

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER RAPER
COMMISSIONER ANDERSON
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: MATT HUNTER
DEPUTY ATTORNEY GENERAL

DATE: OCTOBER 22, 2020

SUBJECT: IN THE MATTER OF ROCKY MOUNTAIN POWER'S APPLICATION
FOR APPROVAL OF A CAPACITY DEFICIENCY PERIOD TO BE USED
FOR AVOIDED COST CALCULATIONS; CASE NO. PAC-E-20-13

On October 6, 2020, Rocky Mountain Power ("Company"), a division of PacifiCorp, applied for Commission approval of its capacity deficiency period determination for use in avoided cost calculations under the Surrogate Avoided Resource¹ ("SAR") methodology. Application at 1.

BACKGROUND

Generally, qualifying facilities only receive capacity payments when a utility is capacity deficient. *See* Order No. 32697 at 52. The Commission has directed each electrical utility to initiate a case, separate from the utility's Integrated Resource Plan filing with the Commission, to determine the capacity deficiency period to be used in the utility's SAR methodology. *Id.* at 23.

THE APPLICATION

The Company notes that issues arising out of the Company's 2019 IRP filing precipitated this filing. Application at 4-5. The Company anticipates its capacity deficiency period will begin in July 2029 and explains how this capacity deficiency period was calculated. *Id.* at 3-6. The Company asks that the Commission approve the capacity deficiency period. *Id.* at 6.

¹ The SAR methodology is designed to comply with the requirement in 18 C.F.R. § 292.304(c) that published/standard avoided cost rates be established and made available to qualifying facilities with a design capacity of 100 kilowatts or less. The SAR methodology estimates a utility's avoided costs by calculating the cost of a surrogate avoided resource. The Commission uses a natural gas-fired combined-cycle combustion turbine as the surrogate resource. *See* Order No. 32697.

STAFF RECOMMENDATION

Staff recommends that the case be processed under Modified Procedure, with comments due December 22, 2020 and reply comments due January 12, 2021. Additionally, Staff recommends the Commission set a 21-day intervention deadline for persons who wish to intervene as a party in this case.

COMMISSION DECISION

Does the Commission wish to:

1. Process this case under Modified Procedure, with comments due December 22, 2020 and reply comments due January 12, 2021?
2. Require persons who wish to intervene in this case to file a Petition to Intervene within 21 days of the issuance of the Commission's Notice of Application and Modified Procedure in this case?



Matt Hunter
Deputy Attorney General

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