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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

<p>IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER FOR WAIVER OF THE REQUIREMENT FOR PREAPPROVAL OF SIGNIFICANT ENERGY RESOURCE ACQUISITIONS</p>	<p>Docket No. 22-035-03</p> <p>APPLICATION FOR WAIVER</p>
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I. INTRODUCTION

In accordance with Utah Code Ann. § 54-17-501 and Utah Admin. Code R746-430-4, PacifiCorp doing business as Rocky Mountain Power (“Rocky Mountain Power” or “Company”) submits this Application to the Public Service Commission of Utah (“Commission”). The Company respectfully requests under Utah Code Ann. § 54-17-501(7) that the Commission issue an order granting the Company’s request to waive the requirement for Commission approval of five significant energy resource acquisitions (the “Projects”) selected through the Company’s 2020

All Source Request for Proposals (“2020AS RFP”). The 2020AS RFP complied with Utah Code Ann. § 54-17-201 and was approved by the Commission.¹

The Company may obtain a waiver of the Commission approval process if the Commission determines that waiving the requirement is in the public interest. Because the Commission reviewed and supervised the 2020AS RFP solicitation process that resulted in the selection of the resources the Company will acquire, customers are protected. The Company understands that if a waiver is granted that the cost recovery the Company seeks in connection with the Projects will be subject to a future prudence review by the Commission. Therefore, the Commission should grant the Company’s Application for a waiver.

II. THE APPLICANT

PacifiCorp provides retail electric service under the name Rocky Mountain Power in the states of Wyoming, Utah, and Idaho, and under the name Pacific Power in the states of Oregon, Washington, and California. Rocky Mountain Power is a public utility in the state of Utah subject to the jurisdiction of the Commission with regard to its electric service to retail customers in Utah. The Company serves approximately 948,000 customers and has approximately 2,000 employees in Utah.

Formal correspondence and requests for additional information regarding this matter should be addressed to:

By e-mail (preferred): datarequest@pacificorp.com

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).

By regular mail:

Data Request Response Center
PacifiCorp
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With copies to:

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Informal inquiries related to this Application should be directed to Jana Saba, Utah Regulatory Affairs Manager, at (801) 220-2823.

III. SUPPORTING TESTIMONY

This Application is supported by the pre-filed written direct testimony and exhibits of the following Company witnesses:

- **Joelle R. Steward**, Senior Vice President Regulation and Customer & Community Solutions, provides an overview of the Company's Application, explains why a waiver of the significant energy resource approval process is in the public interest and the nature of the factors supporting a waiver in this matter.
- **Shayleah J. LaBray**, Vice President Resource Planning and Acquisitions, testifies concerning the information, data, models and analyses used by the Company to

evaluate the Projects. Specifically, she explains the planning and analysis of the Projects in the Company’s resource planning process, including the 2021 Integrated Resource Plan (“2021 IRP”).

IV. OVERVIEW OF THE PROJECTS

The Company requests a waiver of significant energy resource approval for five of the projects that were selected through the 2020AS RFP. These projects are described in the table below and are collectively referred to as the “Projects.”

Project Name	Resource Type	Bid Type	MW	Commercial Operation Date
Boswell Springs	Wind	PPA	320	10/1/2024
Cedar Springs IV	Wind	PPA	350	12/1/2024
Dominguez I	Battery	BSA	200	6/30/2024
Green River I & II	Solar + Storage	PPA	400	12/31/2024
Rock Creek I <u>Rock Creek II</u>	Wind	BTA	400	12/31/2024

A. Proposed Significant Energy Resource Acquisitions

1. Boswell Springs Wind Power Purchase Agreement.

The Boswell Springs Wind PPA will set forth the terms and conditions for the Company to purchase up to 320 megawatts (“MW”) of wind-generated electricity from a facility located eastern Wyoming. The term of the PPA is 30 years. Approval is required under Utah Code Ann. § 54-17-302 because it is a contract for more than 300 MW of electricity and electrical generating capacity with a term longer than 10 years.² It is considered a renewable energy source under Utah Code Ann. § 54-17-601(10)(a)(i).

