

APPLICATION OF ROCKY MOUNTAIN POWER

Docket No. 21-035-68

PUBLIC HEARING

February 01, 2022

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PUBLIC HEARING DOCKET NO. 21-035-68
APPLICATION OF ROCKY MOUNTAIN POWER FOR APPROVAL OF AN
AMENDMENT OF A POWER PURCHASE AGREEMENT BETWEEN
PACIFICORP AND TESORO REFINING & MARKETING COMPANY LLC

Hearing dated February 1, 2022
From 9:02 a.m. to 9:10 a.m.

Public Service Commission of Utah
Via Videoconference

Reported by: Deirdre Rand, RPR, CSR, CCR

A P P E A R A N C E S

Public Service Commission:

MIKE HAMMER - Presiding Officer
LUCAS DOWNEY

Rocky Mountain Power:
EMILY WEGENER

Division of Public Utilities:
JUSTIN JETTER

Also present:
BRENDA SALTER
DOUG WHEELWRIGHT

-ooOoo-

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JEFFREY EINFELDT
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P R O C E E D I N G S

BY MR. HAMMER:

Q. Good morning. We should all be here for the hearing notice and the application of Rocky Mountain Power for approval of its amendment to a Power Purchase Agreement between PacifiCorp and Tesoro Refining & Marketing Company as Commission Docket No. 21-035-68.

My name is Mike Hammer and I'm the Commission's designated presiding officer. Let's go ahead and take appearances please, beginning with Rocky Mountain Power.

MS. WEGENER: Good morning, this is Emily Wegener on behalf of Rocky Mountain Power. And I have with me our witness today, Esteban Lara.

MR. LARA: Hi. Good morning.

MR. HAMMER: And for the Division of Public Utilities?

MR. JETTER: Good morning. Justin Jetter with the Utah Attorney General's office representing the Utah Division of Public Utilities. And joining me today will be the Division witness, Jeff Einfeldt.

MR. HAMMER: All right. Are there any other parties that would like to state their appearance?

Okay. Ms. Wegener, please go ahead and call

1 your first witness.

2 MS. WEGENER: The Company calls Esteban Lara.

3 MR. HAMMER: Mr. Lara, do you swear to tell
4 the truth?

5 MR. LARA: Yes.

6 MR. HAMMER: Thank you.

7 ESTEBAN LARA

8 DIRECT EXAMINATION

9 BY MS. WEGENER:

10 Q. Good Morning, Mr. Lara. Can you please state
11 and spell your name for the record?

12 A. Hi, good morning. Yes. My name is Esteban
13 Lara. E-s-t-e-b-a-n, L-a-r-a.

14 Q. Mr. Lara, what's your position with Rocky
15 Mountain Power?

16 A. I am the Business Development and Renewable
17 Program Director.

18 Q. Were you involved in the negotiation of the
19 second amendment non-firm power purchase agreement
20 between the Company and Tesoro Refining & Marketing
21 Company that we submitted to the Commission for approval
22 on December 17, 2021?

23 A. Yes, I was.

24 Q. Can you please provide a summary of that
25 contract?

1 A. Yes.

2 I present today for Commission approval the
3 second amendment to the qualifying facility non-firm
4 power purchase agreement between Tesoro Refining &
5 Marketing and PacifiCorp.

6 The amendment modifies the original agreement
7 which was approved by the Commission in Docket No.
8 19-035-38 on December 18, 2019, and subsequently amended
9 and approved in Docket No. 20-035-42 on December 17,
10 2020.

11 The amendment provides for a 12-month
12 extension of the agreement for the sale of energy to
13 PacifiCorp by Tesoro. The energy, up to 25 megawatts,
14 will be generated by a gas fire cogeneration facility
15 located in Salt Lake City, Utah, owned and operated by
16 Tesoro.

17 The original agreement had a term of
18 12 months from January 1, 2020 through December 31,
19 2020. The original agreement was subsequently
20 extended for 12 months as approved in Docket No.
21 20-035-42.

22 The purchase price for the extension period,
23 calendar year 2022, as set forth in the amendment were
24 calculated using the methodology approval by the
25 Commission in Docket 03-035-14.

1 According to the terms of the 2020 protocol
2 approved by the Commission of April 15, 2020 in Docket
3 No. 19-035-42, cost of the qualifying facility Power
4 Purchase Agreement would be allocated in accordance with
5 Section 4.2.2 of the 2020 protocol.

6 The Company filed the PPA extension amendment
7 for approval on December 17, 2021. In comments filed on
8 January 18, 2022, the Division of Public Utilities
9 stated their belief that the second amendment to the
10 non-firm PPA complied with the Commission's guidelines
11 and recommended approval.

