



1407 W North Temple, Suite 330
Salt Lake City, Utah 84114

May 2, 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. 19-035-20 – In the Matter of the Application of Rocky Mountain Power for Approval of the Non-Generation and Renewable Energy Credit Supply Agreement Between PacifiCorp and Kennecott Utah Copper LLC**

Rocky Mountain Power (the “Company”) hereby submits for filing its application for approval of the Non-Generation and Renewable Energy Credit (“REC”) Supply Agreement (“Agreement”) between PacifiCorp and Kennecott Utah Copper LLC (“Kennecott”) dated April 18, 2019 (“Application”).

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

By E-mail (preferred): datarequest@pacificorp.com
utahdockets@pacificorp.com
jana.saba@pacificorp.com
jacob.mcdermott@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

Informal inquiries may be directed to Jana Saba at (801) 220-2823.

Sincerely,

A handwritten signature in blue ink that reads "Joelle Steward".

Joelle Steward
Vice President, Regulation

Enclosures

Yvonne R. Hogle (7550)
Jacob A. McDermott (16894)
Rocky Mountain Power
1407 W North Temple, Suite 320
Salt Lake City, UT 84116
Telephone: (801) 220-2233
Facsimile: (801) 220-4615

Attorneys for Rocky Mountain Power

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of)	Docket No. 19-035-20
Rocky Mountain Power for Approval of)	
the Non-Generation and Renewable)	
Energy Credit Supply Agreement)	APPLICATION OF ROCKY MOUNTAIN
Between PacifiCorp and Kennecott Utah)	POWER
Copper LLC)	
)	

Pursuant to UTAH CODE ANN. § 63G-4-201 and UTAH ADMIN. R. 746-1, PacifiCorp, doing business in Utah as Rocky Mountain Power (“Rocky Mountain Power” or “Company”) respectfully applies an order from the Public Service Commission of Utah approving the Non-Generation and Renewable Energy Credit (“REC”) Supply Agreement (“Agreement”) between PacifiCorp and Kennecott Utah Copper LLC (“Kennecott”) dated April 18, 2019 (“Application”). In support of its application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is a public utility in the state of Utah and is subject to the jurisdiction of the Public Service Commission of Utah (“Commission”) with regard to its rates and service. Rocky Mountain Power also provides retail electric service in the states of Idaho and Wyoming.

2. Communications regarding this Application should be addressed to:

By e-mail (preferred): datarequest@pacificorp.com
jana.saba@pacificorp.com
utahdockets@pacificorp.com
jacob.mcdermott@pacificorp.com

By mail: Data Request Response Center
Rocky Mountain Power
825 NE Multnomah St., Suite 2000
Portland, OR 97232

Jana Saba
Rocky Mountain Power
1407 W. North Temple, Suite 330
Salt Lake City, UT 84116
Telephone: (801) 220-2823
Facsimile: (801) 220-3299

3. Under the July 28, 2016 Energy Services Agreement (“ESA”) between Kennecott and the Company¹, Rocky Mountain Power and Kennecott are able to explore alternative market arrangements for Kennecott’s Block 2 electricity purchases. As a result of discussions in late 2018 and early 2019 with respect to potential alternative arrangements, the Company and Kennecott agreed upon the present Agreement, which enables Kennecott to retire its Unit 4 generator and support renewable energy through the payment for the Company’s retirements of RECs on Kennecott’s behalf.

4. The Agreement provides for the retirement of 1.5 million Utah-allocated RECs by PacifiCorp on behalf of Kennecott, or a Kennecott affiliate, on an annual basis, in exchange for which Kennecott agrees not to generate power from its Unit 4 generation facility. A copy of the Agreement is attached to this Application as Confidential Exhibit A. The effective term of the Agreement is five years and nine months from April 1, 2019 to December 31, 2025.

¹ Approved by the Commission’s November 28, 2016 order in Docket No. 16-035-33.

5. The charge for REC retirement is set forth in Section 5 of the Agreement. In addition to the REC charges, the Company has agreed to obtain Green-e certification on behalf of Kennecott through the Center for Resource Solutions as set forth in Section 4(f) of the Agreement. Kennecott has agreed to reimburse the Company for all of the direct costs of such certification, as well as to pay a fee to cover the Company's administrative costs related to internal administration of the obtaining and maintaining certification.

