Bessenyey & Van Tuyn LLC

Comments of Alaska Environmental Power, LLC
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Now Is the Time

for the RCA to revise its regulations to conform with legal requirements and improve grid access for independent renewable energy producers



Regulatory Commission of Alaska, R-13-002
Public Hearing, January 29, 2014

OVERVIEW

1. LEGAL AUTHORITIES & DUTIES
2. AVOIDED COST
3. INTEGRATION FEES
4. CURTAILMENT
5. OVERSIGHT & TRANSPARENCY
6. ADDITIONAL INFORMATION
7. SUMMARY

1. LEGAL AUTHORITIES & DUTIES

Statutory Authority & Direction for RCA

The RCA has broad authority to "do all things necessary and proper to carry out the purposes and exercise the powers expressly granted or reasonably implied in this chapter, including ... mak[ing] or requir[ing] just, fair, and reasonable rates, classifications, regulations, practices, services, and facilities for a public utility."

- AS § 42.05.141(a), (a)(3) (emphasis added).

The RCA also has a duty to "promote the conservation of resources used in the generation of electric energy."

- AS § 42.05.141(c) (emphasis added).



1. LEGAL AUTHORITIES & DUTIES

Public Utility Regulatory Policies Act § 210

Section 210 of PURPA "is designed to promote the development of alternative energy resources by overcoming the historical reluctance of electric utilities to purchase power from nontraditional facilities."

- *Consol. Edison Co. v. Public Serv. Comm'n of New York*, 470 U.S. 1075, 1076 (1985) (emphasis added).

Congress "directs FERC" to promulgate "rules requiring utilities to offer to ... purchase electricity from qualifying cogeneration and small power production facilities."

- *FERC v. Mississippi*, 456 U.S. 742, 751 (1982) (emphasis added).

FERC's rules "shall insure that ... the rates for such purchase ... shall not discriminate against qualifying cogenerators or qualifying small power producers."

- 16 U.S.C. § 824a-3(b), (b)(2) (emphasis added).



1. LEGAL AUTHORITIES & DUTIES

3 AAC Part 50, Article 2

To fulfill its duties under PURPA and FERC's regulations, the APUC adopted regulations in 1982. The rules "apply to all electric utilities subject to the regulatory jurisdiction of the commission," and their purpose is to "encourage cogeneration and small power production by setting out guidelines for the establishment of reasonable, nondiscriminatory charges, rates, terms, and conditions under which interconnection and purchases and sales of electric power will occur between an electric utility and a qualifying facility."

- 3 AAC 50.750(a)-(b) (emphasis added).

1. LEGAL AUTHORITIES & DUTIES

Alaska Policies Favoring Private Sector Development of Renewable Energy

State's "economic prosperity is dependent on available, reliable, and affordable ... energy to supply the state's electric, heating, and transportation needs."

Policy of the State to ... "encourage economic development" by

- "promoting the development of renewable and alternative energy resources, including geothermal, wind, solar, hydroelectric, hydrokinetic, tidal, and biomass energy, for use by Alaskans" and
- "creating and maintaining a state fiscal regime and permitting and regulatory processes that encourage private sector development of the state's energy resources.



- AS § 42.05.141(c) (2010) (emphasis added).

1. LEGAL AUTHORITIES & DUTIES

Alaska Renewable Energy Goal

It is the intent of the legislature that ... the state receive 50 percent of its electric generation from renewable and alternative energy sources by 2025; ... the state remain a leader in petroleum and natural gas production and become a leader in renewable and alternative energy development.

- An Act Declaring a State Energy Policy, H.B. 306 § 1(2), (5), Ch. 82, SLA 10, 26th Legis. (signed into law June 16, 2010) (emphasis added).



1. LEGAL AUTHORITIES & DUTIES

In testimony to the Alaska Legislature regarding HB306, Bill Popp of the Anchorage Economic Development Corporation explained that "the first step is to establish an overarching energy policy that brings into alignment all aspects of state government and its political subdivisions."



- Bill Popp, AEDC, Alaska Legislature, House Energy Committee (Jan. 26, 2010) (emphasis added).

With respect to the statement of legislative intent in HB306, Co-Chair Neuman "inquired whether action items with dates for reaching those goals were developed to act as measuring sticks," and Representative Millett answered that "that is exactly what was done."



- Co-Chair Mark Neuman and Rep. Charisse Millett, Alaska Legislature, House Resources Committee (Mar. 12, 2010) (emphasis added).

