



State of Utah
DEPARTMENT OF COMMERCE
Committee of Consumer Services

To: The Public Service Commission of Utah

From: The Committee of Consumer Services
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Date: February 23, 2007

Subject: Utah Committee of Consumer Services' Comments on the Division of Public Utilities Recommendations Regarding EPAct 2005 Amendments to PURPA – Fuel Sources Standard – Docket No. 06-999-03.

1. Background

On February 1, 2007 the Division of Public Utilities (Division) submitted to the Public Service Commission (Commission) its recommendations regarding the Energy Policy Act 2005 (EPACT 2005) Amendments to PURPA, specifically SEC. 1251 FUEL SOURCES.

PURPA Fuel Sources Standard: Each electric utility shall develop a plan to minimize dependence on one fuel source and to ensure that the electric energy it sells to consumers is generated using a diverse range of fuels and technologies, including renewable technologies.

On February 5, 2007 the Commission issued a request for comments responding to the Division's recommendations by February 23, 2007. This is the Committee of Consumer Services' (Committee) response to the Division's recommendations.

2. Division Recommendations

The Division recommends that: 1) the Commission find that the Integrated Resource Plan Standards and Guidelines is equivalent to the proposed PURPA Fuel Sources Standard; 2) Rocky Mountain Power's integrated resource plan contain a section that explicitly details the fuel sources plan; 3) the explicit plan

include both fuels and technologies; and 4) cost effective technologies that manage load should also be considered a source of fuel diversity.

2.1 Committee Response

The Committee agrees with the Division's recommendations:

1) The Integrated Resource Plan Standards and Guidelines¹ is equivalent to the proposed PURPA Fuel Sources Standard.

2) The Company's IRP should contain a section that explicitly details the fuel sources plan. At the October 17, 2006 technical conference the Company offered to include a section in the IRP discussing how fuel diversity is achieved. We believe that this additional information will be useful for assessing fuel diversity within the Company's resource mix.

3) The explicit plan should include both fuels and technology. Generation resources may utilize the same fuel input but the manner in which the fuel is used to generate electricity can vary. The Division references coal and clean coal to illustrate the differences in technologies that utilize the same fuel source.

4) Cost effective technologies that manage load should also be considered a source of fuel diversity. The Committee is unclear as to exactly how the Division is defining "managing load" in this context, however, the footnote 3 reference is to the load following capability of certain technologies and the Committee agrees that these types of technologies should be evaluated in order to provide the optimal mix in the Company's portfolio of resources.

3. Recommendation

The Committee recommends that the Commission find that the Integrated Resource Plan Standards and Guidelines is equivalent to the proposed PURPA Fuel Sources Standard. We support the addition of a section in the IRP that details the Company's fuel sources plan.

¹ The Division's February 1, 2007 memo at page 3 includes the definition of Integrated Resource Planning and references to the pertinent sections of the IRP Standards and Guidelines.