

**ATTACHMENT E**

**WYOMING SCHEDULE NO. 38  
AVOIDED COST PURCHASES FROM NON-STANDARD QUALIFYING FACILITIES**

# ROCKY MOUNTAIN POWER

Original Sheet No. 38-1

P.S.C. Wyoming No. 16

## Avoided Cost Purchases from Non-Standard Qualifying Facilities Schedule 38

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### Available

To owners of Qualifying Facilities ("QF") in all territory served by the Company in the State of Wyoming.

### Applicable

To owners of existing or proposed QFs who desire to make sales to the Company and who: (1) have a design capacity greater than 1,000 kW and a historic or projected annual capacity factor of seventy percent or below, or (2) have an average monthly capacity and associated energy of greater than 10,000 kW and a historic or projected annual capacity factor of greater than seventy percent. Such owners shall be required to enter into written power purchase and interconnection agreements with the Company pursuant to the procedures set forth below. Additional or different requirements may apply to Wyoming QFs seeking to make sales to third-parties or out-of-system QFs seeking to wheel power to Wyoming for sale to the Company.

### I. Process For Negotiating Power Purchase Agreements

#### A. Communications

Unless otherwise directed by the Company, all communications to the Company regarding QF power purchase agreements shall be directed in writing, by mail, as follows:

Rocky Mountain Power  
Manager - QF Contracts  
825 NE Multnomah St, Suite 600  
Portland, Oregon 97232

Any requirement for written notice in this tariff shall be via mail unless the parties agree by mutual consent to an alternative form. The Company shall respond to all such communications in a timely manner as more fully described below.

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**I. A. Communications (continued)**

If the Company is unable to respond on the basis of incomplete or missing information from the QF owner, the Company shall indicate what additional information is required. Thereafter, the Company shall respond in a timely manner following receipt of all required information as more fully described below.

**B. Procedures**

1. Examples of the Company's typical generic power purchase agreement may be obtained from the Company's website at [www.pacificorp.com](http://www.pacificorp.com), or if the owner is unable to obtain it from the website, the Company shall send a copy via mail within seven calendar days of a written request directed to the address in Part I. A.
2. To obtain an indicative pricing proposal with respect to a proposed Project, the owner shall provide in writing to the Company, general project information reasonably required for the development of indicative pricing. A Project is defined as an existing or proposed QF that desires to make sales to the Company and that can satisfy the requirements of Schedule 38. General project information shall include, but not be limited to:
  - a) generation technology and other related technology applicable to the site;
  - b) design capacity (MW), station service requirements, and net amount of power to be delivered to the Company's electric system;
  - c) quantity and timing of monthly power deliveries (including Project ability to respond to dispatch orders from the Company);
  - d) proposed site location and electrical interconnection point;

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- I. B. **Procedures** (continued)
- e) proposed on-line date (date on which deliveries of energy will commence) and outstanding permitting requirements;
  - f) demonstration of ability to obtain QF status;
  - g) fuel type(s) and source(s);
  - h) plans for fuel and transportation agreements, including plans for what party or parties will pay transmission costs;
  - i) proposed contract term and pricing provisions (i.e., fixed, escalating, indexed); and,
  - j) status of interconnection arrangements.
3. The Company shall not be obligated to provide an indicative pricing proposal until all information described in Paragraph 2 has been received in writing from the QF owner. Within 30 calendar days following receipt of all information required in Paragraph 2, the Company shall provide the owner with an indicative pricing proposal, which may include other indicative terms and conditions, tailored to the individual characteristics of the proposed Project. Such proposal may be used by the owner to make determinations regarding Project planning, financing and feasibility. However, such prices are merely indicative and are not final and binding. Prices and other terms and conditions are only final and binding to the extent contained in a power purchase agreement executed by both parties and accepted for filing by the Wyoming Public Service Commission. Upon request, the Company shall provide with the indicative prices a description of the methodology used to develop the prices.

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**I. B. Procedures** (continued)

4. If the owner desires to proceed with the Project after reviewing the Company's indicative proposal, it shall request in writing that the Company prepare a draft power purchase agreement to serve as the basis for negotiations between the parties. In connection with such request, the owner shall provide the Company with any additional Project information that the Company reasonably determines to be necessary for the preparation of a draft power purchase agreement, which may include, but shall not be limited to:
  - a) updated information of the categories described in Paragraph B.2;
  - b) evidence of adequate control of proposed site;
  - c) identification of, and timelines for obtaining any necessary governmental permits, approvals or authorizations;
  - d) assurance of fuel supply or motive force;
  - e) anticipated timelines for completion of key Project milestones; and,
  - f) evidence that any necessary interconnection studies have been completed and assurance that the necessary interconnection arrangements are being made in accordance with Part II.
  
5. The Company shall not be obligated to provide the owner with a draft power purchase agreement until all information required pursuant to Paragraph 4 has been received by the Company in writing. Within 45 calendar days following receipt of all information required pursuant to Paragraph 4, the Company shall provide the owner with a draft power purchase agreement containing a comprehensive set of proposed terms and conditions, including a specific pricing proposal for purchases from the Project. Such draft shall serve as the basis for subsequent negotiations between the parties and, unless clearly indicated, shall not be construed as a binding proposal by the Company.