1. LEGAL AUTHORITIES & DUTIES

Governor Sean Parnell called upon the Legislature to "fully fund ... renewable energy grants" and other measures because, "these investments will keep us on the road to achieving our goal of 50 percent renewable energy. It's an important goal that we set, and it's a commitment that we intend to keep."



- Governor Sean Parnell, State of the State Address (Jan. 16, 2013) (emphasis added).

The AEA's Alaska Energy Data Inventory "serves as a tool to measure progress toward Alaska's energy policy goals of 50% renewables by 2025 and 15% increase in energy efficiency by 2020."

- AEA, *Project Fact Sheet: Alaska Energy Data Inventory* (Sept. 30, 2013) (emphasis added)

Senator Lesil McGuire explained that "[o]ur own State of Alaska energy policy states that we will generate 50% of our electricity by 2025 but we have barriers that discourage investment into our resources and are holding us back from achieving these goals."



- Senator Lesil McGuire, Alaska Business Monthly (Nov. 7, 2013) (emphasis added)

2. AVOIDED COST

PURPA and FERC Regulations

FERC regulations require states to ensure that utilities purchase power from QFs at a level that "equals" the utility's "avoided costs," unless the parties mutually agree otherwise.

- 18 C.F.R. § 292.304(b)(2).

"[E]ach State regulatory authority shall ... implement such rule ... for each electric utility for which it has ratemaking authority."

- 16 U.S.C. § 824a-3(f)(1) (emphasis added).

Under both PURPA and FERC regulations, "avoided costs" are defined as the "incremental costs to an electric utility of electric energy or capacity or both which, but for the purchase from the qualifying facility or qualifying facilities, such utility would generate itself or purchase from another source."

- 16 U.S.C. § 824a-3(d); 18 C.F.R. § 292.101(b)(6).



2. AVOIDED COST

It's Not Complicated ...

Incremental Avoided Cost Standard: State regulations must ensure that utilities purchase QF power whenever cost-neutral or better based on displacement of utility's highest-cost 'increment'.



Many Public Benefits from Reduced Reliance on Fossil Fuels:

- Stabilized prices
- Diversified generation
- Energy security
- Reduced air pollution

2. AVOIDED COST

It's Not Optional ...

"At any given time, an economically dispatched utility can avoid operating its highest-cost units as a result of making a purchase from a qualifying facility. The utility's avoided **incremental costs (and not average system costs)** should be used to calculate avoided costs."

- FERC Order No. 69, 45 FED. REG. 12214, 12216 (Feb. 25, 1980) (emphasis added).

"QFs are entitled to receive the *full* avoided cost rates ... and not a rate that is 80% (or less than 80%) of the full avoided cost rate."

- *Independent Energy Producers Ass'n, Inc. v. Calif. Public Util. Comm'n*, 36 F.3d 848, 854-55 (9th Cir. 1994) (emphasis in original).



2. AVOIDED COST

It's Up to the Qualifying Facilities, Not the Utilities ...

Under FERC regulations, States must ensure that QFs have the option to sell power

(1) on an as-available basis—with avoided costs calculated at the time of delivery, or

(2) pursuant to a legally enforceable obligation—with avoided costs calculated at the time of delivery or at the time the contract or other legally enforceable obligation (LEO) is incurred, whichever the QF chooses.

- See 18 C.F.R. § 292.304(d).



2. AVOIDED COST

It's Got to Be Non-Discriminatory ...

- Alaska's current regulations for determining avoided costs include factors similar to the FERC avoided cost factors for firm power, but not for non-firm power.
- This is discriminatory and conflicts with PURPA.



2. AVOIDED COST

The Utilities' Arguments Are Unpersuasive ...

ARGUMENT 1 – Alaska's "avoided cost" definition, including the "system average" approach used for non-firm facilities, is equivalent to the "incremental" avoided cost standard.

WRONG – As explained by FERC in preamble, system average avoided costs are not the same as incremental avoided costs. States are prohibited from relying on system average approach.



2. AVOIDED COST

The Utilities' Arguments Are Unpersuasive ...

ARGUMENT 2 – "Incremental" avoided cost calculations would lead to the same or similar results as "system average" avoided cost calculations.

