



1407 W. North Temple
Salt Lake City, UT 84116

October 24, 2022

VIA ELECTRONIC FILING

Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Gary Widerburg
Commission Administrator

RE: Docket No. 22-035-50 – In the Matter of the Application of Rocky Mountain Power for Approval of an Amendment to the Power Purchase Agreement between PacifiCorp and Kennecott Utah Copper LLC – Refinery

Rocky Mountain Power (the “Company”) hereby submits for filing its application for approval of an Amendment to the Power Purchase Agreement between PacifiCorp and Kennecott Utah Copper LLC (“Kennecott”) for sales from its refinery.

The Company’s filing includes the Company’s Application, Confidential Exhibit A, three confidential workpapers and two non-confidential workpapers.

The Company respectfully requests that all formal correspondence and requests for additional information regarding this filing be addressed to the following:

By E-mail (preferred): datarequest@pacificorp.com
utahdockets@pacificorp.com
jana.saba@pacificorp.com
zachary.rogala@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

Informal inquiries may be directed to Jana Saba at (801) 220-2823.

Sincerely,

Joelle Steward
Senior Vice President, Regulation and Customer & Community Solutions

Enclosures
CC: Service List

Zachary Rogala
 Rocky Mountain Power
 1407 W North Temple, Suite 320
 Salt Lake City, UT 84116
 (435) 319-5010
zachary.rogala@pacificorp.com

Attorney for Rocky Mountain Power

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of)	
Rocky Mountain Power for Approval of)	
an Amendment to the Power Purchase)	DOCKET NO. 22-035-50
Agreement between PacifiCorp and)	
Kennecott Utah Copper LLC - Refinery)	ROCKY MOUNTAIN POWER’S
)	APPLICATION

Pursuant to Utah Code Ann. § 54-12-2, PacifiCorp, doing business in Utah as Rocky Mountain Power (“Rocky Mountain Power” or “Company”) hereby applies for an order approving a Third Amendment dated October 19, 2022 (“Amendment”) to the Power Purchase Agreement dated October 9, 2019, the First Amendment dated October 12, 2020, and Second Amendment dated October 26, 2021 (“Agreement”) between PacifiCorp and Kennecott Utah Copper LLC (“Kennecott”). In support of its Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is a public utility in the state of Utah and is subject to the jurisdiction of the Public Service Commission of Utah with regard to its rates and service. Rocky Mountain Power also provides retail electric service in the states of Idaho and Wyoming. As a “purchasing utility,” as that term is used in Utah Code Ann. § 54-12-2, PacifiCorp is obligated to purchase power from qualifying facilities pursuant to the Public Utility Regulatory Policies Act of 1978, Utah Code Ann. § 54-12-1, et seq., and

the Commission's orders. Under the Agreement, Kennecott represents itself to be a qualifying facility, and agrees to provide PacifiCorp, upon request, with evidence to show its qualifying facility status.

2. Communications regarding this Application should be addressed to:

By e-mail (preferred): datarequest@pacificorp.com
jana.saba@pacificorp.com
utahdockets@pacificorp.com
zachary.rogala@pacificorp.com

By mail: Data Request Response Center
Rocky Mountain Power
825 NE Multnomah St., Suite 2000
Portland, OR 97232

Jana Saba
Rocky Mountain Power
1407 W. North Temple, Suite 330
Salt Lake City, UT 84116
Telephone: (801) 220-2823
Facsimile: (801) 220-3299

3. In Docket No. 03-035-14, the Commission issued a series of Orders that established avoided capacity and energy cost payments for purchases from QF projects larger than one megawatt, such as Kennecott's, under contracts with PacifiCorp. The Commission re-affirmed this methodology in an August 16, 2013, Order on Phase II Issues in Docket No. 12-035-100.¹

4. The Agreement provides for the sale to PacifiCorp of energy to be generated by Kennecott up to 7.54 megawatt, from a waste heat-fired cogeneration facility constructed by Kennecott and located in Salt Lake City, Utah (the "Facility"). The Amendment, attached to this Application as Confidential Exhibit A, extends the term of the Agreement,

¹ See *In the Matter of the Application of Rocky Mountain Power for Approval of Changes to Renewable Avoided Cost Methodology for Qualifying Facilities Projects Larger than Three Megawatts*, Order on Phase II Issues (Aug. 16, 2013).

establishes the pricing for the extension period, and updates the Line Loss Factor for the period that the Amendment extends the Agreement. The Amendment extends the Agreement for 12 months: January 1, 2023 to December 31, 2023. The Commission has previously approved two amendments to the initial Kennecott Agreement approved in Docket No. 19-035-37.²

5. The purchase prices set forth in the Agreement include a “lesser of” provision to account for Kennecott’s ability to purchase market blocks of power under the Energy Services Agreement approved by the Commission in Docket No. 16-035-33, where the Company will pay the lesser of the price for market blocks or prices that were calculated using the methodology approved by the Commission orders in Docket No. 03-035-14 and Docket No. 12-035-100.

