IN THE MATTER OF THE APPLICATION)
OF ROCKY MOUNTAIN POWER FOR)
APPROVAL OF SCHEDULE 37 STANDARD)
RATES FOR PURCHASES OF POWER)
FROM QUALIFYING FACILITIES)

DOCKET NO. 20000-518-EA-17 (Record No. 14736)

RENEWABLE ENERGY COALITION'S SUMMARY OF CONTENTIONS

The Renewable Energy Coalition (the "Coalition"), pursuant to Section 113 of the Rules of the Wyoming Public Service Commission ("PSC" or "Commission"), and the PSC's October 22, 2015 "Scheduling Order," hereby respectfully files this Summary of Contentions in the above-captioned matter. Renewable Energy Coalition contends:

- 1. Rocky Mountain Power's current Schedule 37 restricts eligibility to qualifying facilities ("QF") in two ways: 1) only QFs 1 MW and below with an annual capacity factor of seventy percent or less are eligible for standard published rates; and 2) QFs 10 MWs and below can obtain the standard published rates, if they have an annual capacity factor greater than seventy percent.
- 2. Rocky Mountain Power's Schedule 37 eligibility should be expanded to include QFs 10 MW and below regardless of their annual capacity factor.
- 3. Most small hydroelectric projects that generate seasonally contribute to high peak capacity, but are ineligible for Schedule 37 because seasonal projects generally would not have an annual capacity factor of seventy percent.
- 4. Rocky Mountain Power's tariff restricts Schedule 37 eligibility based on an ambiguous limit regarding when 10 MW of "system resources" are acquired, which should be clarified or eliminated regardless of its current effect on otherwise eligible qualifying facilities ("QFs").
- 5. Rocky Mountain Power's 10 MW system-resource cap is not the same as the cap in Utah..

- 6. Disaggregation can happen at any size, and can be managed with reasonable policies.
- 7. It is more difficult to negotiate a Schedule 38 power purchase agreement ("PPA"), where the price is not published, than a Schedule 37 PPA where the prices are published.
- 8. PPA negotiations can lead to significant disputes, especially when avoided cost prices are expected to drop or have already been filed with the Commission.
- 9. The concept of a legally enforceable obligation is intended to ensure that a QF can require a utility to purchase its power, even if the utility has refused to enter into a contract with the OF.
- 10. A utility cannot refuse to sign a contract so that a later and lower avoided cost is applicable. In other words, a legally enforceable obligation allows a QF to "lock-in" the utility's current avoided cost rates, especially when the utility is delaying or otherwise imposing unreasonable terms and conditions.
- 11. Rocky Mountain Power's Schedule 37 is inconsistent with Federal Energy Regulatory Commission ("FERC") policy in that it allows Rocky Mountain Power to control when and whether a legally enforceable obligation exists.
- 12. Rocky Mountain Power's Schedule 37 should be consistent with FERC policy even if the company is not currently negotiating with any Schedule 37 QFs in Wyoming.
- 13. Mandatory dispute resolution is not a reasonable alternative to establishing a legally enforceable obligation.
- 14. Removing the risk of a QF losing the current avoided cost rate will dramatically reduce the pressure on a QF to agree to an unreasonable or illegal contract to avoid a price reduction.
- 15. Rocky Mountain Power's parent company, PacifiCorp, has Renewable Portfolio Standard ("RPS") obligations outside of Wyoming, which requires the company to purchase renewable power.

- 16. RPS obligations may affect Rocky Mountain Power's long-term planning and resource acquisition.
- 17. Irrespective of Rocky Mountain Power's Renewable RPS obligations in other states, Rocky Mountain Power also has a need for a diverse resource portfolio, including both thermal and renewable resources.
- 18. When a QF can defer or help Rocky Mountain Power avoid renewable resources that the company is planning to acquire for economic or RPS purposes, it is reasonable to pay the QF based on the costs of those renewable resource acquisitions.
- 19. When renewable QFs are willing to sell their output and cede their RECs to Rocky Mountain Power, those QFs allow the company to avoid building or buying renewable generation to meet their energy and capacity needs as well as its RPS requirements.
- 20. When a QF can defer or help Rocky Mountain Power avoid thermal resources that the company is planning to acquire for economic or RPS purposes, it is reasonable to pay the QF based on the costs of those thermal resource acquisitions and allow the QF to keep its RECs.
- 21. Renewable avoided cost rates could be higher than the non-renewable avoided cost rate, as has historically been the case, or renewable avoided cost rates could be lower than the non-renewable avoided cost rate, as renewable generation costs decline
- 22. Rocky Mountain Power is receiving RECs from Wyoming QFs, which provide certain benefits to Rocky Mountain Power, but is not compensating Wyoming QFs for those benefits.
- 23. Rocky Mountain Power's avoided cost rates (including the resource deficiency period and avoided capacity costs) should be based upon its next highest cost planned resource addition from the company's most recent integrated resource plan ("IRP") or IRP update, which in this case is the 2020 Wyoming wind resource.
- 24. Rocky Mountain Power's proposed Schedule 37 rate update ignores the planned Wyoming wind resource acquisition, which Rocky Mountain Power claims is not deferrable.