CONTRARY TO COMMON SENSE – Utilities have provided no documentation or evidence to support this claim. Merely reiterating arguments made a third of a century ago to justify "temporary" departure from incremental approach.

$$X \neq Y$$

2. AVOIDED COST

Example: System Average Avoided Costs

GVEA QF-2 Rates Fall, Winter, Spring 2011-2013	
Effective Date	GVEA QF-2 Rate
Sept. 1, 2013	11.292 cents/kWh
Mar. 1, 2013	12.306 cents/kWh
Dec. 1, 2012	11.164 cents/kWh
Sept. 1, 2012	13.212 cents/kWh
May 1, 2012	12.957 cents/kWh
Dec. 1, 2011	13.078 cents/kWh
Sept. 17, 2011	12.354 cents/kWh
Mar. 2, 2011	11.507 cents/kWh

Source: RCA-Approved QF-2 Rates, TA246-13; TA237-13; TA236-13; TA233-13; TA230-13; TA224-13; TA222-13; TA216-13.



Chena Coal Plant – 1952
Approx. 6 cents/kWh



Healy #1 Coal Plant – 1967
Approx. 5 cents/kWh

2. AVOIDED COST

Example: Potential Incremental Avoided Costs

GVEA Fuel Costs Fall, Winter, Spring 2011-2013			
	Fairbanks and Delta (diesel)	North Pole Combined Cycle (diesel)	North Pole Expansion (naphtha)
Winter 2013-14	81.8 ¢/kWh	66.1 ¢/kWh	15.6 ¢/kWh
Fall 2013	72.4 ¢/kWh	28.4 ¢/kWh	16.5 ¢/kWh
Spring 2013	79.7 ¢/kWh	32.4 ¢/kWh	17.2 ¢/kWh
Winter 2012-13	72.6 ¢/kWh	34.4 ¢/kWh	15.7 ¢/kWh
Fall 2012	60.2 ¢/kWh	20.4 ¢/kWh	15.8 ¢/kWh
Spring 2012	88.4 ¢/kWh	26.6 ¢/kWh	17.9 ¢/kWh
Winter 2011-12	–	40.5 ¢/kWh	16.1 ¢/kWh
Fall 2011	226.8 ¢/kWh	30.5 ¢/kWh	15.8 ¢/kWh

Source: GVEA Quarterly Filings with RCA



2. AVOIDED COST

ARGUMENT 3 – Burden should be on QFs to demonstrate on case-by-case basis that incremental cost approach more accurate and outweighs burdens of incremental cost calculations. If so, "QF can request that the Commission require that methodology."

WRONG – In 1982, the APUC "explicitly reject[ed] resolution of disputes between qualifying facilities and electric utilities on a case-by-case basis as an implementation approach" because "[t]his time-consuming method would ... effectively discourage the development of cogeneration and small power production."

- Alaska Public Utilities Commission, Order No. U-81-035(4), at 9 (June 23, 1982) (emphasis added)



2. AVOIDED COST

ARGUMENT 4 – The judgment of utility management is best and obviates the need for revised regulations.

IGNORES UNDERPINNINGS OF PURPA –

Reluctance of utilities to purchase power from independent producers was primary impetus behind Congress' enactment of PURPA § 210 in 1978.

- *See, e.g., Consol. Edison Co. v. Public Serv. Comm'n of New York*, 470 U.S. 1075, 1076 (1985)

Remains a substantial problem in Alaska. We rank last out of all 50 states in IPP generation at 3%, compared to the national average of 39%.

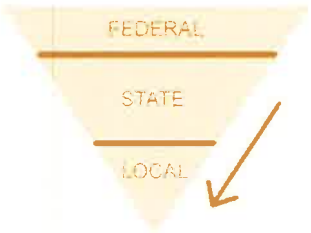
- See EIA, Electricity Data Browser (2012 Data), http://www.eia.gov/electricity/data/browser.



2. AVOIDED COST

ARGUMENT 5 – Calculating "incremental avoided cost" would be too difficult and burdensome.

NOT RELEVANT AT THIS STAGE – RCA is required under federal law to implement an "incremental avoided cost" standard. RCA does not have discretion to ignore this requirement based on implementation considerations.