6. The Agreement provides that the Company will allocate one hundred percent of the revenue from the REC charges to be paid by Kennecott as revenue into the Utah REC Balancing Account for the sole benefit of the Company's Utah customers. It further provides that the Company will forego any REC sale incentive related to these charges under the REC Balancing Account². Accordingly, the Company's customers will realize the full economic benefit of the REC charges to be paid by Kennecott.

7. The Agreement includes several mechanisms to ensure that other customers of the Company are not inadvertently harmed or burdened by the Agreement. Section 4(g) of the Agreement establishes the priority of REC retirements to ensure that available Utah RECs will first be used to meet Utah's renewable portfolio standard or any later Utah renewable procurement requirements, then to meet any of the Company's REC commitments that predate the Agreement, and only then to meet the commitments to Kennecott. If, after meeting the first two commitments, there are not sufficient RECs available to meet the 1.5 million RECs retirement for Kennecott, then Section 4(h) of the Agreement provides Kennecott with several options to procure additional RECs to make up for any shortfall. Together these provisions protect the Company's other

² The Settlement Stipulation in Docket No. 11-035-200, paragraph 39, allows the Company to retain 10 percent of Utah allocated REC sales as an incentive for the Company to aggressively market RECs and obtain additional value.

customers from the risk of having to make up for any shortfall of the 1.5 million Utah allocated RECs it would otherwise be obligated to provide to Kennecott in a given year.

8. In addition to protecting the Company's customers from the risk of fewer RECs being available to satisfy the annual retirement of 1.5 million RECs for Kennecott, Section 9 of the Agreement provides the Company a right to terminate the Agreement should changes lead to materially fewer Utah allocated RECs being available than was anticipated at the time the Agreement was executed, or the costs of supporting the agreement materially change. This right to terminate protects the Company's customers should unexpected events significantly impact the Company's ability to perform under the Agreement.

9. Based on its current analysis and expectations, the Company reasonably anticipates that it will produce a sufficient quantity of RECs to enable it to retire 1.5 million Utah-allocated RECs on Kennecott's behalf annually, while still meeting its Utah renewable portfolio target and existing REC commitments. After meeting these commitments, the Company also anticipates that additional Utah-allocated RECs will be available to market and sell on behalf of Utah customers.

10. The Agreement is in the public interest because: a) Kennecott's agreement to not generate from its Unit 4 will benefit Utah customers by helping to stabilize the Company's EBA; b) the REC charges paid by Kennecott will be allocated to the Utah REC Balancing account which is an additional benefit for Utah customers; c) Kennecott has agreed to cover the costs of Green-e certification further ensuring that the Company's other customers will not bear any of the additional costs associated with the Agreement; and d) the limitations on the Company's obligations to supply RECs if its expectations for REC production fall short sufficiently protects customers from the risk of unanticipated events. While it is a tangential consideration for the

Commission's purposes, the Agreement also has the added benefit of improved air quality in the Salt Lake Valley

11. The Company includes with this Application as Exhibit B the affidavits of Mark Tourangeau, Vice President of Customer Solutions and Business Strategy, and Mary Wiencke Vice President of Transmission, Regulation, and Policy, each adopting portions of this Application as their sworn testimony in support of this Application.

WHEREFORE, Rocky Mountain Power respectfully requests that the Commission issue an order approving the Agreement and find the terms and conditions of the Agreement to be just, reasonable and in the public interest.

DATED this 2nd day of May, 2019.

Respectfully submitted,



Jacob A. McDermott
Attorney for Rocky Mountain Power

Exhibit A

**THIS EXHIBIT IS CONFIDENTIAL IN ITS
ENTIRETY AND IS PROVIDED UNDER
SEPARATE COVER**

Exhibit B

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of)	Docket No. 19-035-_____
Rocky Mountain Power for Approval of)	
the Non-Generation and Renewable)	
Energy Credit Supply Agreement)	
Between PacifiCorp and Kennecott Utah)	
Copper LLC)	
)	

AFFIDAVIT, OATH AND VERIFICATION

Mark Tourangeau (Affiant) being of lawful age and first being duly sworn, hereby states:

Affiant is the Vice President of Customer Solutions and Business Strategies for Rocky Mountain Power, which is the applicant in this matter.

