

Application of Rocky Mountain Power for Approval of the First Amendment to the Power Purchase Agreement between PacifiCorp and Tesoro Refining & Marketing Company LLC	<p style="text-align: center;"><u>DOCKET NO. 25-035-51</u></p> <p style="text-align: center;"><u>ORDER APPROVING AMENDMENT TO QUALIFYING FACILITY POWER PURCHASE AGREEMENT</u></p>
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ISSUED: December 29, 2025

PROCEDURAL HISTORY

On August 26, 2025, Rocky Mountain Power (RMP) filed an application (“Application”) with the Public Service Commission (PSC) for approval of the First Amendment (“First Amendment”) to the Non-Firm Power Purchase Agreement (PPA) between PacifiCorp and Tesoro Refining & Marketing Company LLC (“Tesoro”). The PSC first approved the PPA on December 20, 2024.¹ The Division of Public Utilities (DPU) filed comments on October 7, 2025. The PSC held a virtual hearing on October 30, 2025.

THE APPLICATION

The Application describes the terms and conditions of the First Amendment, which modifies certain terms of RMP’s existing PPA with Tesoro. The PPA governs Tesoro’s sale of up to 25 MW to RMP. The Application represents that a Tesoro-owned natural-gas-fired cogeneration facility located in Salt Lake City, Utah, will generate the energy RMP purchases, and the facility meets all interconnection requirements and is fully integrated with RMP’s system. RMP asserts it is obligated to purchase this energy

¹ See *Application of Rocky Mountain Power for Approval of Power Purchase Agreement between PacifiCorp and Tesoro Refining & Marketing Company LLC*, Docket No. 24-035-49, Order Approving Amendment to Qualifying Facility Power Purchase Agreement, issued Dec. 20, 2024.

from Tesoro because Tesoro is a qualifying power producer² under the Public Utility Regulatory Policies Act of 1978 (PURPA) and Utah Code Ann. § 54-12-1.

The First Amendment extends the term of the PPA until December 31, 2026, and establishes pricing, including an updated line loss factor, for the extended term. RMP represents the First Amendment includes power purchase prices that RMP calculated using the pricing methodology the PSC approved in Docket No. 03-035-14.³ RMP states the cost of the amended PPA will be allocated in accordance with the 2020 Protocol⁴ and that all other terms and conditions of the PPA will remain in effect.

PARTIES' COMMENTS

DPU filed comments on October 7, 2025, recommending the PSC approve the First Amendment. DPU represents it reviewed RMP's GRID outputs and confirmed the pricing set forth in the First Amendment accurately reflects Tesoro's facility and appears to be consistent with PSC-approved pricing methodology. DPU also comments that the avoided line loss percentage RMP uses in the First Amendment is based on a calculation method agreed upon by DPU, RMP, and Tesoro in previous years. DPU further states the non-price terms of the First Amendment are consistent with agreements from prior years and appear to be reasonable. Additionally, DPU requests

² Utah Code Ann. § 54-2-1(25).

³ See *In the Matter of the Application of PacifiCorp for Approval of an IRP-based Avoided Cost Methodology for QF Projects Larger than One Megawatt*, Docket No. 03-035-14.

⁴ Application at 3. The 2020 Protocol is an interjurisdictional cost allocation agreement. See *Application of Rocky Mountain Power for Approval of the 2020 Inter-Jurisdictional Cost Allocation Agreement*, Docket No. 19-035-42, Order Approving 2020 Protocol, issued Apr. 15, 2020.

the PSC order RMP (1) to provide to DPU and the Office of Consumer Services (OCS) the GRID outputs and Excel spreadsheets supporting RMP's price calculations along with the spreadsheets (provided with formulas left intact) showing avoided line loss calculations in future PPA filings, and (2) to continue to provide reports of hourly power purchased, on a quarterly basis at a minimum, to allow DPU to continue to monitor the contract.

At a virtual hearing held October 30, 2025, RMP and DPU testified in support of the First Amendment; no party opposed the Application. RMP agreed to DPU's reporting recommendations. DPU testified the amended PPA is just, reasonable, and in the public interest, and recommended the PSC approve the First Amendment.

No party opposed the Application.

DISCUSSION, FINDINGS, AND CONCLUSIONS

In accordance with PURPA, Utah law, prior PSC orders, and RMP's tariff, the PSC reviews PPAs and associated amendments to ensure RMP has properly administered its tariff and, in particular, that it has appropriately determined avoided cost pricing based on the PSC-approved methodology. The PSC finds the First Amendment uses PSC-approved pricing and avoided line loss calculation methodologies and that it otherwise complies with PURPA and Utah law. The PSC observes that no party opposes the Application or otherwise provides evidence challenging the rates, terms, or conditions of the First Amendment or underlying PPA.

Accordingly, the PSC finds approval of the Application is just, reasonable, and in the public interest.

ORDER

The Application, First Amendment, and resulting amended PPA are approved.

DATED at Salt Lake City, Utah, December 29, 2025.

/s/ Michael J. Hammer
Presiding Officer

Approved and Confirmed December 29, 2025, as the Order of the Public Service Commission of Utah.

/s/ Jerry D. Fenn, Chair

/s/ David R. Clark, Commissioner

/s/ John S. Harvey, Ph.D., Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#343189

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 30 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on December 29, 2025, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Email:

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