25. Rocky Mountain Power should not be permitted to unilaterally determine whether

its next planned resource from its IRP is deferrable.

26. Rocky Mountain Power's 2020 Wyoming wind resource is deferrable because the

company has conceded that recent executed PPAs will reduce the amount of power acquired in

the upcoming request for proposal ("RFP").

27. Including Rocky Mountain Power's 2020 Wyoming wind resource in a renewable

avoided cost rate is higher than not including the 2020 Wyoming wind resource.

28. Including Rocky Mountain Power's 2020 Wyoming wind resource and associated

transmission in a renewable avoided cost rate is higher than not including the 2020 Wyoming

wind resource and associated transmission.

29. Rocky Mountain Power should either offer a separate renewable avoided cost rate

that is based upon the company's highest cost next planned resource or base its existing avoided

cost rate upon the company's highest cost next planned resource, which is the Wyoming wind

resource.

30. The Commission is free to address Rocky Mountain Power's Schedule 37

methodology in this proceeding.

Respectfully submitted this 18th day of December, 2017.

Bv:

Emanuel T. Cocian, #7-5153

Holland & Hart LLP

6380 South Fiddlers Green Circle, Suite 500

Greenwood Village, CO 80111

Telephone: (303) 290-1600

etcocian@hollandhart.com

Irion Sanger Sanger Law PC

1117 SE 53rd Ave

Portland, OR 97215

Telephone: (503) 756-7533 irion@sanger-law.com

ATTORNEYS FOR RENEWABLE ENERGY COALITION

CERTIFICATE OF SERVICE

I hereby certify that on this 18th day of December, 2017 an original and seven copies of the foregoing **SUMMARY OF CONTENTIONS** was e-filed with the Wyoming Public Service Commission and a copy was served via electronic mail addressed to the following:

Steve Mink
Morgan Fish
David Walker
Marci Norby
Wyoming Public Service Commission
2515 Warren Avenue, Suite 300
Cheyenne, WY 82002
Steve.Mink@wyo.gov
Morgan.Fish@wyo.gov
David.Walker@wyo.gov
Marci.Norby@wyo.gov

Renewable Energy Coalition Attn: John Lowe PO Box 25576 Portland, OR 97298 jravenesanmarcos@yahoo.com

Data Request Response Center PacifiCorp 825 NE Multnomah, Suite 2000 Portland, OR 97232 datarequest@pacificorp.com

Stacy Splittstoesser
Wyoming Regulatory Affairs Manager
Rocky Mountain Power
1807 Capitol Ave., Suite 200A
Cheyenne, WY 82001
Stacy.splittstoesser@pacificorp.com

Yvonne R. Hogle Assistant General Counsel Rocky Mountain Power 1407 West North Temple, Suite 320 Salt Lake City, Utah 84116 Yvonne.hogle@pacificorp.com Irion Sanger
Sanger Law, P.C.
1117 SE 53rd Avenue
Portland, OR 97215
irion@sanger-law.com
Motion for Admission pro hac vice

Emanuel T. Cocian Holland & Hart LLP 6380 South Fiddler's Green Circle, Suite 500 Greenwood Village, CO 80111 etcocian@hollandhart.com

For electronic service: <u>klhall@hollandhart.com</u>

Daniel E. Solander Senior Attorney Rocky Mountain Power 1407 West North Temple, Suite 320 Salt Lake City, Utah 84116 Daniel.solander@pacificorp.com

s/ Kayla Hall