

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Application of Deseret Generation and Transmission Co-Operative for a Certificate of Public Convenience and Necessity Authorizing the Acquisition of Electric Utility Plant and Equipment	<u>DOCKET NO. 21-506-02</u> <u>REPORT AND ORDER</u>
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ISSUED: February 3, 2022

SYNOPSIS

The Public Service Commission (PSC) approves the application of Deseret Generation and Transmission Co-Operative (“Deseret”) for a Certificate of Public Convenience and Necessity (CPCN) authorizing Deseret to acquire up to 15 megawatts of peaking generation provided from reciprocating engine generation sets fueled by natural gas as described in Deseret’s December 22, 2021 Application filed with the PSC.

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**INTRODUCTION**

On December 22, 2021, Deseret filed an application (Application) pursuant to Utah Code Ann. § 54-4-25 seeking a CPCN to acquire up to 15 MW of peaking generation that can be provided from reciprocating engine generation sets fueled by natural gas (the “Peaker Project”). Deseret requests the PSC enter an order as expeditiously as possible granting Deseret a CPCN to construct the Peaker Project and grant other authority or authorizations that may be necessary to facilitate the construction of the Peaker Project. Deseret further requests that the PSC adjudicate Deseret’s application informally under Utah Admin. Code R746-1-104(1)(a) and R746-110 because Deseret anticipates its Application will be unopposed and uncontested.

On December 30, 2021, the PSC issued a Notice of Filing and Comment Period (“Notice”) setting a comment deadline of January 21, 2022. The Division of Public Utilities (DPU) filed comments on January 21, 2022. No other party submitted comments.

**POSITIONS OF THE PARTIES**

DPU recommends the PSC approve the Application and issue Deseret a CPCN for the Peaker Project. In support of its recommendation, DPU comments that Deseret states it will obtain permits necessary to construct the Peaker Project and that no existing public utility will be adversely affected by Deseret constructing the Peaker Project. DPU comments further that Deseret provided analysis explaining the need for the Peaker Project and documents showing it had sufficient financial capacity to undertake the Peaker Project. Based on those observations and its review of the Application, DPU comments that the Peaker Project is a viable option for Deseret in its pursuit of meeting the peak load necessary to serve its customers, and that the analysis done by Deseret is just and reasonable and in the public interest.

In addition, DPU requests the PSC adjudicate the Application informally because it does not expect, based on the history of a filing of this type for an entity of this type, and the information submitted by Deseret, there to be any objections or opposition to the filing.

**FINDINGS AND CONCLUSIONS**

The PSC finds that the Application demonstrates that Deseret is financially able to complete the acquisition of the Peaker Project, and that Deseret made reasonable efforts to identify the Peaker Project as the least-cost, least-risk approach to meeting its service obligations. In addition, the PSC finds that Deseret filed documentation containing sufficient information to support its Application, and that it has obtained or will obtain the necessary permits for constructing and operating the Peaker Project. Based on those findings and on DPU's

comments and recommendations, the PSC concludes that Deseret has met the statutory requirements set forth in Utah Code Ann. § 54-4-25 for a CPCN.

In addition, the PSC finds that Deseret's application is unopposed and therefore the PSC will adjudicate the Application informally under Utah Admin. Code R746-1-104(1). The PSC further finds that Deseret's Application demonstrates that Deseret urgently needs to acquire additional generation resources to ensure reliability during hours of peak load probable to occur during the summer of 2022. Based on that finding, the PSC concludes that good cause exists to waive the 20-day tentative period described in Utah Admin. Code R746-110-2.

**ORDER**

In light of the PSC's Findings and Conclusions:

1. Deseret is granted the CPCN attached as Exhibit A, incorporated by reference into this Order;
2. The 20-day tentative period described in Utah Admin. Code R746-110-2 is waived; this order is final.

DATED at Salt Lake City, Utah, February 3, 2022.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg  
PSC Secretary  
DW#322191

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Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the 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 fails to grant a request for review or rehearing within 30 days after the filing of a request for review or rehearing, 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 Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

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EXHIBIT A

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Application of Deseret Generation and Transmission Co-Operative for a Certificate of Public Convenience and Necessity Authorizing the Acquisition of Electric Utility Plant and Equipment	<u>DOCKET NO. 21-506-02</u> <u>CERTIFICATE NO. 506</u>
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ISSUED: February 3, 2022

The Public Service Commission of Utah (PSC), pursuant to Utah Code Ann. § 54-4-25, issues a Certificate of Public Convenience and Necessity authorizing DESERET GENERATION AND TRANSMISSION CO-OPERATIVE to acquire up to 15 megawatts of peaking generation provided from reciprocating engine generation sets fueled by natural gas, as described in Deseret's December 22, 2021 Application in the above referenced docket.

DATED at Salt Lake City, Utah, February 3, 2022.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg  
PSC Secretary

CERTIFICATE OF SERVICE

I CERTIFY that on February 3, 2022, a true and correct copy of the foregoing was served upon the following as indicated below:

By Email:

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Office of Consumer Services

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Administrative Assistant