12 In their comments, the Division also
13 reiterated their two recommendations that the Company
14 continue to file the quarterly hourly purchase power
15 reports, and future filings continue to include GRID
16 outputs and Excell spreadsheets supporting the price and
17 line loss calculations.

18 The Company agrees to these two
19 accommodations. The agreement is compliant with
20 relevant Commission orders and with Utah Schedule 38 and
21 should be found to be in the public interest.

22 The Company believes the PPA extension
23 amendment before the Commission for approval has not
24 had any issues raised by parties in this docket, and
25 recommends the Commission approve the agreement.

1 This concludes my statement.

2 MS. WEGENER: Thank you.

3 I have no further questions for this witness
4 and he is available for cross-examination and questions
5 from the hearing officer.

6 MR. HAMMER: Mr. Jetter?

7 MR. JETTER: Thank you.

8 The Division would -- oh, I'm sorry, I have
9 no questions.

10 MR. HAMMER: Thank you.

11 And I have none. Thank you, Mr. Lara.

12 MR. LARA: Thank you.

13 MR. HAMMER: Any other witnesses,
14 Ms. Wegener?

15 MS. WEGENER: No. Thank you.

16 MR. HAMMER: All right. Mr. Jetter, please
17 call your witness.

18 MR. JETTER: Thank you. I was trying to jump
19 ahead earlier.

20 The Division would like to call and have sworn
21 in Jeff Einfeldt.

22 MR. HAMMER: Mr. Einfeldt, do you swear to
23 tell the truth?

24 MR. EINFELDT: Yes.

25 MR. HAMMER: Thank you.

1 JEFFREY EINFELDT

2 DIRECT EXAMINATION

3 BY MR. JETTER:

4 Q. Mr. Einfeldt, would you please state your name
5 and occupation for the record?

6 A. My name is Jeffrey Einfeldt. I am employed by
7 the Division of Public Utilities as a utility technical
8 consultant. My address is 160 East 300 South, Salt Lake
9 City, Utah. I hope I got that right.

10 Q. I think so.

11 Have you had an opportunity to review the
12 application, the contract and the cost pricing -- or the
13 contract extension requested by the Commission in this
14 docket --

15 A. Yes, I have.

16 Q. -- excuse me, as requested by the Company --

17 A. Yes.

18 Q. -- Rocky Mountain Power?

19 And did you create and cause to be filed with
20 the Commission comments from the Division of Public
21 Utilities dated January 18, 2022?

22 A. Yes.

23 Q. Does your recommendation in those comments
24 remain the position of the Division in this docket?

25 A. Yes, it does.

1 Q. And have you prepared a brief summary of your
2 recommendation?

3 A. I have.

4 Q. Please go ahead.

5 A. Okay. Good morning. The Division recommends
6 the Commission approve this second amendment to the
7 non-firm Power Purchase Agreement between PacifiCorp and
8 Tesoro Refining & Marketing Company in regards to its
9 natural gas cogeneration facility associated with its
10 Salt Lake City refinery, the subject of Docket No.
11 21-035-68.

12 The Division finds the agreement is similar to
13 contracts of prior years and the first amendment from
14 last year, and complies with Commission guidelines
15 established in prior orders.

16 The Division finds the contract to be just,
17 reasonable, and in the public interest.

18 This concludes my comments.

19 MR. JETTER: Thank you.

20 And I have no further questions for
21 Mr. Einfeldt. He's available for cross-examination or
22 questions from the hearing officer.

23 MR. HAMMER: Ms. Wegener?

24 MS. WEGENER: No questions. Thank you.

25 MR. HAMMER: And I have none. Thank you,

1 Mr. Einfeldt.

2 MR. EINFELDT: Thanks.

3 MR. HAMMER: Anything else, Mr. Jetter?

4 MR. JETTER: Nothing further from the
5 Division. Thank you.

6 MR. HAMMER: All right. Is there anything
7 further from any party before we adjourn?

8 All right. Hearing nothing, everyone have a
9 wonderful day. We're adjourned.

10 MR. JETTER: Thank you.

11 (Hearing adjourned at 9:10 a.m.)

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REPORTER'S CERTIFICATE


STATE OF UTAH)
)
COUNTY OF UTAH)

I, DEIRDRE RAND, a Certified Court Reporter and Registered Professional Reporter, hereby certify:

THAT the foregoing proceedings were taken before me at the time therein set forth, with all parties appearing via videoconference from their respective locations. That the proceedings were taken down by me in shorthand and thereafter my notes were transcribed through computer-aided transcription; and the foregoing transcript constitutes a full, true, and accurate record of such oral proceedings had, and of the whole thereof which were audible and intelligible through the videoconference connection.

I further certify that I am not a relative or employee of any of the parties, nor do I have a financial interest in the action.

I have subscribed my name on this 3rd day of February, 2022.


DEIRDRE RAND, RPR, CSR, CCR

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