

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	CASE NO. PAC-E-17-06
OF PACIFICORP DBA ROCKY MOUNTAIN)	
POWER FOR BINDING RATEMAKING)	NOTICE OF APPLICATION
TREATMENT FOR WIND REPOWERING)	
)	NOTICE OF
)	INTERVENTION DEADLINE
)	
)	ORDER NO. 33821

On July 3, 2017, PacifiCorp dba Rocky Mountain Power applied for a Commission determination on the Company's plan to upgrade, or "repower," its existing wind resources; and approval of associated ratemaking treatment. The Company claims that repowering its wind resources will increase production, reduce costs, and qualify the Company for federal production tax credits (PTCs). The Company estimates that upgrades to the system will increase output by about 19% with no additional facilities. The Company estimates that the project will cost approximately \$1.13 billion. Because of the large scale of the project, the Company is seeking Commission approval prior to starting the project.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Company proposes to modernize most of its wind generation resources located in Wyoming, Washington, and Oregon. Collectively, the facilities represent a total of 999.1 megawatts (MW) of installed capacity (594 MW, Wyoming; 304.6 MW, Washington; and 100.5 MW, Oregon). Upgrades include longer blades, and new nacelles with higher-capacity generations. The Company estimates that these changes will result in an 11% to 35% increase in wind generation.

YOU ARE FURTHER NOTIFIED that the Company claims that the repowering will allow for greater control over quality and voltage, allowing for greater reliability. Additionally, the Company states that the repowering will extend the useful life of each plant by approximately 10 years, without the cost and complication of permitting and constructing new facilities. The Company states an intention to file a new depreciation case in 2019 to reset the 30-year depreciable life of the repowered facilities.

YOU ARE FURTHER NOTIFIED that the Company states that PTCs for its existing facilities began expiring in 2016, and will continue to expire through 2020.¹ To requalify for PTCs, the Company can repower the wind plant, and meet the IRS 80/20 test—the fair market value of the retained property is no more than 20% of the facility’s total value after installation of the upgrade. The Company’s proposal meets this requirement. The Company estimates that to meet installation timelines, it will need Commission approval for the project by December 29, 2017, and likewise requests such a processing timeline.

YOU ARE FURTHER NOTIFIED that the Company requests binding ratemaking treatment. It proposes to track repowered wind project expenses using a resource tracking mechanism as a component of the Company’s Energy Cost Adjustment Mechanism (ECAM), until the costs and benefits are fully included in base rates. The Company proposes that customers receive 100% of the benefit of incremental energy generated from the projects. Once fully in base rates, only the incremental fluctuations associated with production and PTCs would continue to be tracked in the ECAM.

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that **persons desiring to intervene** in this matter for the purpose of presenting evidence or cross-examining witnesses at hearing **must file a Petition to Intervene** with the Commission pursuant to this Commission’s Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and -.073. Persons intending to participate at the hearing must file a Petition to Intervene **no later than August 8, 2017**. Persons desiring to present their views without parties’ rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or the parties.

YOU ARE FURTHER NOTIFIED that the Commission Secretary shall issue a Notice of Parties after the deadline for intervention has passed. The Notice of Parties shall assign exhibit numbers to each party in this proceeding.

YOU ARE FURTHER NOTIFIED that once the Notice of Parties is issued, the Commission’s Staff will convene an informal prehearing conference at the Commission’s offices for the parties to discuss a schedule to process this case and other issues as may be raised by the parties.

¹ For PTCs that have already expired, the Company states that it has purchased “safe-harbor” equipment that will allow it to qualify for 100% of the value of available PTCs if the repowered units are operational by 2020.

YOU ARE FURTHER NOTIFIED that the following persons are designated as Rocky Mountain's representatives in this matter:

Ted Weston	Yvonne Hogle
Idaho Regulatory Affairs Manager	Assistant General Counsel
Rocky Mountain Power	Rocky Mountain Power
1407 West North Temple, Suite 330	1407 West North Temple, Suite 320
Salt Lake City, Utah 84116	Salt Lake City, Utah 84116
E-mail: ted.weston@pacificorp.com	E-mail: yvonne.hogle@pacificorp.com

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

ORDER

IT IS HEREBY ORDERED that persons desiring to intervene in this matter shall file a Petition to Intervene with the Commission no later than August 8, 2017. After that, Staff shall convene an informal conference with the parties to discuss appropriate scheduling of this case going forward.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 26th day of July 2017.



PAUL KJELLANDER, PRESIDENT




KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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