



1407 W. North Temple, Suite 330
Salt Lake City, UT 84116

November 10, 2022

VIA ELECTRONIC FILING

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

Attention: Gary Widerburg
Commission Administrator

Re: Docket No. 22-035-52 – In the Matter of the Application of Rocky Mountain Power for Approval a Third Amendment of a Power Purchase Agreement Between PacifiCorp and Tesoro Refining & Marketing Company LLC

Rocky Mountain Power (the “Company”) hereby submits for filing its application for approval of a Third Amendment of the Power Purchase Agreement between PacifiCorp and Tesoro Refining and Marketing Company dated November 10, 2022.

The Company’s filing consists of 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, Utah 84116
(435) 319-5010
zachary.rogala@pacificorp.com

PacifiCorp Attorney

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Application of Rocky Mountain Power for Approval of an Amendment of a Power Purchase Agreement Between PacifiCorp and Tesoro Refining & Marketing Company LLC)))))))))))	Docket No. 22-035-52 APPLICATION
--	---	--

Pursuant to Utah Code § 54-12-2, PacifiCorp, dba Rocky Mountain Power (“PacifiCorp” or “Rocky Mountain Power”), submits this application (“Application”) for an order approving the Third Amendment to Non-Firm Power Purchase Agreement between PacifiCorp and Tesoro Refining & Marketing Company LLC (“Tesoro”), dated November 10, 2022, which amends the Non-Firm Power Purchase Agreement (“Agreement”) entered into by the parties on October 11, 2019.

In support of this Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is a public utility that serves customers in Utah, Wyoming, and Idaho, and is subject to the jurisdiction of the Public Service Commission of Utah (“Commission”). As a “purchasing utility” under Utah Code § 54-12-2, PacifiCorp is obligated to purchase power from qualifying facilities pursuant to the Public Utility Regulatory Policies Act of 1978 and Utah Code § 54-12-1 through -3. Under the

Agreement, Tesoro represents itself to be a qualifying facility, and agrees to provide PacifiCorp, upon request, evidence to show its qualifying facility status.

2. Communications regarding this Application should be sent to:

Jana Saba
Utah Regulatory Affairs Manager
Rocky Mountain Power
1407 West North Temple, Suite 330
Salt Lake City, UT 84116
E-mail: jana.saba@pacificorp.com

Zachary Rogala
PacifiCorp
1407 West North Temple, Suite 320
Salt Lake City, Utah 84116
E-mail: zachary.rogala@pacificorp.com

In addition, the Company respectfully requests that all data requests regarding this matter be addressed to:

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

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

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

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 Tesoro'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 Tesoro up to 25.0 megawatts, from a gas-fired generation facility (Facility) owned by Tesoro and located in Salt Lake City, Utah. The Amendment, attached this Application as Confidential Exhibit A, extends the term of the Agreement through December 31, 2023, establishes the pricing for the extension period and updates the Line Loss Factor for the same period. The Commission has previously approved two amendments to the initial Tesoro Agreement approved in Docket No. 19-035-38.²

5. The purchase prices in the Amendment were calculated using the methodology approved by the Commission in Docket No. 03-035-14. Pursuant to the Commission's order in Docket No. 16-035-40, this Application also provides confidential Generation and Regulation Initiative Decision Tool ("GRID") outputs and spreadsheets supporting the derivation of power purchase agreement prices with all spreadsheet formulae intact. Also provided is the confidential workpaper supporting the avoided line loss adjustment calculation used to develop the loss factor in the Third Amendment.

6. The Facility is located in Salt Lake City in an area served by Rocky Mountain Power. All interconnection requirements have been met and the Facility is fully integrated with PacifiCorp's system.

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 (August 16, 2013).

² Subsequently amended in Docket No. 20-035-42 (Dec. 17, 2020), and Docket No. 21-035-68 (Feb. 24, 2022).

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 Tesoro expires on December 31, 2022. To the extent possible, the parties desire that there be no lapse in time between the expiration of the Agreement and the approval of the Amendment in this Application. However, the Company is not seeking an expedited approval of this Application and recognizes that there may be a lapse in time before the Third Amendment is approved based on the timing of this Application.

WHEREFORE, Rocky Mountain Power respectfully requests the Commission approve the Third Amendment to the Agreement and find that the terms and conditions are just, reasonable, and in the public interest.

DATED this 10th day of November, 2022.

Respectfully Submitted,

/s/ Zachary Rogala
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 entered into on October 11, 2019 (as amended by the First Amendment dated October 13, 2020, and by the Second Amendment dated January 16, 2021, the “Agreement”), is entered into by and between PacifiCorp and Tesoro Refining & Marketing Company 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 24:00:00 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.

**Tesoro Refining & Marketing
Company LLC**

PacifiCorp

By: 
Stuart Smith (Nov 2, 2022 11:06 CDT)
Name: Stuart Smith
Title: Energy Manager
Date: Nov 2, 2022

By: Ronald Scheirer Digitally signed by Ronald Scheirer
Date: 2022.11.10 08:47:00 -08'00'
Name: _____
Title: _____
Date: _____


WA

Approved as to form.

Attachment 1

EXHIBIT E
PRICING (\$/MWh)

Month	2023	
	On-Peak	Off-Peak
Jan		
Feb		
Mar		
Apr		
May		
June		
July		
Aug		
Sept		
Oct		
Nov		
Dec		

CERTIFICATE OF SERVICE

Docket No. 22-035-52

I hereby certify that on November 10, 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

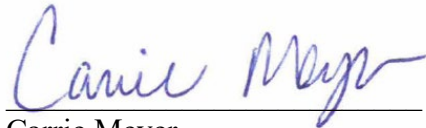
dpudatarequest@utah.gov

Assistant Attorney General

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

Rocky Mountain Power

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



Carrie Meyer
Adviser, Regulatory Operations