2. AVOIDED COST

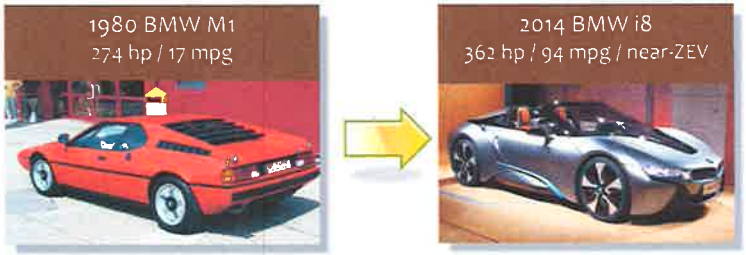
Even assuming federal law could be ignored, utility implementation-related arguments are unpersuasive :



- Incremental avoided cost calculations routinely performed throughout country.
- Certainty needed for project financing. QFs almost always opt for incremental cost pricing based on projections at time of contracting or entering LEO. Utilities rarely burdened with determining avoided costs on 'as-available' basis.
- RCA can reduce burdens associated with standard offer pricing for projects under 100 kW (e.g., annual rather than quarterly updates and adjustments).

2. AVOIDED COST

- The technological capabilities of Alaskan utilities have dramatically improved since the RCA regulations were first promulgated more than three decades ago.



2. AVOIDED COST

ARGUMENT 6 – Because of the complexity of the issues, technical workshops are needed before the RCA makes any regulatory revisions.

DELAY TACTIC – AEP and others are seeking simple and straightforward regulatory language changes designed to:

- Incorporate federally required incremental avoided cost standard;
- Ensure QFs' right to choose avoided costs determined on as-available basis or at outset of a long-term contract or LEO; and
- Apply factors for avoided cost determinations in non-discriminatory manner to both firm and non-firm power.



REGULATION NOW ... IMPLEMENTATION LATER

3. INTEGRATION FEES

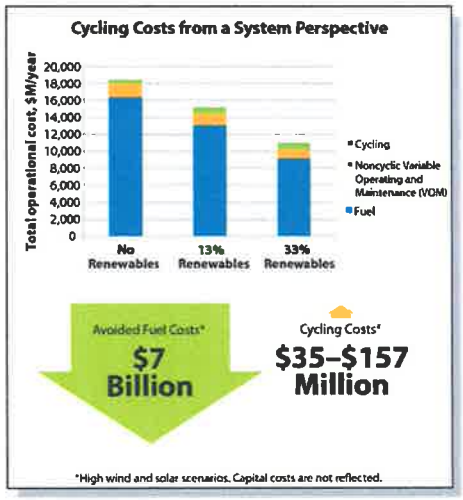
Integration fees present substantial risks of discriminatory practices ...

- Challenges in calculating wind and solar integration costs, but also public policy and regulatory questions concerning what to do with renewables integration costs even if they can be accurately calculated.
- Other generation technologies impose integration costs, but generally not allocated to the generators that impose them on the power system.
- "Any policy that assigns integration costs to wind and solar needs to be thought through very carefully to assure that it is not discriminatory."



- NREL, Cost-Causation and Integration Cost Analysis for Variable Generation (June 2011) (emphasis added).

3. INTEGRATION FEES



3. INTEGRATION FEES

Illustration: Discriminatory Allocation of Integration Costs

GVEA allocating $0 in integration costs to its own Eva Creek Wind facility. None listed among Eva Creek facility costs in either 2012 or 2013 SRF filings.

- See GVEA SRF 2012, TA240-13 (Mar. 28, 2013); - See GVEA SRF 2013, TA247-13 (Oct. 7, 2013).

GVEA proposed exorbitant integration fees to AEP during 2013 power purchase negotiations:

- 7.716 cents/kWh in fall
- 6.980 cents/kWh in winter

- See GVEA, Table of Projected Integration Costs for Period June 2013-May 2014 (July 2, 2013)



3. INTEGRATION FEES

Utilities must demonstrate the validity and fairness of their proposed integration fees ...

Burden must be on the utility to justify its proposed deductions from the required incremental avoided cost rate.

- Non-discrimination requirement
- Substantial risk of discriminatory allocation of integration costs to QFs
- No explicit FERC authorization for integration fees (must show integration affects incremental avoided cost)
- Overarching purpose of PURPA § 210 to "encourage" cogeneration and small power production.



3. INTEGRATION FEES

Six Fair and Reasonable Integration Fee Criteria

1. Must be non-discriminatory
2. May include costs reasonably necessary under accepted industry standards for safety, integrity, and reliability of system, but must be:
   - directly related to and necessary for operation of QF
   - in excess of the corresponding costs utility otherwise would have incurred; and
   - not duplicative of costs of facilities or measures used for reasons other than integration of QF.
3. If facilities or measures support integration of more than one QF or other facility, costs must be allocated appropriately.



3. INTEGRATION FEES

4. No double-counting.
5. Cannot claim integration fees if result from outdated, inefficient, or ineffective management or operational practices that could be remedied at reasonable cost.
6. No subsidizing of the utility's other facilities or operations.



