

December 1, 2021

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 Administrator

**RE: Docket No. 21-035-64
Rocky Mountain Power's Notice of Intent to Use ECR Input**

In accordance with the Order Approving Annual Export Credit Rate Update Procedures ("Order") issued by the Public Service Commission of Utah ("Commission") on August 11, 2021, Rocky Mountain Power (the "Company") hereby submits its Notice of Intent to Use Export Credit Rate ("ECR") Input ("Notice of Intent") in advance of the January 28, 2022 Annual Update to Electric Service Schedule No. 137 – Net Billing Service ("Annual Update").

Table 1 contains the various inputs of the Annual Update along with the location of where the information is available in a public state or federal forum, if applicable. For inputs that will be updated in the Annual Update that are not publicly available in another state or federal public forum, the information is provided in workpapers submitted with this Notice of Intent. The Company also provides additional detail on each component of the ECR below.

TABLE 1

Annual Update Input	Element(s)	Update Frequency	Location of Information
Export Profile	Energy / Capacity Contribution / Export Volume	Annual	Workpaper A
EIM Prices	Energy	Annual	Workpaper A
Line Losses	Energy / Capacity	Most recent GRC	Docket No. 20-035-04
Integration Cost	Integration	Most recent IRP	Docket No. 21-035-09
Hourly Utah Load	Capacity Contribution	Annual	Confidential Workpaper B
Generation Capital Cost	Generation Capacity	Future Proceeding	Not Updated
Generation Carrying Charge	Generation Capacity	Future Proceeding	Not Updated
Generation Fixed O&M	Generation Capacity	Future Proceeding	Not Updated
OATT Transmission Rate	Transmission Capacity	Annual	FERC Docket ER11-3643
Distribution Capital Cost	Distribution Capacity	Future Proceeding	Not Updated
Distribution Carrying Charge	Distribution Capacity	Future Proceeding	Not Updated

The **Export Profile** reflects an average value from all customers enrolled in Schedule 136.¹ To control for changes in customer count, export volumes will be reported as an average for the customers participating on each calendar day of the historical period, divided by the average installed customer generation capacity, again as of that day. This produces weighted-average exports for a single typical customer. The historical period for the Annual Update is the twelve months ending June 2021.

Export volume per kW of installed capacity is calculated by dividing average annual export volumes by the average installed customer generation capacity, and reflects the same export profile described above and used to determine avoided energy costs and capacity contribution.

Energy Imbalance Market (“EIM”) Prices reflect 15-minute PacifiCorp East EIM Load Aggregation Point values reported by the California Independent System Operation (“CAISO”) for the twelve months ending June 2021.

¹ The Company does not install metering that can capture interval data for Schedule 137 customers.

Line Losses for energy, generation capacity, and transmission capacity costs, are calculated from generation input to the line transformer segment. For distribution capacity, line losses are calculated as the ratio of grossed up demand up to the line transformer segment to grossed up demand on the transmission system. Line loss values are consistent with the line loss study used to develop the rates approved by the Commission in the Company's most recent general rate case (Docket No. 20-035-04).

Integration Costs reflect values identified for solar resources in the Company's most recently filed Integrated Resource Plan (IRP). The Company's 2021 IRP did not report an updated solar integration cost for calendar year 2022, but does identify a value of \$0.22/MWh from the 2019 IRP for that year, which the Company intends to apply in the Annual Update.²

Capacity Contribution is calculated as the average of the customer generation export profile during hours in the top 10% of Utah load for the same historical period (12 months ending June 2021). The Commission adopted the same method for generation, transmission, and distribution, so they will all use the same capacity contribution value in the Annual Update.

Generation capacity cost is calculated from six inputs and the Company is not proposing any changes to generation cost inputs (items 1-3) as part of the Annual Update. Items 4-6 will be updated as previously described.

1. Generation capital cost,
2. Generation carrying charge,
3. Generation fixed operations and maintenance (O&M) cost,
4. Avoided line losses (cumulative losses from generation to the line transformer segment),
5. Generation capacity contribution, and
6. Export volume per kilowatt (kW) of installed capacity.

Transmission capacity cost is calculated from four inputs, all of which will be updated as part of the Annual Update. The transmission cost input (item 1) is described below, while Items 2-4 will be updated as previously described.

1. Open Access Transmission Tariff (OATT) rate,
2. Avoided line losses (cumulative losses from generation to the line transformer segment),
3. Transmission capacity contribution, and
4. Export volume per kW of installed capacity.

² The Company's 2021 Integrated Resource Plan was filed in Docket No. 21-035-09 and is available online at: <https://pscdocs.utah.gov/electric/21docs/2103509/320289RMPerrata2021IRP9-15-2021.pdf>
For solar integration cost values, please refer to Volume II, Appendix F: Flexible Reserve Study, Figure F.11.

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The **OATT transmission rate** is updated annually, in accordance with a Federal Energy Regulatory Commission (FERC) approved formula established in docket ER11-3643. The projected rate effective on June 1, 2021 is \$37.45/kilowatt-year.³

Distribution capacity cost is calculated from five inputs and the Company is not proposing any changes to distribution cost inputs (items 1-2) as part of the Annual Update. Items 3-5 will be updated as previously described.

1. Distribution capital cost,
2. Distribution carrying charge,
3. Avoided line losses (the ratio of grossed up demand up to the line transformer segment to grossed up demand on the transmission system),
4. Distribution capacity contribution, and
5. Export volume per kilowatt (kW) of installed capacity.

The Order also required the Company to host at least one workgroup meeting with interested parties.⁴ The Company has scheduled a workgroup meeting for December 21, 2021 to discuss the information provided in this Notice of Intent and the overall format and content of the Annual Update to facilitate an efficient procedure. Additional workgroup meetings, if needed, will be scheduled in January 2022 before the Company's January 28, 2022 Annual Filing.

Sincerely,



Joelle Steward
Senior Vice President, Regulation

CC: Service List - Docket No. 17-035-61

³ Details on the annual transmission rate update are available online at: www.oatioasis.com/ppw/. From the sidebar, select PacifiCorp OASIS Tariff/Company Information >> OATT Pricing >> 2021 Transmission Formula Annual Update.

⁴ Page 16 of the Order defined interested parties to be those who submitted comments regarding the Annual Update procedures in Docket No. 17-035-61, which includes the Division of Public Utilities, the Office of Consumer Services, Utah Clean Energy and Vote Solar.

CERTIFICATE OF SERVICE

I hereby certify that on December 1, 2021, a true and correct copy of Rocky Mountain Power's **Rocky Mountain Power's Notice of Intent to Use ECR Input** in Docket No. 17-035-61 was served by email on the following Parties:

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