

Rocky Mountain Power
Docket No. 22-035-03
Witness: Joelle R. Steward

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Direct Testimony of Joelle R. Steward

January 2022

1 **INTRODUCTION OF WITNESS AND QUALIFICATIONS**

2 **Q. Please state your name, business address, and present position with PacifiCorp,**
3 **d/b/a Rocky Mountain Power (“Rocky Mountain Power” or the “Company”).**

4 A. My name is Joelle R. Steward. My business address is 1407 West North Temple, Salt
5 Lake City, Utah 84116. My present position is Senior Vice President, Regulation and
6 Customer & Community Solutions for Rocky Mountain Power.

7 **Q. Please summarize your education and business experience.**

8 A. I have a B.A. degree in Political Science from the University of Oregon and an M.A.
9 in Public Affairs from the Hubert Humphrey Institute of Public Policy at the University
10 of Minnesota. Between 1999 and March 2007, I was employed as a Regulatory Analyst
11 with the Washington Utilities and Transportation Commission. I joined the Company
12 in March 2007 as a Regulatory Manager, responsible for all regulatory filings and
13 proceedings in Oregon. On February 14, 2012, I assumed responsibilities overseeing
14 cost of service and pricing for PacifiCorp. In May 2015, I assumed broader oversight
15 over Rocky Mountain Power’s regulatory affairs in addition to the cost of service and
16 pricing responsibilities. In 2017 I assumed the role of Vice President, Regulation for
17 Rocky Mountain Power. In 2021, I assumed my current role of Senior Vice President,
18 Regulation and Customer & Community Solutions.

19 **Q. Have you appeared as a witness in previous regulatory proceedings?**

 A. Yes. I have testified on various matters in the states of Idaho, Oregon, Utah,
 Washington, and Wyoming.

20 **PURPOSE OF TESTIMONY**

21 **Q. What is the purpose of your testimony?**

22 A. I discuss the circumstances surrounding the Company’s decision to request a waiver of
23 the significant energy resource approval process and how the public interest would not
24 be harmed if the Commission grants the waiver.

25 **Q. For what projects is the Company seeking a waiver of the significant energy
26 resource approval process?**

27 A. The Company seeks a waiver for five projects, all of which were selected in the
28 Company’s 2020 All Source RFP (“2020AS RFP”). The 2020AS RFP solicitation
29 process was reviewed and approved by the Commission, which noted that the process
30 was “commendably transparent” and likely to “identify and select resources in the
31 public interest.”¹ Company witness Ms. Shayleah LaBray provides specific
32 information on the 2020AS RFP and the selected projects for which waiver is sought.

33 **Q. Does the Company claim that the projects are an “emergency” or a “time-limited
34 commercial or technical opportunity” under Utah Code 54-17-501?**

35 A. No.

36 **REQUEST FOR WAIVER**

37 **Q. Why is the Company seeking a waiver of the significant energy resource approval
38 process for these projects?**

39 A. The Company seeks a waiver of the significant energy resources approval process in
40 light of several factors. First, possible changes to federal tax credits could require
41 updates to the project economics. The Company had been following the potential

¹ *Application of Rocky Mountain Power for Approval of Solicitation Process for 2020 All Source Request for Proposals*, Docket No. 20-035-05, Order Approving 2020 All Source RFP (July 17, 2020).

42 enactment of the Build Back Better Act in Congress, which would have expanded and
43 extended key tax incentives for renewable resources and create new tax credits for high-
44 voltage transmission lines. While passage of the full act became infeasible at the end
45 of 2021, there appears to be on-going potential that certain pieces of that act will
46 continue through Congress, specifically the climate and energy proposals.

47 Although the Company believes that it would still be possible to present
48 relevant and full project economics and that the new potential tax incentives will only
49 improve the projects' economics, it recognizes that prudence reviews of significant
50 resource decisions are a resource-intensive exercise for the Commission and other
51 parties. Based on the Company's experience in the last significant energy resource
52 decision in Docket No. 17-035-40 ("EV 2020"), updates in the middle of a proceeding
53 have historically been challenging for parties.

54 **Q. Does the Company concede that updates in the middle of a process such as what**
55 **occurred in the EV 2020 proceeding are inappropriate?**

56 A. No. The Company believes that in some cases, like EV 2020, updates will be necessary
57 and are appropriate as material changes or events occur. The Company raises this point
58 in recognition that these types of reviews are time intensive for parties and believes the
59 resources expended for such a process should be weighed against the other
60 circumstances and the benefits of preapproval.

61 **Q. What other factors exist in this case that led the Company to determine that**
62 **seeking a waiver is the best course of action for these projects?**

63 A. Substantial resources would be required from the parties involved to process a full
64 significant energy resource decision at this time, particularly because project
65 economics could change from various factors, such as federal tax legislation, during
66 the course of the regulatory proceeding. The Company believes that in light of this,
67 coupled with the fact that these resources were identified as part of the Company's 2019
68 Integrated Resource Plan ("2019 IRP") and then selected in the approved 2020AS RFP,
69 a waiver of the requirement would be a more prudent use of resources. A waiver would
70 allow parties to focus their efforts on resolution of the inter-jurisdictional cost
71 allocation through the Multi-State Process and the upcoming 2022 All Source RFP.

72 **Q. How is the public interest protected if the Commission grants the requested**
73 **waiver?**

74 A. The Company will present these projects for cost recovery in a future rate proceeding
75 and bear the burden of proof to demonstrate prudence at that time. Granting the
76 Company's request for a waiver will not harm the public interest. The 2020AS RFP and
77 the Company's 2021 Integrated Resource Plan both identify the Projects as benefitting
78 customers. Given the oversight of the 2020AS RFP and the fact that the Company bears
79 the risk of cost recovery, the benefit of the approval process is outweighed by the
80 burden of the regulatory process.

81 **RECOMMENDATION**

82 **Q. Please summarize the Company's recommendation.**

83 A. I recommend the Commission approve the Company's requested waiver.

84 **Q. Does this conclude your direct testimony?**

85 A. Yes.