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*Attorneys for Rocky Mountain Power*

**BEFORE THE WYOMING PUBLIC SERVICE COMMISSION**

IN THE MATTER OF THE APPLICATION	)	
OF ROCKY MOUNTAIN POWER FOR	)	
APPROVAL OF SCHEDULE 37 STANDARD	)	Docket No. 20000-518-EA-17
RATES FOR PURCHASES OF POWER FROM	)	(Record No. 14736)
QUALIFYING FACILITIES	)	

**ROCKY MOUNTAIN POWER’S UPDATED SUMMARY OF CONTENTIONS**

Comes now, Rocky Mountain Power (the “Company”), by and through its counsel, and hereby files its Updated Summary of Contentions, in accordance with Paragraph 5(a) of the Scheduling Order, issued by the Wyoming Public Service Commission (the “Commission”) on August 31, 2017. Rocky Mountain Power contends as follows:

1. The Application filed by the Company, and supported by the Direct Testimony of Daniel J. MacNeil, filed May 31, 2017, was required pursuant to Chapter 3, Section 35 of the Commission’s Rules, which sets forth the Commission’s regulations regarding arrangements between electric utilities and qualifying cogeneration and small power production facilities (“Qualifying Facilities”) pursuant to Sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978, 16 USC §§ 796 and 824a-3.

2. Chapter 3, Section 35(f) of the Commission’s Rules requires each electric utility to prepare and file standard rates for purchases from Qualifying Facilities (“QFs”) having a design

capacity greater than 100 kilowatts. Chapter 3, Section 35(c)(i) of the Commission's Rules requires system data from which avoided costs may be derived to be filed not less than every two years.

3. The Avoided Cost Study prepared in support of this Application results in a proposed avoided cost price of \$31.48/megawatt-hour("MWh") on a 20-year (2018-2037) nominal levelized basis for a base load QF, which is a reduction of \$20.67/MWh from rates currently in effect which were last approved in a written order issued by the Commission on August 26, 2015. The proposed avoided cost prices are \$25.64/MWh, \$29.65/MWh, and \$31.51/MWh on a 20-year (2018-2037) nominal levelized basis for wind, fixed solar, and tracking solar QFs, respectively. The lower avoided cost reflected in this Application is primarily due to the March 31, 2017 Official Forward Price Curve that includes lower wholesale power and natural gas market prices.

4. In addition to the updated Official Forward Price Curve, the Company used the wind and solar integration costs, the capacity contributions for both wind and solar resources, and the resource sufficiency and deficiency periods that relate to capacity contribution costs consistent with the 2017 Integrated Resource Plan ("IRP") that was submitted on April 4, 2017, for the preparation of the Avoided Cost Study and the updated Schedule 37.

5. The direct testimony and exhibits of Mr. Daniel J. MacNeil, Resource and Commercial Strategy Advisor, and his rebuttal testimony, adequately support and explain the Application and the Company's proposals therein.

6. The Commission should reject the arguments put forth by the Renewable Energy Coalition ("Coalition") that: (1) all planned resource acquisitions should be included in the avoided cost calculation, including the 2021 Wyoming wind resources in the 2017 IRP preferred portfolio; (2) renewable QFs should have the option to be paid either a renewable avoided cost rate or a non-renewable avoided cost rate, or have the Company's next renewable resource form the basis for

avoided cost rates; (3) all QFs up to 10 megawatts (“MW”) should be eligible for standard prices; (4) an unlimited number of QFs may be signed at a given published rate; and (5) QFs should be able to establish a legally enforceable obligation if a dispute arises between the Company and the QF in the negotiation process.

7. As explained in Mr. MacNeil’s rebuttal testimony, the Coalition provides no evidence that basing avoided costs on the 2021 Wyoming Wind resource in the 2017 IRP is more accurate than the Company’s proposal. Further, the Schedule 37 avoided cost methodology has used the timing and characteristics of the Company’s thermal resources identified in the IRP preferred portfolio for many years. The Company’s filing in this docket uses the Commission-approved methodology (with limited updates to certain parameters) and was submitted to comply with the Commission’s requirement for utilities to file avoided cost information every two years. This proceeding is not the appropriate venue to implement changes to the Commission-approved methodology without allowing input from all interested and potentially impacted stakeholders.

8. Mr. MacNeil also explains why there is no basis to establish renewable and non-renewable pricing options for Schedule 37 Wyoming QFs. The Commission has previously established the Company retains the renewable attributes associated with QF output, so the Company should not pay more for something it is already entitled to. The Company has no obligation to acquire renewable resources in Wyoming in the first place, so it would be unjust and unreasonable for the Company to pay more to acquire renewable resources when lower cost alternatives exist.

9. As explained in Mr. MacNeil’s rebuttal testimony, the existing Schedule 37 eligibility requirements reflect a balance of administrative efficiency and avoided cost accuracy, and the Company has only received one pricing request in 2017 from a QF that would become

eligible under Mr. Lowe's proposal. Mr. Lowe provides no evidence that the Schedule 37 methodology would be more accurate than the Schedule 38 methodology for such QFs. There is no apparent need to establish a mechanism for a legally enforceable obligation within the Schedule 37 tariff. In the event any of the issues described above occur, affected QFs may have their complaints resolved by the Commission a case-by case basis.

10. Adoption of the proposed changes to Schedule 37 set forth in the Application and as described in the testimony of Mr. MacNeil would be just, reasonable and in the public interest.

DATED this 18<sup>th</sup> day of December, 2017.

Respectfully submitted,



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CERTIFICATE OF SERVICE

Docket No. 20000-518-EA-17

I hereby certify that on this 18<sup>th</sup> day of December, 2017, I caused to be served via E-mail, a true and correct copy of Rocky Mountain Power's **Updated Summary of Contentions** to the following:

<b>Renewable Energy Coalition</b>	
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