



We Partner to Build the New Clean Energy Economy

February 7, 2014

**VIA HAND DELIVERY**

UTAH PUBLIC SERVICE COMMISSION  
Heber M. Wells Building  
160 East 300 South, 4<sup>th</sup> Floor  
Salt Lake City, Utah 84111

**Re: Docket No. 13-035-197: In the matter of the application of Rocky Mountain Power for approval of the power purchase agreement between PacifiCorp and Utah Red Hills Renewable Park, LLC**

Dear Commissioners,

Utah Clean Energy hereby submits the following comments in support of Rocky Mountain Power's ("the Company") application for approval of a power purchase agreement with Red Hills Renewable Park, LLC ("Red Hills").

A 20-year PPA for electricity from solar resource at avoided cost pricing represents a resource that will provide significant benefits to Utah ratepayers both in terms of economics and risk mitigation over the long term. A long term, flat rate power purchase agreement with a fuel-free resource, like a solar qualifying facility ("QF"), insulates ratepayers from risks associated with fuel price volatility. Fuel-free renewable resources are unique among electricity generation resources in that the utility can lock in long-term rates for 20 years or more. Rates for electricity from a solar QF will not increase for the next 20 years. In the meantime, gas prices will continue to fluctuate and rise over the same 20-year period.

In addition to mitigating fuel price risk, a solar QF will reduce ratepayers' vulnerabilities to emissions-related regulations and externality costs. Carbon regulation, for example, will likely start impacting Utah's energy resource mix within a few years. Bringing renewable resources online in Utah will reduce the state's exposure to compliance costs associated with new carbon regulations.

A solar QF resource provides ratepayers an extraordinary opportunity to diversify their resource mix and lock in prices that are not subject to fluctuation or costly pollution controls.



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Furthermore, approval of this PPA will allow ratepayers to acquire a clean, non-polluting energy resource in Utah, without additional investments in transmission infrastructure, while taking advantage of the federal Investment Tax Credit for solar resources. Furthermore, approving this QF PPA will bring jobs and economic benefits to the state. This PPA, in short, is a good, long term investment for Utah ratepayers.

Utah Clean Energy urges the Commission to approve the Red Hills PPA as just and reasonable and in the public interest. Not only will it diversify ratepayers' resource mix, it will lock in reasonable prices for 20 years, in the face of volatile and rising fuel prices and increasing environmental compliance costs.

Sincerely,

A handwritten signature in blue ink that reads "Sarah Wright".

Sarah Wright, Executive Director  
UTAH CLEAN ENERGY