

May 31, 2019

VIA ELECTRONIC FILING

Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Gary Widerburg, Commission Secretary

**RE: Docket No. 19-035-18 – Rocky Mountain Power’s 2019 Avoided Cost Input
Changes Quarterly Compliance Filing
*Comments***

On April 30, 2019, PacifiCorp, d.b.a. Rocky Mountain Power (“the Company”) filed its 2019 Q1 Avoided Cost Input Changes Quarterly Compliance Filing (“Filing”). On May 15, 2019, both the Division of Public Utilities (“DPU”) and Utah Clean Energy (“UCE”) filed comments. In its comments, UCE requests further explanation for a model assumption regarding the 100 percent capacity factor of the proxy avoided cost thermal resource. On May 16, 2019, the Utah Public Service Commission (“Commission”) issued a Notice of Comment Period to set forth deadlines for interested parties to submit comments (“Notice”). In accordance with the Notice, the Company submits its comments addressing the concern raised by UCE.

The quarterly Filing identifies updates to model assumptions that have occurred since the last quarterly filing, which included an update to the capacity factor of the proxy baseload resource from 85 percent to 100 percent. The change in capacity factor was made so that it would be consistent with the 100 percent capacity contribution value used in the calculations of partial displacement of IRP proxy resources. This change affects only avoided price calculations for Electric Service Schedule No. 38, Qualifying Facility Procedures, Baseload Qualifying Facilities (“QF”).

In previous compliance filings, the 100 MW/85 percent capacity factor baseload resource was assumed to displace 100 MW of Integrated Resource Plan (“IRP”) resources, even though the modeled resource only provided 85 MW of generation in any hour. After the change, the expected QF output and the displaced IRP resources are equal, at 100 MW.

In Docket No. 17-035-37, the direct testimony of Company witness Mr. Daniel J. MacNeil described the calculation of the capacity contribution for baseload resources, based on monthly expected output and loss of load probability from the IRP, and provided an example.¹ Applying this methodology results in 85 MW of expected output from a baseload resource being credited with displacing 85 MW of IRP resources, or 100 MW of expected output from a baseload resource being credited with displacing 100 MW of resources. The previous assumption of 85 MW of expected output and 100 MW of IRP resource displacement is not consistent with this

¹ See Docket No. 17-035-37 Rocky Mountain Power’s 2017 Avoided Cost Input Changes Quarterly Compliance Filing, Direct Testimony of MacNeil, August 17, 2017, p. 9-10.

methodology and results in a net reduction in peak capacity resources contrary to the intent of the partial displacement differential revenue requirement methodology.

The Company respectfully requests that all formal correspondence and requests for additional information regarding this filing be addressed to the following:

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By regular mail: Data Request Response Center
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 825 NE Multnomah, Suite 2000
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Informal inquiries may be directed to Jana Saba at (801) 220-2823.

Sincerely,



Joelle Steward
Vice President, Regulation

Cc: Service List

CERTIFICATE OF SERVICE

Docket No. 19-035-18

I hereby certify that on May 31, 2019, a true and correct copy of the foregoing was served by electronic mail to the following:

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