

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Rocky Mountain Power's 2019 Avoided Cost Input Changes Quarterly Compliance Filing	<u>DOCKET NO. 19-035-18</u>
Rocky Mountain Power's Proposed Tariff Revisions to Electric Service Schedule No. 37, Avoided Cost Purchases from Qualifying Facilities	<u>DOCKET NO. 20-035-T04</u> <u>ORDER SUSPENDING SCHEDULE NO. 37</u> <u>TARIFF FILING IN PART AND ORDER</u> <u>GRANTING MOTION</u>

ISSUED: May 6, 2020

PROCEDURAL HISTORY

On January 10, 2020, Rocky Mountain Power (RMP) filed its third quarter 2019 avoided cost input changes quarterly compliance filing (“Q3 2019 Avoided Cost Filing”) with the Public Service Commission of Utah (PSC) in Docket No. 19-035-18 (“Avoided Cost Docket”). The filing was made pursuant to the PSC’s Orders in Docket No. 03-035-14.¹ On January 30, 2020, Utah Clean Energy (UCE) filed a Notice of Challenge and Request for Scheduling Conference (“Notice”) pursuant to the PSC’s June 9, 2015 Order Approving Settlement Stipulation on Schedule 38 Procedures in Docket No. 14-035-140.² On February 18, 2020, the PSC issued a Scheduling Order, Notice of Technical Conference, and Notice of Hearing (“Scheduling Order”). The Scheduling Order was amended on March 26, 2020 (“First Amended Scheduling Order”) at

¹ See *In the Matter of the Application of PacifiCorp for Approval of an IRP-based Avoided Cost Methodology for QF Projects Larger than One Megawatt* (Report and Order issued October 31, 2005); Docket No. 03-035-14. The October 31, 2005 order requires RMP to keep a record of any changes to the models and to notify the PSC and Division of Public Utilities of any updates made to the models related to the calculation of avoided cost pricing under Electric Service Schedule No. 38, Qualifying Facility Procedures.

² See *In the Matter of the Review of Electric Service Schedule No. 38, Qualifying Facilities Procedures, and Other Related Procedural Issues* (Order Approving Settlement Stipulation on Schedule 38 Procedures issued June 9, 2015, Attachment: Settlement Agreement, Settlement Terms 19-23); Docket No. 14-035-140.

the unopposed request of RMP. The First Amended Scheduling Order was amended on April 16, 2020 (“Second Amended Scheduling Order”) at the unopposed request of UCE.

On April 9, 2020, RMP filed its fourth quarter 2019 avoided cost input changes quarterly compliance filing (“Q4 2019 Avoided Cost Filing”). In addition, on April 9, 2020, RMP filed a Supplemental Filing that included Advice No. 20-05 related to Electric Service Schedule No. 37, Avoided Cost Purchases from Qualifying Facilities (QF) (“Schedule 37 Advice Filing”), in both the Avoided Cost Docket and Docket No. 20-035-T04 (“Schedule 37 Docket”).³

On April 13, 2020, the PSC issued a Notice of Filing and Comment Period in the Schedule 37 Docket and on April 24, 2020, the Division of Public Utilities (DPU) filed comments.

On April 29, 2020, DPU filed comments in the Avoided Cost Docket and a Motion to Suspend Updates to Schedule 37 Wind Pricing and Amend Schedule to Align with Docket No. 19-035-18 (“Motion”) in both the Avoided Cost and Schedule 37 Dockets. On May 1, 2020, RMP filed comments in the Schedule 37 Docket.

COMMENTS AND MOTION

Schedule 37 Docket: According to DPU, RMP’s Schedule 37 filing is based on updates to: 1) the Generation and Regulation Initiative Decision Tool (i.e., GRID) scenario study period; 2) the QF Queue; and 3) the Official Forward Price Curve (OFPC). DPU states these are routine updates included in RMP’s 2019 Q4 Avoided Cost Filing. DPU states the Schedule 37 Advice Filing is also based on a non-routine update associated with the Utah wind deferral that RMP proposed in its Q3 2019 Avoided Cost Filing, as referenced in UCE’s Notice, for which a PSC

³ The Avoided Cost Docket, applicable to RMP’s Schedule 38, and the Schedule 37 Docket are related in that both Schedules 37 and 38 rely on the same method, i.e., the Proxy/PDDRR Method, for determining avoided costs.

decision is pending. Because the non-routine update only affects Schedule 37 wind pricing, DPU recommends the PSC approve the routine updates and the proposed prices for all qualifying Schedule 37 facilities except for wind facilities, and suspend the tariff schedule for wind facilities until after a final order pertaining to the Q3 2019 Avoided Cost Filing is issued.

RMP asserts that because the proposed changes to Schedule 37 include updates for base load, wind, fixed-tilt solar, and tracking solar resources, the PSC's determination in this docket should include approval of the Schedule 37 modifications related to base load and solar resources. RMP supports the suspension of the updated wind pricing given the interplay between Schedule 37 and the proposed non-routine update that is currently being considered by the PSC in the Avoided Cost Docket.

Avoided Cost Docket: DPU states RMP's Q4 2019 Avoided Cost Filing complies with the PSC's orders in Docket Nos. 03-035-14 and 14-035-140.⁴ According to DPU, however, the Q4 2019 Avoided Cost Filing includes the same wind-related update classified as non-routine in RMP's Q3 2019 Avoided Cost Filing which is under review by the PSC, pursuant to UCE's Notice. DPU, therefore, recommends suspending application of the routine update to the wind resource pricing until the review of the non-routine wind deferral update in the Q3 2019 Avoided Cost Filing has been completed.

