

October 14, 2020

***VIA ELECTRONIC FILING***

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

Attention: Gary Widerburg  
Commission Administrator

**Re: Docket No. 20-035-42– In the Matter of the Application of Rocky Mountain Power for Approval of an Amendment of a Power Purchase Agreement Between PacifiCorp and Tesoro Refining & Marketing Company LLC**

Rocky Mountain Power (the “Company”) hereby submits for filing its application for approval of an Amendment of the Power Purchase Agreement between PacifiCorp and Tesoro Refining and Marketing Company dated October 12, 2020.

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](mailto:datarequest@pacificorp.com)  
[utahdockets@pacificorp.com](mailto:utahdockets@pacificorp.com)  
[jana.saba@pacificorp.com](mailto:jana.saba@pacificorp.com)  
[jacob.mcdermott@pacificorp.com](mailto:jacob.mcdermott@pacificorp.com)  
[emily.wegener@pacificorp.com](mailto:emily.wegener@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,



Joelle Steward  
Vice President, Regulation

Enclosures  
CC: Service List

Jacob A. McDermott (16894)  
Emily L. Wegener (12275)  
Rocky Mountain Power  
1407 W North Temple, Suite 320  
Salt Lake City, UT 84116  
Telephone No. (801) 220-2233  
Facsimile No. (801) 220-4615

*Attorneys for Rocky Mountain Power*

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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In the Matter of the Application of Rocky Mountain  
Power for Approval of an Amendment of a Power  
Purchase Agreement Between PacifiCorp and Tesoro  
Refining & Marketing Company LLC

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Docket No. 20-035-42

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Pursuant to Utah Code Ann. § 54-12-2, PacifiCorp, doing business in Utah as Rocky Mountain Power (“PacifiCorp” or “Rocky Mountain Power”) hereby applies for an order approving an Amendment dated October 12, 2020 (“Amendment”) to the October 11, 2019 Power Purchase Agreement (“Agreement”) between PacifiCorp and Tesoro Refining & Marketing Company LLC (“Tesoro”). 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. As a “purchasing utility,” as that term is used in Utah Code Ann. § 54-12-2, PacifiCorp is obligated to purchase power from qualifying facilities pursuant to the Public Utility Regulatory Policies Act of 1978, Utah Code Ann. §54-12-1, *et seq.*, and the

Commission's orders. Under the Agreement, Tesoro represents itself to be a qualifying facility, and agrees to provide PacifiCorp, upon request, with evidence to show its qualifying facility status.

2. Communications regarding this Application should be addressed to:

By e-mail (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)  
[jana.saba@pacificorp.com](mailto:jana.saba@pacificorp.com)  
[utahdockets@pacificorp.com](mailto:utahdockets@pacificorp.com)  
[jacob.mcdermott@pacificorp.com](mailto:jacob.mcdermott@pacificorp.com)  
[emily.wegener@pacificorp.com](mailto:emily.wegener@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. In Docket No. 03-035-14, *In the Matter of the Application of PacifiCorp for Approval of an IRP-Based Avoided Cost Methodology for QF Projects larger than One Megawatt*, the Commission issued a series of Orders, which established avoided capacity and energy cost payments for purchases from qualifying facility projects larger than one megawatt, such as Tesoro's, under contracts with PacifiCorp.

4. The Amendment modifies the Agreement, which was approved by the Commission in Docket No. 19-035-38 on December 18, 2019. The Agreement provides for the sale to PacifiCorp of energy to be generated by Tesoro up to 25.0 megawatts, from a gas-fired cogeneration facility owned by Tesoro and located in Salt Lake City, Utah. The Amendment, attached to this Application as Exhibit A, extends the term of the Agreement, establishes the

pricing for the extension period and updates the Line Loss Factor for the period that the Amendment extends the Agreement. The Amendment extends the Agreement for 12 months: January 1, 2021 to December 31, 2021.

5. The purchase prices set forth in the Amendment were calculated using the methodology approved by the Commission orders in Docket No. 03-035-14. Pursuant to the Commission orders in Docket Nos. 16-035-38, 16-035-39, and 16-035-40, the Company's filing also provides confidential Generation and Regulation Initiative Decision Tool ("GRID") outputs and spreadsheets supporting the derivation of purchase power agreement prices with all spreadsheet formulae intact. Also provided is the confidential workpaper supporting the avoided line loss adjustment calculations used to develop the loss factor in the Amendment.

6. The Facility is located in Salt Lake City in an area served by Rocky Mountain Power. All interconnection requirements have been met and the Facility is fully integrated with the Rocky Mountain Power system.

7. According to the terms of the 2020 Protocol, approved by the Commission on April 15, 2020, in Docket No. 19-035-42, costs of the qualifying facility power purchase agreement will be allocated in accordance with section 4.4.2 of the 2020 Protocol.

8. The Agreement between PacifiCorp and Tesoro expires on December 31, 2020. Therefore, the parties desire that there be no time lapse between the expiration of the unamended Agreement and the approval of the Amendment through 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 as modified by the Amendment to be just, reasonable and in the public interest.

DATED this 14<sup>th</sup> day of October, 2020.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jacob A. McDermott", written over a horizontal line.

