

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Application of Rocky Mountain Power for Approval of the Renewable Energy Contract between PacifiCorp and the University of Utah and the Related Agreement with Amor IX, LLC	<u>DOCKET NO. 18-035-08</u>  <u>ORDER</u>
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ISSUED: May 22, 2018

**BACKGROUND**

On March 23, 2018, PacifiCorp dba Rocky Mountain Power (“PacifiCorp”) filed its Application (“Application”) for Approval of the Renewable Energy Contract between PacifiCorp and the University of Utah (“University”) and the Related Agreement with Amor IX, LLC (“Amor”). PacifiCorp represents it filed the Application in accordance with Utah Code Ann. §§ 54-17-801, 802, 803, 804, and 805 and Electric Service Schedule No. 32 (“Schedule 32”).

On April 6, 2018, the Public Service Commission (“PSC”) issued a Scheduling Order and Notice of Hearing, establishing deadlines for the filing of written comments and setting the Application for hearing. Subsequently, the Division of Public Utilities (“DPU”) and the Office of Consumer Services (“OCS”) filed comments, and PacifiCorp filed reply comments. On May 8, 2018, Amor filed a petition to intervene. On May 16, 2018, the PSC’s designated Presiding Officer conducted a hearing to consider the Application and granted Amor’s petition to intervene at the commencement of the hearing (no party objected to the intervention). During the hearing, PacifiCorp requested the PSC render a decision on the Application by May 23, 2018.

**DISCUSSION**

In the Application, PacifiCorp seeks PSC approval of a Renewable Energy Contract (“REC”) between PacifiCorp and the University, pursuant to Schedule 32 and a renewable

resource purchase contract (“RRC”) between PacifiCorp and Amor, the developer of a geothermal generation facility (“Facility”) with an expected nameplate capacity of about 20 megawatts located in Churchill County, Nevada. PacifiCorp represents the University is one of its customers currently taking service under Electric Service Schedule No. 9 and that it qualifies for service under Schedule 32.

The Facility is anticipated to come on line on September 1, 2019, at which time the University will begin taking service under the terms of the REC.<sup>1</sup> PacifiCorp represents the Facility is a baseload resource and therefore meets applicable requirements under Schedule 32. PacifiCorp also represents it will enter into a renewable energy supply agreement (“RESA”) between the University and Amor that establishes the University’s relationship with the renewable resource under a Schedule 32 contract.<sup>2</sup>

PacifiCorp represents the terms and conditions in the REC and the RRC are consistent with Schedule 32 and are just, reasonable, and in the public interest.

The DPU reviewed the Application and the related agreements and believes the agreements comply with the requirements of Schedule 32 and that they are reasonable and in the public interest. The DPU recommends the PSC approve the REC and the RRC.

The OCS also believes the REC and the RRC generally meet the requirements of Schedule 32 and recommends the PSC approve both the REC and the RRC. The OCS expresses

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<sup>1</sup> Under Schedule 32, a qualified customer can receive electricity directly from a renewable energy facility if the customer pays for the costs associated with that renewable energy. PacifiCorp states that this Application represents the first such filing presented for PSC approval under Schedule 32.

<sup>2</sup> PacifiCorp states that while the RESA does not require the PSC’s approval under Schedule 32, PacifiCorp included it in the Application “to provide the Commission a full understanding of the transaction and its interrelationship with the other two agreements.” Direct Test. (Redacted) of Mark P. Tourangeau at 2:33-36.

concern that, pursuant to Schedule 32 requirements, PacifiCorp must receive confirmation from PacifiCorp Transmission that the Facility has been designated as a Network Resource pursuant to the FERC's Open Access Transmission Tariff. PacifiCorp must also receive confirmation from PacifiCorp Transmission that the transmission service request has been granted in sufficient capacity to meet or exceed the maximum delivery rate specified in the RRC.

The OCS states that PacifiCorp Transmission determined that a System Impact Study is required prior to determining designated resource status for the Facility. However, the OCS is concerned the results of this study will not be available until after PacifiCorp's requested approval date, and it is therefore presently unknown as to whether the Facility will receive the required Network Resource designation.

The OCS recommends the PSC require PacifiCorp: 1) notify the PSC when it receives a determination as to whether network upgrades are required and, if such upgrades are necessary, state if the RRC is to be terminated or identify the accommodations made between PacifiCorp and Amor; and 2) notify the PSC in the case of default by Amor, inform the PSC whether the REC and/or RRC will be terminated as a consequence of default, and explain its decision if either contract is not terminated in the event of default.

Following the hearing, on May 17, 2018, PacifiCorp sent an email to the PSC, posted in this docket, to clarify the parties' position with respect to the OCS's recommendations. The email represents "each [party] support[s] [the PSC's] approval of the Application and as part of that approval imposing on [PacifiCorp] the two reporting requirements requested by the [OCS] to confirm that the contract complies with Schedule 32's requirements regarding network resource designation." The email further clarified, "no party intended to request that the [PSC]

make its order approving the contracts contingent upon network resource transmission service status or any other condition precedent as a precondition to the [PSC's] final approval of the contracts." PacifiCorp represents the OCS, the DPU, and Amor assented to PacifiCorp making these clarifying comments on behalf of all parties.

**ORDER**

Based on our review of the Application, the REC and the RRC, the comments filed in this docket, the testimony provided at hearing, and hearing no opposition to the Application, we find the prices, terms, and conditions of the REC and the RRC to be consistent with applicable state and federal laws, applicable PSC orders, and Schedule 32. We also find the two conditions raised by the OCS are consistent with requirements found in Schedule 32.9 and Schedule 32.10 and agree that PacifiCorp should be required to report accordingly. Therefore, we conclude the REC and the RRC to be just, reasonable, and in the public interest. Pursuant to the foregoing, the PSC orders:

1. The REC between PacifiCorp and the University of Utah is approved;
2. The RRC between PacifiCorp and Amor is approved;
3. PacifiCorp shall notify the PSC when it receives a determination as to whether accommodation of the Facility requires network upgrades and if such upgrades are necessary shall state, with explanation, whether the RRC is to be terminated; and
4. PacifiCorp shall notify the PSC in the event of default under the RRC or the REC and shall state, with explanation, whether PacifiCorp will terminate the pertinent agreement.

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

/s/ Michael J. Hammer  
Presiding Officer

Approved and confirmed May 22, 2018, as the Order of the Public Service Commission  
of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg  
PSC Secretary  
DW#302310

Notice of Opportunity for Agency Review or Rehearing

Pursuant to §§ 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this written Order by filing a written request with the PSC within 30 days after the issuance of this 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 does not grant a request for review or rehearing within 20 days after the filing of the request, 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 §§ 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

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

By Electronic-Mail:

Data Request Response Center ([datarequest@pacificorp.com](mailto:datarequest@pacificorp.com), [utahdockets@pacificorp.com](mailto:utahdockets@pacificorp.com))  
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Administrative Assistant