

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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| Application of Rocky Mountain Power for Approval of the Non-Generation and Renewable Energy Credit Supply Agreement between PacifiCorp and Kennecott Utah Copper LLC | <p style="text-align: center;"><u>DOCKET NO. 19-035-20</u></p> <p style="text-align: center;"><u>ORDER APPROVING A NON-GENERATION AND RENEWABLE ENERGY CREDIT SUPPLY AGREEMENT</u></p> |
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ISSUED: August 7, 2019

On May 2, 2019, Rocky Mountain Power (RMP) filed an application (“Application”) with the Public Service Commission (PSC) for approval of a confidential Non-Generation and Renewable Energy Credit (REC) Supply Agreement between RMP and Kennecott Utah Copper LLC (“Kennecott”) dated April 18, 2019 (“Agreement”).

The Agreement calls for RMP to retire 1.5 million Utah-allocated RECs on behalf of Kennecott, or a Kennecott affiliate, on an annual basis, in exchange for Kennecott not generating power from its Unit 4 generation facility. The effective term of the Agreement is from April 1, 2019 to December 31, 2025. In addition to REC charges, RMP has agreed to obtain Green-e certification on behalf of Kennecott through the Center for Resource Solutions. Kennecott has agreed to reimburse RMP for all of the direct costs of such certification, as well as to pay a fee covering RMP’s administrative costs related to internal administration of obtaining and maintaining certification.

The Agreement states RMP will allocate one hundred percent of the revenue from the REC charges Kennecott pays under the Agreement as revenue into the Utah REC Balancing Account for the sole benefit of RMP’s Utah customers. It further provides that RMP will forego any REC sale incentive related to these charges under the REC Balancing Account.

Accordingly, RMP believes its customers will realize the full economic benefit of the REC charges Kennecott pays under the Agreement. RMP identifies several mechanisms in the Agreement intended to ensure it does not adversely affect other customers, and RMP represents the Agreement is in the public interest.

On June 10, 2019, and June 17, 2019, respectively, the Division of Public Utilities (DPU) and the Office of Consumer Services (OCS) filed comments recommending the PSC approve the Agreement. The OCS further recommended the PSC require RMP to report on any future shortfall of the 1.5 million annual REC sales on Kennecott's behalf, including how the shortfall was resolved and the results of a request for proposal, if issued.

On July 3, 2019, RMP filed reply comments in which it agreed to report on any shortfall in the 1.5 million annual RECs that RMP would otherwise sell to Kennecott under the Agreement.

On July 29, 2019, the PSC held a hearing to consider the Application. At the hearing, RMP, the DPU, and the OCS provided testimony recommending the PSC approve the Agreement. The PSC received no comment or testimony opposing its approval of the Agreement.

#### **FINDINGS OF FACT AND CONCLUSIONS OF LAW**

Based on our review of the Application, the Agreement, the written comments, and the testimony at hearing, we find the Agreement is reasonable. We find the Agreement provides both benefits and necessary protections for customers, including Kennecott's paying all REC certification fees, RMP's prioritization of REC allocation, and the Agreement's termination

provisions. We also find RMP's reporting commitment ensures appropriate notification in the event RMP experiences a REC shortfall associated with the Agreement.

Accordingly, we conclude approval of the Agreement is just, reasonable, and in the public interest.

**ORDER**

1. We approve the Agreement.
2. RMP shall promptly report on any future shortfall in the 1.5 million annual RECs under the Agreement, including how it resolved the shortfall and the results of a request for proposal, if issued.

DATED at Salt Lake City, Utah, August 7, 2019.

/s/ Michael J. Hammer  
Presiding Officer

Approved and Confirmed August 7, 2019, 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#309481

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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 August 7, 2019, a true and correct copy of the foregoing was served upon the following as indicated below:

By Email:

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