4. CURTAILMENT

Utility not required to purchase power from QF if due to "operational circumstances," purchases would "result in costs greater than those which the electric utility would have incurred if it had not made such purchases but had instead generated or purchased an equivalent amount of power."

-3 AAC 50.770(b)(1).

Meaning Is Well-Established.

- Serves to protect QFs from rare situations involving potential for negative avoided costs.
- Does not justify unilateral curtailment by utilities (1) for economic reasons, or (2) outside context of real-time incremental avoided cost pricing.



Issue: Whether clarifying language needed to prevent improper reliance on (b)(1) by utilities during power purchase negotiations with QFs.

4. CURTAILMENT

Five Reasons Clarification Is Needed ...

REASON 1 – Utilities often misinterpret this provision. Common subject of FERC disputes.



"GVEA will not compensate AEP for Economic Curtailed Power when, for economic reasons, the cost of purchases from the Facility will result in costs greater than those which GVEA would have incurred if it had not made such purchases but had instead generated or purchased an equivalent amount of power per 3 AAC 50.770(b)(1)."

4. CURTAILMENT

Five Reasons Clarification Is Needed ...

REASON 2 – GVEA refused to delete unlawful language. Also attempted to impose same language on all QFs through RCA-approved standard agreement.

- See GVEA, Proposed QF Standard Power Purchase Agreement, RCA Docket No. TA245-13 (filed July 17, 2013, withdrawn Oct. 2, 2013).



4. CURTAILMENT

REASON 3 – AEP tried in vain to obtain informal guidance from RCA Consumer Protection Section. Asked Section to advise GVEA of clear unlawfulness of its negotiating position. Yet Section informed AEP that it "found no violation" of applicable law.

- RCA Consumer Protection Section, Disposition Letter, at 2, RCA Docket C-13-108 (Oct. 17, 2013).

REASON 4 – To this day, GVEA has never shown any willingness to acknowledge its mistake or change its negotiating position with AEP.



4. CURTAILMENT

REASON 5 – Lack of clarity on issue of whether utility may lawfully insist on reserving broad discretion to curtail QF power whenever it has economic reasons for doing so is a severe impediment to QF development projects.



4. CURTAILMENT

Clarifying Language Based on FERC Decisions ...

- Curtailment under (b)(1) only valid when:
  - Avoided cost determined in real-time , and
  - Low-load scenario, could result in negative avoided costs
- Curtailment authority under (b)(1) may not be incorporated into contract or LEO where avoided costs not determined in real-time





5. OVERSIGHT & TRANSPARENCY

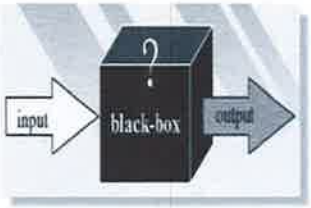
Historical Reluctance





Conflict of Interest

Control of Data





Bargaining Power

5. OVERSIGHT & TRANSPARENCY

Proposal for Independent Monitor & Analytical Report

Initiation – Request from QF, request from utility, or initiative of Commission. Commission appoints independent monitor to assist it in investigating and overseeing QF-utility negotiations.



Independence of Monitor –

- No past or present affiliation with any party
- No expectation of future affiliation with any party during the next three years.
- Affiliation criteria may be waived if all parties agree after full disclosure.
- Sufficient experience and expertise to carry out responsibilities

5. OVERSIGHT & TRANSPARENCY

Independent Monitor Responsibilities –

- Review utility documents and data
- Review QF information concerning design and operation of facility (exempt by law from providing financial and cost information)
- Request additional information as needed
- Prepare report analyzing information, providing conclusions and recommendations as to parties' negotiating positions
- Make analysis and findings in report understandable to Commission, parties, and public



Commission Role –

- Revise or tailor IM responsibilities as appropriate
- Ask for supplemental report as appropriate
- Recommend party modify negotiating position (if party disagrees, can proceed with formal process)
- Facilitate timely resolution of issues



5. OVERSIGHT & TRANSPARENCY

Costs –

- Paid by utility, or allocated among multiple utilities
- Paid through Commission or escrow account (not directly to monitor, to preserve independence)