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**I. B. Procedures** (continued)

6. After reviewing the draft power purchase agreement, the owner shall prepare an initial set of written comments and proposals regarding the draft power purchase agreement and shall provide such comments and proposals, or notice that it has none, to the Company. The Company shall not be obligated to commence negotiations with a QF owner until the Company has received an initial set of written comments and proposals from the QF owner. Following the Company's receipt of such comments and proposals, the owner shall contact the Company to schedule contract negotiations at such times and places as are mutually agreeable to the parties. In connection with such negotiations, the Company:
- a) shall not unreasonably delay negotiations and shall respond in good faith to any additions, deletions or modifications to the draft power purchase agreement that are proposed by the owner;
  - b) may request to visit the site of the proposed Project if such a visit has not previously occurred;
  - c) shall update its pricing proposals at appropriate intervals to accommodate any changes to the Company's avoided-cost calculations, the proposed Project or proposed terms of the draft power purchase agreement;
  - d) may request any additional information from the owner necessary to finalize the terms of the power purchase agreement and satisfy the Company's due diligence with respect to the Project; and,
  - e) shall resolve disputes related to power purchase agreement terms consistent with Part III of this tariff.

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### I. B. Procedures (continued)

7. When both parties are in full agreement as to all terms and conditions of the draft power purchase agreement, the Company shall prepare and forward to the owner within 45 calendar days a final, executable version of the agreement. The Company reserves the right to condition execution of the power purchase agreement upon simultaneous execution of an interconnection agreement between the owner and the Company's power delivery function, as discussed in Part II. Prices and other terms and conditions in the power purchase agreement shall not be final and binding until the power purchase agreement has been executed by both parties and the Wyoming Public Service Commission accepts the agreement for filing.

### II. Process for Negotiating Interconnection Agreements

In addition to negotiating a power purchase agreement, QFs intending to make sales to the Company are also required to enter into an interconnection agreement that governs the physical interconnection of the Project to the Company's transmission or distribution system. The Company's obligation to make purchases from a QF is conditioned upon the consummation of all necessary interconnection arrangements.

It is recommended that the owner initiate its request for interconnection as early in the planning process as possible, to ensure that necessary interconnection arrangements proceed in a timely manner on a parallel track with negotiation of the power purchase agreement.

Because of functional separation requirements mandated by the Federal Energy Regulatory Commission, interconnection and power purchase agreements are handled by different functions within the Company. Interconnection agreements (both transmission and distribution level voltages) are handled by the Company's power delivery function.

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### II. A. Communications

Initial communications regarding interconnection agreements should be directed to the Company in writing as follows:

PacifiCorp Transmission  
Transmission Account Management  
825 NE Multnomah St, Suite 1600  
Portland, Oregon 97232

Based on the Project size and other characteristics, the Company shall direct the QF owner to the appropriate individual within the Company's power delivery function responsible for negotiating the interconnection agreement with the QF owner. Thereafter, the QF owner should direct all communications regarding interconnection agreements to the designated individual, with a copy of any written communications to the address set forth above.

### B. Procedures

Generally, the interconnection process involves (1) initiating a request for interconnection, (2) completion of studies to determine the system impacts associated with the interconnection and the design, cost, and schedules for constructing any necessary interconnection facilities, (3) execution of an Interconnection Facilities Agreement to address facility construction, testing and acceptance, and (4) execution of an Interconnection Operation and Maintenance Agreement to address ownership and operation and maintenance issues.

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### II. B. Procedures (continued)

For interconnections impacting the Company's Transmission System, the Company shall process the interconnection application through PacifiCorp Transmission Services following the procedures for studying the generation interconnection described in the latest version of the Company's Open Access Transmission Tariff, PacifiCorp FERC Electric Tariff, Volume No. 11 Pro Forma Open Access Transmission Tariff (OATT) on file with the Federal Energy Regulatory Commission. A copy of the OATT is available on-line at:  
<http://www.oasis.pacificorp.com>

For interconnections impacting the Company's Distribution System only, the Company will process the interconnection application through the Manager – QF Contracts at the address shown in Part I. A.

### III. Process for Filing a Complaint with the Commission on Contract Terms

Before filing a complaint with the Wyoming Public Service Commission on any specific power purchase agreement term not agreed upon between the counterparty and the Company, a counterparty must wait 60 calendar days from the date it notifies the Company in writing that it cannot reach agreement on a specific term. This includes but is not limited to any disputes that are not resolved through the procedures set forth in Part I. B. 6.

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### IV. Transmission Capacity and Avoided Costs Pricing *(continued)*

If a QF project is located in a geographic location that is transmission constrained or in which transmission capacity is physically available, but contractually constrained or unavailable, a QF project has two options regarding how proposed but not yet in-service transmission projects are treated in the calculation of avoided costs pricing:

- 1) The QF may elect to receive avoided cost pricing that contains two price streams: one stream that assumes proposed transmission projects are not completed, and a second price stream that assumes proposed transmission projects are completed. If this election is made, the first price stream that assumes proposed transmission projects are not completed will be in effect unless and until proposed transmission projects are energized and placed into service and the resulting incremental transmission capacity eliminates the QF deliverability restrictions.
- 2) The QF may elect to receive an avoided cost price based on transmission availability at the time indicative pricing is requested, which means the price assumes proposed transmission projects are not completed.

At the time a pricing request is made under Section I.B.2, the QF shall inform the Company as to which option it desires. If no selection is made by the QF, the Company will provide pricing based on option 2.

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