



## State of Utah

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## Public Service Commission

TED BOYER  
*Chairman*

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*Commissioner*

RON ALLEN  
*Commissioner*

August 16, 2010

Yvonne R. Hogle  
Senior Counsel  
One Utah Center  
201 S. Main Street, Suite 2300  
Salt Lake City, UT 84111

Re: Notice Pursuant to Utah Code Ann. ' 54-17-502(2)(e)

Dear Ms. Hogle:

I write at the direction of the Commissioners to acknowledge the referenced notice Rocky Mountain Power ("Company") has provided via your letter dated July 20, 2010.

Your letter advises the Commission the Company reasonably anticipates it will acquire at least one renewable resource during the year 2011. You describe this resource as a small solar project with generation capacity of between 500 kilowatts and 5 megawatts. You note this acquisition would be made pursuant to ORS 757.370, the Oregon Photovoltaic Capacity Standard. You also state the Company intends to make improvements to its Slide Creek hydro plant.

Subsection (2)(c) of the referenced statute establishes [by reference to Subsection (2)(a)(i)] a bid solicitation process that arguably applies to all renewable energy sources up to 300 megawatts. It also directs an affected electrical utility to develop a reasonable process for pre-approval of bidders. Additionally, upon receiving notice that acquisition of a renewable resource is reasonably anticipated (as the Company has now provided), the Commission may be obligated under Subsection (3)(a) to hire a consultant (even if the resource is not a significant energy resource" over 100 megawatts) to validate that the bidder pre-approval process is followed and to monitor and document bid evaluations and negotiations.

While mindful of the requirements of Subsections (2) and (3) of Utah Code Ann. ' 54-17-502, summarized above, the Commission recognizes Subsection (6) affords the Company the option to construct or acquire any renewable energy source project outside the solicitation process provided for in that Section. As you are aware, this option carries with it certain obligations including, among other things, the filing of notice of the date of commencement of construction and establishing in an appropriate Commission proceeding the prudence, reasonableness, and cost-effectiveness of construction.

In light of the foregoing, the Commission requests the following information:

1. Should the Company proceed with the solar project acquisition, will it do so under the bid solicitation process set forth in Utah Code Ann. ' 54-17-502(2), or will it proceed under Subsection (6)?
2. Please describe the nature, purpose and scope of the intended improvements to the Slide Creek hydro plant?

Thank you for your attention to this inquiry.

Sincerely,

/s/ Julie Orchard

Commission Secretary

cc: Chairman Ted Boyer  
Commissioner Ric Campbell  
Commissioner Ron Allen