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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

Application of Rocky Mountain Power for Approval of Power Purchase Agreement between PacifiCorp and Monticello Wind Farm, LLC	Docket No. 17-035-68
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MOTION OF MONTICELLO WIND FARM, LLC TO TOLL INTERCONNECTION SECURITY POSTING PENDING FINAL ORDER ON PURPA CONTRACTING

Pursuant to Rule R746-1-301 of the Utah Administrative Code, Monticello Wind Farm, LLC (“Monticello”) hereby submits this Motion to Toll the Interconnection Security Posting until such time as the State of Utah Public Service Commission (“PSC”) has issued a final order adjudicating Rocky Mountain Power’s (“RMP”) obligation to purchase the output from the Monticello wind farm pursuant to the Public Utility Regulatory Policies Act of 1978 (“PURPA”) (the “Tolling Request”).¹ For the reasons discussed below, Monticello respectfully requests that the PSC consider the Tolling Request in conjunction with the considerations under review with regards to the Power Purchase

¹ If the Commission determines that responses to this Motion will aid in its decision-making or contribute to the record, Monticello respectfully requests a deviation pursuant to R746-1-109 in order to shorten the standard timeframe for responses set forth in R746-1-301. This deviation is consistent with the public interest in that it ensures administrative efficiency, preserves resources of the Commission, and ensures that PURPA is properly administered in the state.

Agreement (“PPA”) so to further administrative efficiency and ensure that all claims are heard by the regulatory body with the full understanding of the contractual and non-contractual relationships between the parties.

The PSC administers PURPA and a similar Utah statute that require RMP to purchase electricity from QFs.² Since 2012, Monticello has attempted to obtain a contract with RMP providing for rates, terms, and conditions for delivery of energy and capacity over a specified term based on avoided costs calculated at the time the legally enforceable obligation is incurred. After substantial litigation, on December 13, 2017, Kyle Moore, Originator/Power Marketer for RMP signed the PPA with Monticello. While Monticello has faced similar obstacles with regards to the interconnection, Monticello was able to obtain and execute a Large Generator Interconnection Agreement (“LGIA”) for the project in 2014, with such agreement updated in 2017. Monticello holds position Q420.

While PacifiCorp has managed the interconnection of Monticello’s project under its Open Access Transmission Tariff (“OATT”) as FERC has clearly held, “[w]hen an electric utility is obligated to interconnect under Section 292.303 of the Commission’s Regulations, that is, when it purchases the QF’s total output, the relevant state authority exercises authority over the interconnection and the allocation of interconnection costs.”³ Monticello requests that the PSC, in the interest of administrative efficiency and the lawful administration of PURPA, relieve Monticello of the obligation to post the financial security required to maintain Queue Position 420 until such

² Utah Code § 54-12-2; 16 U.S.C. § 824a-3.

³ *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, 104 FERC ¶ 61,103, P 814 (2003).

time as the PSC has issued an order adjudicating the rates, terms, and conditions under which RMP must purchase the output from Monticello.

Section 11.5 of the LGIA provides that Monticello must post financial security “At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades . . .”⁴ When Monticello updated the LGIA, Monticello was under the impression that RMP would actively defend the PPA before the PSC and work towards an expedited schedule of approval. Monticello reasonably believed that RMP would have received approval of its contractual submission on or before July 15, 2018.

Given the delay in the proceedings and lack of action by RMP, Monticello respectfully requests that the PSC toll the parties’ agreed-upon posting date of July 15, 2018. Based upon a review of the work necessary to construct Transmission Provider’s Interconnection Facilities, Network Upgrades, or Distribution Upgrades, it appears that a more reasonable date for financial security posting is October 31, 2018. Should RMP need to undertake the procurement of long-lead time items or engage in advanced design work in order to satisfy the in-service date in Q4 2020, RMP should be required to provide the date on which it plans to begin work and identify with specificity the work that gives rise to the need for a financial security posting.

Tolling the requirement in LGIA Section 11.5 and Appendix B is consistent with the letter and spirit of PURPA’s mandatory interconnection standards set forth in 18 C.F.R. § 292.303 as well as FERC’s Large Generator Interconnection Process (“LGIP”). FERC designed the LGIP and LGIA as a means to “prevent undue discrimination, preserve reliability, increase energy supply, and

⁴ LGIA Section 11.5

lower wholesale prices for customers by increasing the number and variety of generation resources competing in wholesale electricity markets while ensuring that the reliability of the Transmission System is protected.”⁵ As FERC recognized “issues will arise that are not covered by the LGIP and LGIA. When that happens, we expect the Parties to follow the spirit of Order No. 2003 and to deal with one another in good faith.”⁶ As the Division of Public Utilities (“DPU”) has explained, avoided cost pricing reflects financial impacts of purchasing QF energy,⁷ including the cost to interconnect the QF into RMP’s system, and thus it would be inappropriate for this Commission to allow RMP to collect deposits from QF interconnection customers where RMP does not intend to purchase the full output of the QF facility.

Monticello has made a good faith request of RMP to reach agreement on this issue, but RMP has denied this reasonable request and has instead proposed to move the planned operation date of the interconnection facilities past the Q4 2020 planned in-service date. While Monticello acknowledges that RMP could be undertaking routine maintenance or studies in and around the area of the interconnection, it does not appear that any specific action must be undertaken by RMP until November 30, 2018 to remain on schedule with the LGIA’s Q4 2020 in-service date. Accordingly, Monticello respectfully requests that the PSC toll the requirement to post the financial security set forth in Section 11.5 and Appendix B of the LGIA until a final order has been issued on the proper administration of RMP’s obligation to purchase the output of Monticello’s facility.⁸ Alternatively, Monticello requests that the PSC require RMP to show cause and identify with specificity the

⁵ Order No. 2003 at P 3.

⁶ *Id.* at P 4.

⁷ *See, e.g.*, Comments of the Utah Division of Public Utilities, Docket No. 17-035-25 (June 1, 2017).

⁸ *Compare* Reply Comments of Glen Canyon Solar, Docket No 17-035-25 (June 14, 2017).

procurement, installation, or construction” activities it will undertake before November 30, 2018 and provide a cost estimate for such work.⁹

Respectfully submitted,

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⁹ See LGIA at Appendix B (listing the milestones with the second milestone marked as the date on which Interconnection Customer design information is provided).

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of Request to Toll Financial Security Deposit was served upon the following persons by e-mail on June 25, 2018:

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