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**BEFORE THE PUBLIC UTILITIES COMMISSION OF UTAH**

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**IN THE MATTER OF THE APPLICATION OF )**  
**ROCKY MOUNTAIN POWER FOR A WAIVER ) Docket No. 22-035-03**  
**OF THE REQUIREMENT FOR PREAPPROVAL )**  
**OF SIGNIFICANT ENERGY RESOURCE ACQUISITIONS )**

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**INITIAL COMMENTS OF THE INTERWEST ENERGY ALLIANCE**

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The Interwest Energy Alliance (“Interwest”), is a 501(c)(6) trade association of nationally-recognized renewable energy developers working with the leading nongovernmental environmental organizations to promote renewable energy throughout the Intermountain West. Interwest submits these initial comments in support of Rocky Mountain Power’s *Application for Waiver of the Requirement for Pre-approval of a Significant Energy Resource Acquisition* (“Application for Waiver”) pursuant to the *Notices of Filing, Virtual Technical Conference and Comment Period* issued by the Commission on January 25, 2022. Interwest sincerely appreciates the opportunity to submit these comments.

Rocky Mountain Power seeks a waiver of the significant energy resource approval process under Utah Code section 54-17-501 for five projects selected through the 2020All-Source Request

for Proposals (“2020AS RFP”) which was approved and issued in accordance with orders entered in Utah Public Service Commission Docket No. 20-035-05. FP. 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. Rocky Mountain Power seeks a waiver for the following list of significant energy resource additions to be procured through either a power-purchase agreement (“PPA”), a battery-storage agreement (“BSA”), or a build-transfer agreement (“BTA”)(collectively referred to herein as the “Projects”).

- Boswell Springs Wind PPA (320 megawatts (“MW”))
- Cedar Springs IV Wind PPA (350 MW)
- Dominguez I Battery Storage Agreement (“BSA”) (200 MW)
- Green River I & II Solar + Storage PPA (400 MW)
- Rock Creek II Wind BTA (400 MW)

Except for the BSA, each of the significant energy resource additions is a renewable energy resource under Utah Code Ann. § 54-17-602(10) with a nameplate capacity exceeding 300 MW. The BSA is a significant energy resource that exceeds 100 MW of generating capacity. The term of each of the contracts for purchase of electricity and electric generating capacity exceeds ten years. Rock Creek II will be owned by Rocky Mountain Power after construction has been completed. The Projects are scheduled to come online in 2024.

The request for waiver reflects a prudent consideration of the Commission’s and parties’ resources as well as the regulatory circumstances around the Build Back Better Act negotiations in Congress, and recognition of the effort required to analyze the economics of these projects here in

Utah.<sup>1</sup> As a party to the 2020 Energy Vision dockets, Interwest recognized and respected the substantial outlay of time and resources required for this type of analysis. In her Direct Testimony filed in this docket, Joelle Steward discusses the various factors supporting Rocky Mountain Power's request for a waiver, to accommodate these concerns while preserving a thorough, timely decision-making process for review of the costs and risks to electricity consumers.<sup>2</sup>

The Direct Testimony of Shayleah LaBray<sup>3</sup> reflects the Commission oversight of the development of the 2020 AS RFP and the Independent Evaluator's ("IE") review of the bid review process, which helps bolster a finding of fairness of the process and the consumer benefits of the outcome. The 2020 RFP solicitation process was approved by the Commission and overseen by an independent evaluator, Merrimack Energy Group, Inc. ("Merrimack") in Utah and an independent evaluator, PA Consulting Group, Inc. in Oregon. Merrimack, the Utah Commission-appointed IE, found in its Shortlist Report that the RFP was fair, reasonable, and in the public interest.<sup>4</sup> This stringent review, which is renewed with each proposed request for proposals, aids the Commission's review of this Application for Waiver, offering some assurance that the most cost-effective bids were selected from the many varied business models and technology types to serve the need identified in Rocky Mountain Power's 2019 Integrated Resource Plan ("2019 IRP").

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<sup>1</sup> For a recent discussion of the implementation of the federal infrastructure legislation and the Build Back Better bill, see Nat'l. Law Rev., "ML Strategies Energy & Sustainability Washington Update — February 2022" (Jan. 31, 2022), available at: <https://www.natlawreview.com/article/ml-strategies-energy-sustainability-washington-update-february-2022>.

<sup>2</sup> Direct Testimony of Joelle R. Steward filed January 24, 2022.

<sup>3</sup> Direct Testimony of Shayleah J. LaBray – ERRATA filed January 26, 2022.

<sup>4</sup> *Application of Rocky Mountain Power for Approval of Solicitation Process for 2020 All Source Request for Proposals*, Docket No. 20-035-05. Shortlist Report of the Independent Evaluator, Merrimack Energy Group, Inc. (Sept 2, 2021). LaBray, at 10-11.

The 2019 IRP was prepared after an extensive public input process representing a wide range of stakeholders, including customer representatives and commission staff. The projects have been analyzed through cost and risk modeling. Rocky Mountain Power used 2019 IRP modeling tools including the System Optimizer (“SO”) and Planning and Risk (“PaR”) models to evaluate the projects under varying price-policy assumptions. Rocky Mountain Power subsequently used the 2021 IRP modeling system, Plexos, as a further validation that the 2020AS RFP final shortlist. The projects continue to provide customer benefits, as further detailed in the direct testimonies of Ms. Steward and Ms. LaBray referenced above.<sup>5</sup>

The modeling of the preferred portfolio selected from the 2019 IRP reflects substantial benefits over and above the portfolio analyzed without the projects. The present value revenue requirement differential of the “P02d-No RFP” portfolio (excluding the Projects) compared to the top performing “P02-MM portfolio” (including the Projects) was over \$1 billion higher cost on both an expected and risk-adjusted basis. This modeling provides further confirmation of the benefits to customers of the 2020AS RFP final shortlist, which includes the Projects. The “P02d-No RFP portfolio” also resulted in higher market reliance risk when the 2020AS RFP resources were removed.<sup>6</sup>

Rocky Mountain Power has elected to take the cost recovery risk, so consumer advocates and the Commission will have full access to completed cost itemization once expenditures are made. This analysis in hindsight will provide more accurate insights than the forecasted costs and

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<sup>5</sup> LaBray, fn. 3, *supra*, at 10-12.

<sup>6</sup> LaBray, at 12.

modeling which is available at this time. Therefore, Rocky Mountain Power's procedural strategy appears to be a prudent allocation of regulatory resources.

Time is of the essence, even though Rocky Mountain Power does not assert that the Projects and Application for Waiver qualifies for an "emergency" or a "time-limited commercial or technical opportunity" under the waiver statute.<sup>7</sup> Rather, the completion of the projects to be interconnected and online by the end of 2024 to be eligible for federal tax credits is driving the need for prompt decision-making. A prompt decision will enable the construction of the transmission projects which are required for interconnection of the portfolio to be commenced by June 2, 2022. The projects will require as much time as possible between now and the end of 2024 for final development activities and installation.

Considering all of the circumstances, Interwest recommends that the Commission grant the Application for Waiver. The proposed waiver will enable the projects to proceed on a timely basis, with reserved rights for a complete review the prudency and cost effectiveness at a later date when more complete set of inputs into the analysis is available to the parties, Commission staff and the Commission.

These comments are respectfully submitted this 7th day of February, 2022 by an employee of the Interwest Energy Alliance in compliance with Rule 746-1-107(1)(c).

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<sup>7</sup> Steward, fn. 2, *supra*, at 3.

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