Jacob A. McDermott

Attorney for Rocky Mountain Power

# **Exhibit A**

**FIRST AMENDMENT TO  
NON-FIRM POWER PURCHASE AGREEMENT**

This First Amendment (this “Amendment”) to the Non-Firm Power Purchase Agreement entered into on October 11, 2019 (the “Agreement”), is entered into by and between PacifiCorp and Tesoro Refining & Marketing Company LLC. This Amendment will become effective on the date associated with the signature of the last Party to sign it. All defined terms used but not defined in this Amendment have the meanings provided to them in the definition for such terms in the Agreement.

WHEREAS, the Parties wish to extend the term of the Agreement and establish the pricing for the extension period;

The Parties agree as follows:

1. Section 2.2 of the Agreement is hereby replaced in its entirety with the following:

“Unless earlier terminated as provided herein, this Agreement shall terminate at 24:00:00 MPT December 31, 2021.”

2. The Exhibit E attached hereto as **Attachment 1** shall replace Exhibit E of the Agreement in its entirety for the period for which the Agreement is extended by this Amendment.
3. The Line Loss Factor, as defined in Section 5.1, shall be 1.0253 for the period for which the Agreement is extended by this Amendment.
4. Except as expressly modified and amended in accordance with the provisions of this Amendment, all other terms and conditions of the Agreement remain in full force and effect and continue to bind the Parties. The Parties executing this Amendment warrant that they have the requisite authority to do so.

By signing below, the duly authorized representatives of the Parties indicate their agreement to the terms of this Amendment.

**Tesoro Refining & Marketing  
Company LLC**

By: *John R. Weber Jr.*  
John R. Weber Jr. (Oct 13, 2020 09:35 CDT)  
Name: John R. Weber Jr.  
Title: VP NGL's and Natural Gas  
Date: Oct 13, 2020

**PacifiCorp**

By: **Bruce Griswold**  
Digitally signed by Bruce  
Griswold  
Date: 2020.10.12 14:37:22  
-07'00'  
Name: Bruce Griswold  
Title: Director, Short-term Origination  
Date: October 12, 2020

*RLF*  
RLF

Approved as to form

REDACTED

**Attachment 1**

EXHIBIT E  
PRICING (\$/MWh)

<b>Month</b>	<b>On-Peak</b>	<b>Off-Peak</b>
Jan-21		
Feb-21		
Mar-21		
Apr-21		
May-21		
Jun-21		
Jul-21		
Aug-21		
Sep-21		
Oct-21		
Nov-21		
Dec-21		

# Tesoro 2020 QF PPA -First Amendment - Extension and Pricing 9-15-2020\_Execution Version

Final Audit Report

2020-10-13

Created:	2020-10-13
By:	Desiree Mallow (dmallow@marathonpetroleum.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA6muFe71S9I-d3oUGKsMZfC0S_bjeC3xN

## "Tesoro 2020 QF PPA -First Amendment -Extension and Pricing 9-15-2020\_Execution Version" History

-  Document digitally presigned by Bruce Griswold (bruce.griswold@pacificcorp.com)  
2020-10-12 - 9:37:22 PM GMT- IP address: 4.59.45.65
-  Document created by Desiree Mallow (dmallow@marathonpetroleum.com)  
2020-10-13 - 1:09:43 PM GMT- IP address: 4.59.45.65
-  Document emailed to Rebecca L. Fahim (rlfahim@marathonpetroleum.com) for approval  
2020-10-13 - 1:12:48 PM GMT
-  Email viewed by Rebecca L. Fahim (rlfahim@marathonpetroleum.com)  
2020-10-13 - 1:37:54 PM GMT- IP address: 65.219.124.65
-  Document approved by Rebecca L. Fahim (rlfahim@marathonpetroleum.com)  
Approval Date: 2020-10-13 - 1:38:29 PM GMT - Time Source: server- IP address: 65.219.124.65
-  Document emailed to John R. Weber Jr. (jrweber@marathonpetroleum.com) for signature  
2020-10-13 - 1:38:32 PM GMT
-  Email viewed by John R. Weber Jr. (jrweber@marathonpetroleum.com)  
2020-10-13 - 2:34:57 PM GMT- IP address: 4.59.45.65
-  Document e-signed by John R. Weber Jr. (jrweber@marathonpetroleum.com)  
Signature Date: 2020-10-13 - 2:35:29 PM GMT - Time Source: server- IP address: 4.59.45.65
-  Agreement completed.  
2020-10-13 - 2:35:29 PM GMT

**CERTIFICATE OF SERVICE**

Docket No. 20-035-42

I hereby certify that on October 14, 2020, a true and correct copy of the foregoing was served by electronic mail to the following:

**Utah Office of Consumer Services**

Michele Beck [mbeck@utah.gov](mailto:mbeck@utah.gov)  
[ocs@utah.gov](mailto:ocs@utah.gov)

**Division of Public Utilities**

[dpudatarequest@utah.gov](mailto:dpudatarequest@utah.gov)

**Assistant Attorney General**

Patricia Schmid [pschmid@agutah.gov](mailto:pschmid@agutah.gov)  
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**Rocky Mountain Power**

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Jacob A. McDermott [Jacob.mcdermott@pacificorp.com](mailto:Jacob.mcdermott@pacificorp.com)



Mary Penfield  
Adviser, Regulatory Operations