² While the definition of “significant energy resource” under Utah Code Ann. § 54-17-102(4) includes resources with 100 MW or more of generating capacity, Utah Code Ann. § 54-17-502(1) modifies the resource approval process for renewable energy sources to include only projects with a nameplate capacity of 300 MW or more.

2. Cedar Springs IV Wind Power Purchase Agreement.

The Cedar Springs IV Wind PPA will set forth the terms and conditions for the Company to purchase up to 350 MW of wind-generated electricity from a facility located in eastern Wyoming. The term of the PPA is 30 years. Approval is required under Utah Code Ann. § 54-17-302) because it is a contract for more than 300 MW of electricity and electrical generating capacity with a term longer than 10 years. It is considered a renewable energy source under Utah Code Ann. § 54-17-601(10)(a)(i).

3. Dominguez I Battery Storage Agreement.

The Dominguez I Battery BSA will set forth terms and conditions for the Company to purchase up to 200 MW of battery capacity located in northern Utah. The term of the BSA is 15 years. It meets the definition of “significant energy resource” under Utah Code Ann. § 54-17-102(4)(b) because it is a contract for more than 100 MW of electricity with a term longer than 10 years, and therefore approval is required under Utah Code Ann. § 54-17-302.

4. Green River I & II Solar + Storage Power Purchase Agreement.

The Green River I & II PPA will set forth the terms and conditions for the Company to purchase up to 400 MW of solar generated electricity from a facility located in southern Utah. The term of the PPA is 20 years. It meets the definition of “significant energy resource” under Utah Code Ann. § 54-17-102(4)(b) because it is a contract for more than 100 MW of electricity and electrical generating capacity with a term longer than 10 years. Approval is required under Utah Code Ann. § 54-17-302 because it is a contract for more than 300 MW of electricity and electrical generating capacity with a term longer than 10 years. It is considered a renewable energy source under Utah Code Ann. § 54-17-601(10)(a)(ii).

5. ~~Rock Creek I~~Rock Creek II Wind Build Transfer Agreement.

The ~~Rock Creek I~~Rock Creek II Wind Build Transfer Agreement will set forth the terms and conditions for the Company to purchase a 400 MW wind generation facility in eastern Wyoming. Approval is required under Utah Code Ann. § 54-17-302 because it the acquisition of new generating capacity of more than 300 MW that has a dependable life of 10 or more years. It is also considered a renewable energy source under Utah Code Ann. § 54-17-601(10)(a)(i).

B. The Analysis Contained in the Company’s 2019 and 2021 IRPs Justifies the Projects

The Company’s 2019 IRP, which was filed with the Commission on October 18, 2019, in Docket No. 19-035-02, identified the need for the 2020AS RFP to procure least-cost least-risk resources. The Company’s 2019 IRP is designed to ensure, on a long-term basis, an adequate and reliable electricity supply at a reasonable cost and in a manner that is consistent with the long-term public interest. To that end, the IRP’s primary objective is to identify the best mix of resources to serve customers over the short- and long-term, based on an analysis of the costs and risks associated with various resource portfolios. The IRP identifies the preferred portfolio as the least-cost, least-risk portfolio that can be delivered through specific action items at a reasonable cost and with manageable risks, while ensuring compliance with state and federal regulatory obligations. The preferred portfolio in the 2019 IRP included the acquisition of additional resources. Specifically, action item 2b states “PacifiCorp will issue an all-source request for proposals (RFP) to procure resources that can achieve commercial operations by the end of December 2023.” The Company sent out the 2020AS RFP and conducted it in accordance with the process approved by the Commission in Docket No. 20-035-05. The Company determined the final shortlist using the System Optimizer and Planning and Risk models and a range of CO₂ and natural gas price scenarios. Subsequent to the selection of the final shortlist, PacifiCorp confirmed

its evaluation of the 2020AS RFP using the Plexos modeling system, which confirmed the benefits to customers as described by Ms. LaBray.