Affiant hereby adopts paragraphs 3 through 8, and 10. of Rocky Mountain Power's application as his sworn testimony in this matter.

Affiant hereby verifies that, based on Affiant's personal knowledge, all statements and information contained within the above adopted paragraphs are true and complete and constitute the recommendations of the Affiant in his official capacity as a Vice President of Rocky Mountain Power.

The undersigned certifies, under penalty of perjury, that the statements set forth in this instrument are true and correct, except as to matters stated to be on information and belief, and as to such matters the undersigned certifies as aforesaid that he believes the same to be true.



Mark Tourangeau, Vice President,
Customer Solutions and Business Strategy

5/2/19
Date

ACKNOWLEDGMENT

State of Utah
County of Salt Lake

On this 2 day of May, 2019, Mark Tourangeau personally appeared before me,
____ who is personally known to me,
 whose identity I verified on the basis of I.D.,
____ whose identity I verified on the oath/affirmation of _____,
a credible witness,
to be the signer of the foregoing document, and he/she acknowledged that he/she signed it.



Lori Hughes

Notary Public
My Commission Expires: 10-19-19

Attribution Clause: This Certificate is prepared for, and exclusively belongs to, the accompanying document entitled
Oath, which consists of 1 page(s) and is dated 5-2-19.
If this Certificate is appropriated to any document other than the one described herein, it shall be deemed null and void.

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of)
Rocky Mountain Power for Approval of) Docket No. 19-035-_____
the Non-Generation and Renewable)
Energy Credit Supply Agreement)
Between PacifiCorp and Kennecott Utah)
Copper LLC)
)

AFFIDAVIT, OATH AND VERIFICATION

Mary Wiencke (Affiant) being of lawful age and first being duly sworn, hereby states:

Affiant is the Vice President of Transmission Regulation and Policy for PacifiCorp, the applicant in this matter.

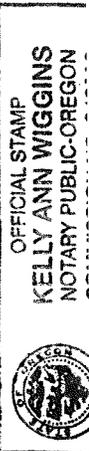
Affiant hereby adopts paragraph 9 of PacifiCorp's application as her sworn testimony in this matter.

Affiant hereby verifies that, based on Affiant's personal knowledge, all statements and information contained within the above adopted paragraph is true and complete and constitute the recommendations of the Affiant in her official capacity as a Vice President of PacifiCorp.

The undersigned certifies, under penalty of perjury, that the statements set forth in this instrument are true and correct, except as to matters stated to be on information and belief, and as to such matters the undersigned certifies as aforesaid that she believes the same to be true.

Mary Wiencke
Mary Wiencke, Vice President,
Transmission Regulation & Policy

5.2.19
Date



Notarial Certificate

STATE of OREGON

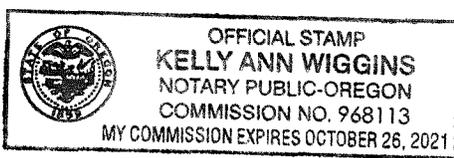
County of MULTNOMAH

Signed and sworn to (or affirmed) before me on MAY 2, 20 19

by MARY M. WIENCKE.

K Wiggins

Notary Public – State of Oregon



This certificate is attached to page 1 of a APPIDAVIT, OATH AND VERIFICATION

Dated, MAY 2, 20 19, consisting of 1 pages.

MY COMMISSION EXPIRES OCTOBER 26, 2021

CERTIFICATE OF SERVICE

Docket No. 19-035-20

I hereby certify that on May 2, 2019, a true and correct copy of the foregoing was served by electronic mail to the following:

Utah Office of Consumer Services

Cheryl Murray cmurray@utah.gov

Michele Beck mbeck@utah.gov

Division of Public Utilities

dpudatarequest@utah.gov

Assistant Attorney General

Patricia Schmid pschmid@agutah.gov

Justin Jetter jjetter@agutah.gov

Robert Moore rmoore@agutah.gov

Steven Snarr stevensnarr@agutah.gov

Rocky Mountain Power

Data Request Response datarequest@pacificorp.com

Center

Jana Saba jana.saba@pacificorp.com;
utahdockets@pacificorp.com

Jacob McDermott jacob.mcdermott@pacificorp.com



Katie Savarin
Coordinator, Regulatory Operations