV 2020 wind projects are performing significantly below what was forecasted in RMP's 2017 Significant Energy Resource Decision application; however, the OCS finds that the 2024 Report appears to comply with the PSC's October 2018 Order on reporting requirements.

cc:
Max Backlund, Jana Saba, Rocky Mountain Power
Chris Parker, Division of Public Utilities

OCS Data Request 18.1

RMP Attachment 1 – RMP's New Wind and Transmission Report for CY 2024 filed on May 22, 2025 in this docket. Using the MWh Generation listed in Tab (iii) of the 2024 Report, the OCS calculated 2024 capacity factors for Cedar Springs, Ekola Flats and TB Flats. To assist the OCS's review of the 2024 actual capacity factors, please provide:

(a) The capacity factors assumed in RMPs last general rate case, in Docket No. 24-035-04, for CY 2024 and 2025 for these three wind projects. Alternatively, please point the OCS to where in the Company's 24-035-04 filing that these capacity factors can be found.

(b) The average capacity factors in 2024 for these three wind projects were considerably lower than the capacity factor projections at the time of preapproval for these projects. Please explain the reasons why the 2024 capacity factors are lower than forecasted. In the explanation, please include the reasons the Company provided for lower 2023 capacity factors and explain if these factors (lower wind speeds, unscheduled flows, faulted turbines, supply chain issues, curtailments) were or were not an issue with the lower 2024 capacity factors.

Response to OCS Data Request 18.1

(a) The Company clarifies that the 2025 general rate case (GRC), Docket No. 24-035-04 used a forecast period of calendar year 2025. Therefore, capacity factors (CF) for calendar year 2024 from the 2025 GRC, Docket No. 24-035-04, are not available. The Company further clarifies that the relevant owned wind resources relevant to this request are (1) Cedar Springs Wind II (BTA), (2) Ekola Flats Wind, and (3) TB Flats Wind. With the foregoing clarifications, the Company responds as follows:

Please refer to Confidential Attachment OCS 18.1, specifically confidential file "UT_GRC_2025 CONF.xlsm", tabs "NPC Summary" and "ResourceMonth".

- On tab "ResourceMonth", use column G (Nameplate Capacity) to identify the installed capacity for each of the resources listed above. Note: combine the nameplate capacities of TB Flats I and TB Flats II to get the total capacity for TB Flats.

  Use the following names for each corresponding resource in column B:

  Cedar Springs – WD_Cedar Springs_P
  TB Flats – WD_TB Flats I & WD_TB Flats II
  Ekola Flats – WD_Ekola Flats

- On tab "NPC Summary", locate the total annual generation (megawatts-hours (MWh)) for each resource by using the following names:

  Ekola Flats Wind, Cedar Springs Wind, and TB Flats Wind

The CF for each wind project can be calculated using the formula:

Capacity Factor = Total Generation (MWh) / (Nameplate Capacity (MW) times 8,760)

With the instructions set out above, forecasted CFs can be derived for Cedar Springs Wind II (BTA), Ekola Flats Wind, and TB Flats Wind for calendar year 2025 based on the Company's filed data from GRC Docket No. 24-035-04.

Note: PacifiCorp files wind resource generation summary reports with each Semi-Annual Results of Operations (ROO) report with the Public Service Commission of Utah (UPSC). Therefore, please also refer to the wind resource generation summary report filed with the Company's December 2024 Semi-Annual ROO in Docket 25-035-04 (PacifiCorp's Financial Reports 2025). For ease of reference, please refer to Confidential Attachment OCS 18.1 which provides a copy of PacifiCorp's calendar year 2024 Wind Resource Generation Summary report filed in Docket 25-035-04.

(b) The CF projections developed for the purposes of Public Service Commission of Utah (UPSC) approval to proceed with the acquisition and construction of these wind projects reflect the output expected from the resources over a long time period and under conditions in which they are operating independently from other system resources. Operation of these wind projects within a broader system of generation resources impose different operating restrictions in which broader system costs are optimized in a grid that has evolved significantly since the pre-construction forecasts were performed in 2018, which considered the wind projects operating in isolation from the system. Optimizing generation resources across the grid results in curtailments being a significant cause of variances of 2024 CFs from pre-construction forecasts. Other factors include wind speed variances and faulted turbines.

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OCS Data Request 18.2

RMP Attachment 1 – RMP's New Wind and Transmission Report for CY 2024 filed on May 22, 2025 in this docket. Refer to Tab (iv) Transmission Costs. Line 1, Annual Transmission Revenue Requirement in 2024 dropped to $573,966,174 from $668,484,201 in 2023. This is a 14% decrease. Please explain the reasons for this large decrease. In addition, please discuss and quantify any categories of the revenue requirement that saw large increases from 2023 to 2024.

Response to OCS Data Request 18.2

The primary driver to the large drop in the revenue requirement in 2024 from 2023 based on comparisons between the 2024 formula rate true-up compared to the 2023 formula rate true-up as posted on the Open Access Same-Time Information System (OASIS) is approximately $1.3 billion reduction in administrative and general (A&G) expenses. This decrease is the result of lower 2024 wildfire accruals compared to the accruals recorded in 2023. In addition, revenue credits in 2024 increased approximately $40.2 million compared to 2023, which reduces the annual revenue requirement, primarily due to increases in short-term revenue credits and lower rate base, resulting in a smaller revenue requirement benefit on rate base.

Partially offsetting the decreases to the annual revenue requirement is higher rate base in 2024 of approximately $492 million, higher depreciation expense of approximately $7.2 million, higher income taxes of $12.8 million increasing the revenue requirement and higher interest on network upgrade facilities of approximately $4.7 million.

OCS Data Request 18.3

RMP Attachment 1 – RMP's New Wind and Transmission Report for CY 2024 filed on May 22, 2025 in this docket. Refer to Tab (viii) of the 2024 Report, Wind O&M Costs for Cedar Springs, Ekola Flats and TB Flats. Please provide:

(a) The amount of O&M for each project in 2024 that was capitalized. Please provide a table similar to the one in Tab (viii) that includes columns for Expensed O&M and Capitalized O&M.

(b) The wind O&M costs assumed in RMPs last general rate case, in Docket No. 24-035-04, for these three projects. Please break out by amounts expensed versus capitalized.

(c) For each wind project's total 2024 O&M (both expensed and capitalized), please breakout the dollar amounts into major categories or types of maintenance performed, for example (but not limited to) inspections, blade repair, gearbox maintenance or replacement, generator maintenance or replacement, etc.

Response to OCS Data Request 18.3

Referencing the Company's compliance filing for calendar year 2024, specifically confidential file "17-035-40 RMP PROPRIETARY Attachment 1 for 2024 5.23.25", tab "(viii) wind O&M", the Company responds as follow:

(a) None of the O&M amounts in the referenced table were capitalized. The values provided in the table are operations and maintenance (O&M) costs.

(b) None of the O&M amounts in the 2024 general rate case (GRC) proceeding, Docket 24-035-04, were capitalized. The values provided are O&M costs.

	2025 Utah GRC
EKOLA FLATS WIND PLANT	$ 3,111,375
TB FLATS WIND PLANT	$ 6,817,120
CEDAR SPRINGS WIND PLANT	$ 4,067,041
TOTAL	$ 13,995,535

(c) Please refer to Confidential Attachment OCS 18.3 which provides O&M costs according to FERC Account categories.

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