DPU maintains the Q4 2019 Avoided Cost Filing includes updates to certain inputs and assumptions made subsequent to the Q3 2019 Avoided Cost Filing. According to DPU, RMP categorized all of these inputs, including the update to the wind deferral, as routine. DPU agrees

⁴ These dockets pertain to Electric Service Schedule No. 38, Qualifying Facility Procedures.

that the wind deferral update is properly categorized as a routine update in the Q4 2019 Avoided Cost Filing, as applied to the prior Q3 2019 Avoided Cost Filing. However, DPU asserts it is a routine update to the non-routine update from the Q3 2019 Avoided Cost Filing that has not yet been approved by the PSC. For this reason, DPU recommends the PSC treat the Q4 2019 update for wind pricing similarly to the Q3 2019 non-routine update that is currently under review by the PSC.

DPU believes that the updates of the avoided cost calculations in the Avoided Cost Docket for thermal and solar resources are reasonable and the avoided cost prices are calculated according to the PSC-approved methods. Therefore DPU recommends that the PSC take no further action on the thermal and solar resource updates. DPU recommends suspending application of the routine update to the wind resource pricing until the PSC completes its review of the non-routine update in the Q3 2019 Avoided Cost Filing.

Motion: DPU requests that the PSC suspend the updates to the Schedule 37 wind resource pricing and amend the April 13, 2020 Notice of Filing and Comment Period. Alternatively, DPU recommends the PSC issue a new scheduling order in the Schedule 37 Docket to align with the schedule in the Avoided Cost Docket.

Consistent with its comments, DPU's Motion states RMP's Supplemental Filing includes a similar Utah wind resource deferral update as was included in its Q3 2019 Avoided Cost Filing currently under review by the PSC. Given that the PSC must address the same legal and factual questions for the Schedule 37 wind resources category as in the Avoided Cost Docket, DPU asserts that approving the wind prices in the Schedule 37 Docket on the basis of limited comments and evidence would frustrate the purpose of the expanded review in the Avoided Cost Docket.

DPU also seeks clarification from the PSC whether the Utah wind resource deferral update in the Q4 2019 Avoided Cost Filing, which is the same non-routine update found in the Q3 2019 filing, will also be stayed until the issues are resolved according to the schedule in the Avoided Cost Docket. DPU asserts that implementing this non-routine update in the Q4 2019 Avoided Cost filing would render the challenge to the non-routine update in the Q3 2019 Avoided Cost Filing moot. For this reason, DPU asserts implementation of the non-routine Utah wind resource deferral update to the avoided costs for wind generation found in the Q4 2019 Avoided Cost Filing should also be suspended until the issue is resolved in the Avoided Cost Docket.

DPU represents the RMP, the Office of Consumer Services (OCS), and UCE support the Motion.

DISCUSSION, FINDINGS, AND CONCLUSIONS

Based on DPU's and RMP's recommendations pertaining to base load, tracking solar, and fixed solar, and given the updates on which the pricing for these facilities are based are undisputed, we approve RMP's proposed changes to Schedule 37, Sheet Nos. 37.4, 37.5, and 37.6, effective July 31, 2020.

Based on DPU's recommendations and RMP's, OCS's, and UCE's support for DPU's Motion, we do not approve the proposed Schedule 37 modifications related to wind facilities and the wind deferral-related updates in the Q3 and Q4 2019 Avoided Cost Filings. The current Schedule 37 wind resource pricing and avoided cost assumptions and updates related to wind resources shall remain in effect until the issues under review in the Avoided Cost Docket are resolved.

We find DPU's Motion to align the schedules in the Avoided Cost Docket and the Schedule 37 Docket supports regulatory efficiency and therefore we grant it.

Based on the above findings, we conclude it is reasonable: 1) to approve the proposed modifications to Schedule 37 for base load, tracking solar, and fixed solar resources; 2) that all issues associated with the wind deferral updates shall be decided in the Avoided Cost docket; 3) wind deferral-related proposed pricing and model updates shall be suspended until the conclusion of the Avoided Cost Docket; and 4) the schedule for the unresolved issues in the Schedule 37 Docket shall be consistent with the remaining items in the Second Amended Scheduling Order in the Avoided Cost Docket which we adopt by reference.

ORDER

Consistent with our findings and conclusions we:

- 1) approve RMP's proposed changes to Schedule 37, Sheet Nos. 37.4, 37.5, and 37.6, effective July 31, 2020.
- 2) do not approve RMP's proposed changes to Schedule 37, Sheet No. 37.7. The current wind pricing shall remain in effect until the issues under review in Docket No. 19-035-18 related to wind facilities are resolved.
- 3) do not approve the wind deferral-related updates in the Q3 and Q4 2019 Avoided Cost Filings. The wind-related assumptions prior to the filing of the Q3 2019 Avoided Cost Filing shall remain in effect until the issues under review in Docket No. 19-035-18 related to wind facilities are resolved.
- 4) modify the schedule in Docket No. 20-035-T04 to align with the Second Amended Scheduling Order in Docket No. 19-035-18 which we adopt by reference.

DOCKET NOS. 19-035-18 and 20-035-T04

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DATED at Salt Lake City, Utah, May 6, 2020.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#313531

CERTIFICATE OF SERVICE

I CERTIFY that on May 6, 2020, a true and correct copy of the foregoing was delivered upon the following as indicated below:

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