

## BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

<b>IN THE MATTER OF PACIFICORP DBA</b>	)	
<b>ROCKY MOUNTAIN POWER'S</b>	)	<b>CASE NO. PAC-E-16-01</b>
<b>APPLICATION TO APPROVE ELECTRIC</b>	)	
<b>SERVICE SCHEDULE NO. 38 –</b>	)	
<b>QUALIFYING FACILITY AVOIDED COST</b>	)	<b>ORDER NO. 33474</b>
<b>PROCEDURES</b>	)	

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In Order No. 33357, the Commission directed PacifiCorp dba Rocky Mountain Power Company (Company or Rocky Mountain) to file a tariff schedule outlining the Company's negotiating process under the Public Utility Regulatory Policies Act of 1978 (PURPA). On January 13, 2016, pursuant to that directive, Rocky Mountain filed an Application for authorization to implement Electric Service (Tariff) Schedule No. 38 – "Qualifying Facility Avoided Cost Procedures." Rocky Mountain requested an effective date by April 1, 2016.

The Commission issued a Notice of Application and Notice of Modified Procedure. Order No. 33454. Commission Staff timely filed the only written comments. Rocky Mountain filed a reply after the reply deadline. The Commission now approves the Application.

### BACKGROUND

In Case No. GNR-E-11-03, the Commission directed Idaho's electric utilities to participate in workshops to "begin to form a structure for fair and reasonable . . . procedures and rules" for negotiating power purchase agreements (PPAs) under PURPA. Order No. 32697 at 48. Avista, Idaho Power, and Rocky Mountain participated in such workshops and discussed negotiating procedures. However, the utilities did not agree upon or finalize a universal set of procedures. Instead, the utilities decided to file separate tariffs specifying their own PURPA negotiating procedures. Avista and Idaho Power filed Tariff Schedules 62 and 73, respectively, which were both approved by the Commission.

In February 2015, Rocky Mountain petitioned the Commission for approval to modify the Company's "indicative" or "incremental" pricing practice in its Integrated Resource Plan avoided cost methodology.<sup>1</sup> Application at 2; Order No. 33357 at 26. As to the indicative pricing practice, the Commission found it reasonable and appropriate to create "a queue to track the order in which QF projects have entered negotiations with a utility, so that incremental

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<sup>1</sup> The petition also asked to modify terms and conditions related to PURPA PPAs, which is not at issue here. Order No. 33357.

pricing can be calculated to reflect the actual impacts of each project.” Order No. 33357 at 28. Accordingly, the Commission directed Rocky Mountain “to file a tariff schedule . . . which outlines its PURPA negotiating process.” *Id.* The Commission further provided, “The schedule should include specific criteria for management of the queue to eliminate uncertainty and to facilitate negotiations between Rocky Mountain and [qualifying facilities (QFs) under PURPA].” *Id.*

### **ELECTRIC SERVICE SCHEDULE NO. 38**

Rocky Mountain’s proposed Schedule 38 is closely based on its Utah Schedule 38, approved by the Utah Public Service Commission in 2015, which addressed similar issues to those addressed here. The purpose of proposed Schedule 38 is to govern the Company’s negotiating practices and queue management related to PPAs executed under PURPA. “Schedule 38 lists the information required by the Company to prepare indicative prices for a proposed QF project, includes a timeline and actions to be followed by developers to receive a PPA as well as the consequences for failure to comply with the tariff.” Application at 2. The Company submitted testimony by Kyle T. Moore, Originator/Power Marketer for Rocky Mountain, explaining the purpose and development of Schedule 38.

### **STAFF COMMENTS**

Upon its review of proposed Schedule 38, Staff supported approval of Rocky Mountain’s Application. Staff compared the Company’s proposed schedule with Idaho Power’s and Avista’s Commission-approved schedules, noting differences, but finding that none warranted rejection of the Application.