6. The Facility is located near Magna, Utah, in an area served by Rocky Mountain Power. All interconnection requirements have been met and the Facility is fully integrated with the Rocky Mountain Power system.

7. According to the terms of the 2020 Protocol, approved by the Commission in Docket No. 19-035-42, costs of the qualifying facility power purchase agreement will be allocated in accordance with section 4.4.2 of the 2020 Protocol.

8. The existing Agreement between PacifiCorp and Kennecott expires on December 31, 2022. Therefore, the parties desire that there be no time lapse between the expiration of the Agreement and the approval of the Amendment for which approval is sought in this Application.

² Subsequently amended in Docket No. 20-035-44 (Dec. 18, 2020), and Docket No. 21-035-62 (Dec. 28, 2021).

WHEREFORE, Rocky Mountain Power respectfully requests that the Commission issue an order approving the Agreement and find the terms and conditions of the Agreement as modified by the Amendment to be just, reasonable, and in the public interest.

DATED this 24th day of October, 2022.

Respectfully submitted,

ROCKY MOUNTAIN POWER

A handwritten signature in black ink, consisting of stylized initials 'ZR' followed by a horizontal line extending to the right.

Zachary Rogala
1407 West North Temple, Suite 320
Salt Lake City, Utah 84116
Telephone No. (435) 319-5010
E-mail: zachary.rogala@pacificorp.com

Attorney for Rocky Mountain Power

Redacted Exhibit A

**THIRD AMENDMENT TO
NON-FIRM POWER PURCHASE AGREEMENT**

This Third Amendment (this "Amendment") to the Non-Firm Power Purchase Agreement (Refinery) entered into on October 9, 2019 (as amended by the First Amendment dated October 14, 2020, and the Second Amendment dated October 26, 2021, the "Agreement"), is entered into by and between PacifiCorp and Kennecott Utah Copper LLC. This Amendment will become effective on the date associated with the signature of the last Party to sign it. All defined terms used but not defined in this Amendment have the meanings provided to them in the definition for such terms in the Agreement.

WHEREAS, the Parties wish to extend the term of the Agreement and establish the pricing for the extension period;

The Parties agree as follows:

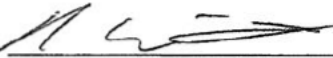
1. Section 2.2 of the Agreement is hereby replaced in its entirety with the following:

"Unless earlier terminated as provided herein, this Agreement shall terminate at 11:59:59 p.m. MPT December 31, 2023."
2. The Exhibit E attached hereto as **Attachment 1** shall replace Exhibit E of the Agreement in its entirety effective as of January 1, 2023.
3. Except as expressly modified and amended in accordance with the provisions of this Amendment, all other terms and conditions of the Agreement remain in full force and effect and continue to bind the Parties. The Parties executing this Amendment warrant that they have the requisite authority to do so.

By signing below, the duly authorized representatives of the Parties indicate their agreement to the terms of this Amendment.

Kennecott Utah Copper LLC

PacifiCorp

By: 
 Name: Nathan W. Foster
 Title: Acting MD - Kennecott Utah Copper
 Date: 10/7/22

By: **Ronald Scheirer** Digitally signed by Ronald Scheirer
Date: 2022.10.19 11:08:35 -0700
 Name: _____
 Title: _____
 Date: _____

Approved as to form:

Nicole Carlisle Squires Digitally signed by Nicole Carlisle Squires
Date: 2022.10.06 09:35:10 -06'00'

Attachment 1

EXHIBIT E
PRICING (\$/MWh)

“Energy Price” shall be the lesser of:

- (a) The Block 2 Rate under the Electric Service Agreement for the hour of the Delivered Energy; or
- (b) The price in the following table times 1.0136.

“On-Peak” means “Monday through Saturday hour ending 07:00 through hour ending 22:00 Pacific Prevailing Time Excluding NERC Holidays).

“Off-Peak” all hours that are not On-Peak.

The 1.0136 adjustment factor accounts for avoided line losses. This adjustment factor is based on a rate of 4.30% for real power losses for voltage of 46 kV or greater as set forth in Schedule 10 of PacifiCorp’s Open Access Transmission Tariff (OATT) approved in the settlement of Federal Energy Regulatory Commission (FERC) Docket No. ER11-3643.

CERTIFICATE OF SERVICE

Docket No. 22-035-50

I hereby certify that on October 24, 2022, a true and correct copy of this Application was served by electronic mail to the following:

Utah Office of Consumer Services

Michele Beck mbeck@utah.gov
ocs@utah.gov

Division of Public Utilities

dpudatarequest@utah.gov

Assistant Attorney General

Patricia Schmid pschmid@agutah.gov
Robert Moore rmoore@agutah.gov

Rocky Mountain Power

Data Request Response Center
Jana Saba jana.saba@pacificorp.com
utahdockets@pacificorp.com
Zachary Rogala Zachary.rogala@pacificorp.com



Carrie Meyer
Adviser, Regulatory Operations