V. LEGAL STANDARD

A. Waiver of Significant Energy Resource Decision.

The Energy Resource Procurement Act (the “Act”)³ requires the Company to obtain Commission approval before acquiring certain generation resources. This approval is a two-step process.⁴ First, the Company must meet the “Solicitation Approval Requirement” set forth in Utah Code Ann. § 54-17-201, which requires the Company to develop and propose a solicitation process to meet an identified energy need. Second, the Company must meet the “Resource Approval Requirement” set forth in Utah Code Ann. § 54-17-302, which requires the Company to obtain Commission approval of significant energy resource decisions before the Company constructs or contracts for the resource. A significant energy resource is defined in Utah Code Ann. § 54-17-102(4) and includes the acquisition of a resource that is 100 MW or more of new generating capacity with a dependable life of 10 or more years or the purchase of electricity or electric generation capacity of over 10 MW with a contract term of 10 or more years. If the “significant energy resource” is also a “renewable energy source” as defined in Utah Code Ann. § 54-17-601, approval is only required if the nameplate capacity exceeds 300 MW. Utah Code Ann. § 54-17-502(1).

A utility may obtain a waiver of either the Solicitation Approval Requirement or the Resource Approval Requirement. Specifically, Utah Code Ann. § 54-17-501 states:

An affected electrical utility may obtain a waiver . . . of the requirement that it obtain approval of a significant energy resource decision under Part 3, Resource

³ The Act is codified at Utah Code Ann. §§ 54-17-101 through 909.

⁴ *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 at 5 (July 17, 2020).

Plans and Significant Energy Resource Approval, if the commission determines that waiving the requirement is in the public interest because there exists:

- (a) a clear emergency;
- (b) a time-limited commercial or technical opportunity that provides value to the customers of the affected electrical utility; or
- (c) any other factor that makes waiving the requirement in the public interest.

B. Waiver of the Resource Approval Requirement is in the Public Interest

The public interest is protected because the 2020AS RFP and the Company's 2021 IRP both identify the Projects as benefitting customers. The Company understands and is willing to accept the risk of cost recovery for the Projects in the next general rate case, where the Commission and parties will have the opportunity to analyze the economics of the projects in more detail. If the Company were to seek approval at this time, substantial resources would be required from the parties involved. Potential changes to federal tax credits may require material updates during the course of the proceeding, which would add to the burden of analyzing the resources at this time. Given the oversight of the 2020AS RFP and the fact that the Company bears the risk of cost recovery, the benefit of the approval process is outweighed by the burden of the regulatory process.

IV. REQUEST FOR RELIEF

WHEREFORE, the Company requests relief as follows:

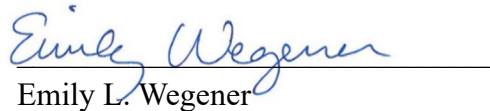
1. That the Commission, by the next business day following the date this application is filed, issue a notice of technical conference in accordance with Utah Code Ann. § 54-17-501(4). The Company conferred with the Division of Public Utilities and Office of Consumer Services on the preferred timing for the technical conference and suggests that the technical conference be scheduled on January 31, 2022, beginning at either 9:00 am or 3:00 pm mountain standard time.

2. That the Commission proceed to require the filing of comments on the waiver request during the period from three business days to seven calendar days following the technical conference held pursuant to the foregoing paragraph in accordance with Utah Code Ann. § 54-17-501(6). If the technical conference is held on January 31, 2022, Rocky Mountain Power suggests that comments be due on February 7, 2022.

3. That the Commission issue an order pursuant to Utah Code Ann. § 54-17-501 stating that waiver of the resource Approval Requirement is in the public interest and allowing the Company to proceed with the Projects without obtaining advance approval from the Commission.

DATED this 24th day of January 2022.

Respectfully submitted,



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