Staff noted that Rocky Mountain’s proposed schedule includes details regarding queue management that are helpful for mitigating confusion and conflict. Comments at 3. Also, Staff expressed that Rocky Mountain’s proposed milestones and requirements for forming a PPA would be effective in ensuring a smooth process and protecting ratepayers. *Id.* at 3-4. Staff recommended that the Commission direct Rocky Mountain to clarify whether “days” in the proposed tariff refers to calendar or business days. *Id.* at 3. Ultimately, Staff determined that the Schedule was “reasonable and necessary to ensure a clear, standard QF contracting procedure,” and recommended approval. Comments at 5.

## ROCKY MOUNTAIN REPLY

Although the deadline for the Company's reply was February 19, 2016, Rocky Mountain filed its reply on February 22, 2016. In its reply, Rocky Mountain noted that Staff recommended approval of its Application, and also recommended that the Company clarify its reference to "days" in the proposed schedule. Reply at 1-2. The Company responded, indicating that "days" in proposed Schedule 38 is meant to refer to calendar days. The Company attached clean and legislative copies of its proposed Schedule with this clarification. *Id.*

## DISCUSSION AND FINDINGS

The Idaho Public Utilities Commission has jurisdiction over PacifiCorp dba Rocky Mountain, an electric utility, and the issues raised in this matter under the authority and power granted it under PURPA and Title 61 of the Idaho Code, in particular *Idaho Code* §§ 61-129, 61-307, 61-503, and 61-507; *Rosebud Enterprises v. Idaho PUC*, 128 Idaho 609, 612 (1996). We have thoroughly reviewed the Application and the revised Schedule 38, as well as Staff Comments.

As an initial matter, we discuss whether to accept Rocky Mountain's reply, filed after the deadline we set in Order No. 33454. Under Rule 14, the Company's reply was untimely. IDAPA 31.01.01.014.02. Rule 13 allows us to deviate from Commission rules where strict compliance would be "impracticable, unnecessary or not in the public interest." IDAPA 31.01.01.013. We find that accepting Rocky Mountain's late-filed reply is not appropriate. Rejecting the filing is not impracticable or contrary to the public interest. Compliance with deadlines set forth in our rules and orders is important to ensure the timely and orderly processing and resolution of matters before the Commission. Accordingly, we do not accept the Company's reply as part of the record, but reject it as untimely. We do accept the Company's updated copies of Schedule 38, with the clarification regarding its reference to "days," as this would have been necessary anyway following issuance of our Order.

Regarding proposed Schedule 38, we find that it appropriately responds to our directive in Order No. 33357 at 28 to file a tariff schedule that outlines the Company's PURPA negotiating process and addresses queue management for QFs. We note that much of the proposed schedule contains provisions similar to Avista's Schedule 62, and Idaho Power's Schedule 73, that we already approved. Rocky Mountain has included additional provisions that

address language from Order No. 33357 about queue management and that encourage progress toward a project's construction.

We find that the steps in Schedule 38's QF negotiation timeline are reasonable and feasible. With respect to provisions regarding queue management, we find they reduce the potential for conflict and confusion. We also find that the Company's proposed requirements that QFs sign a "System Impact Study Agreement," and that they provide all project development security within prescribed deadlines, are appropriate and balance the interests of ratepayers and QFs. Further, we accept the clarification in the updated copy of Schedule 38, indicating that "days" refers to calendar days. Finally, we note that the Application is unopposed. In conclusion, we find that the steps and requirements outlined in Schedule 38 are reasonable and necessary to ensure a clear, standard QF contracting procedure for Rocky Mountain and therefore approve the Company's Application.

### **ORDER**

IT IS HEREBY ORDERED that Rocky Mountain's Application is approved, and the Company's revised Schedule 38 is adopted. The Company has authority to implement Electric Service Schedule No. 38 – Qualifying Facility Avoided Cost Procedure.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

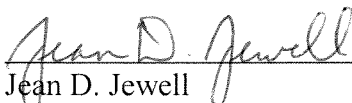
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 3<sup>rd</sup>  
day of March 2016.

  
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PAUL KJELLANDER, PRESIDENT

  
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KRISTINE RAPER, COMMISSIONER

  
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ERIC ANDERSON, COMMISSIONER

ATTEST:

  
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Jean D. Jewell  
Commission Secretary

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