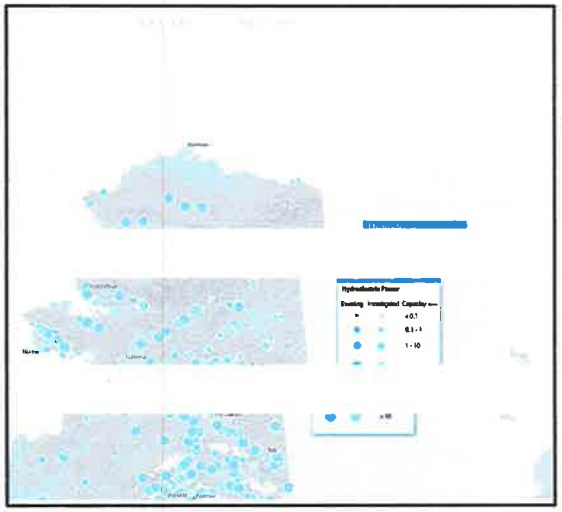


Why? –

- Utility is the entity with the potential for a conflict of interest.
- Utility is in control of the vast majority of the relevant data.
- Utility is in the stronger bargaining position due to control of transmission and distribution.
- Utility has far more financial resources than QFs, which are by definition "small" independent power producers.
- PURPA, FERC regulations, and State implementing regulations are all designed to overcome utility recalcitrance and "encourage" QF development projects.

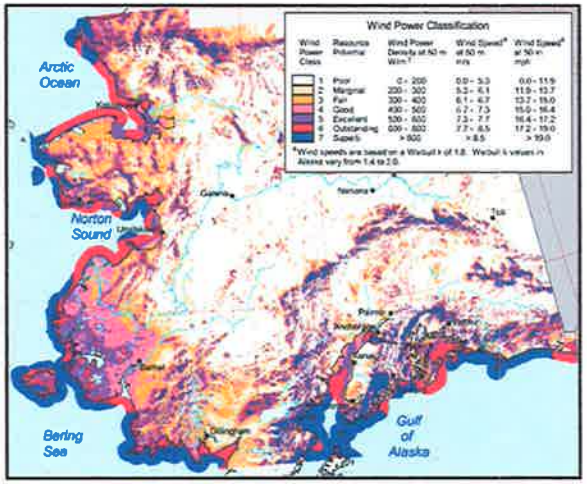
6. ADDITIONAL INFORMATION

Alaska Has World-Class Renewable Energy Resources



6. ADDITIONAL INFORMATION

Alaska Often Referred to as "Saudi Arabia of Wind"



6. ADDITIONAL INFORMATION

December 2013

Day	Energy (MWh)	Avail. hours	Avail. %
1	7,193.7	24.0	100.0
2	16,284.6	24.0	100.0
3	6,804.8	24.0	100.0
4	10,320.3	24.0	100.0
5	20,213.8	24.0	100.0
6	7,531.6	24.0	100.0
7	2,591.6	24.0	100.0
8	383.5	24.0	100.0
9	1,407.6	24.0	100.0
10	3,193.1	24.0	100.0
11	5,056.0	24.0	100.0
12	15,111.8	24.0	100.0
13	17,845.0	24.0	99.9
14	3,672.1	24.0	100.0
15	2,143.4	24.0	100.0
16	433.2	24.0	100.0
17	-222.2	13.5	56.3
18	5,844.0	8.3	34.7
19	16,880.3	24.0	100.0
20	16,226.5	24.0	100.0
21	20,180.3	24.0	100.0
22	7,576.5	24.0	100.0
23	1,596.0	24.0	100.0
24	13,129.5	24.0	100.0
25	7,513.0	24.0	100.0
26	6,714.3	24.0	100.0
27	19,887.9	24.0	100.0
28	20,377.2	23.8	99.3
29	16,553.5	24.0	100.0
30	20,959.5	24.0	100.0
31	20,120.4	23.1	96.4
Total	313,422.7	716.0	96.3

Turbine A

December 2013

Day	Energy (MWh)	Avail. hours	Avail. %
1	6,379.2	14.6	60.7
2	15,344.5	24.0	100.0
3	6,277.3	24.0	100.0
4	9,703.9	24.0	100.0
5	19,552.0	24.0	100.0
6	6,955.8	24.0	100.0
7	2,320.7	22.8	95.0
8	353.8	24.0	100.0
9	1,358.8	24.0	100.0
10	2,564.6	22.1	92.2
11	4,730.9	24.0	100.0
12	13,491.4	22.2	92.6
13	17,074.6	24.0	99.9
14	3,340.4	24.0	100.0
15	1,792.3	21.8	90.8
16	502.7	8.0	33.1
17	472.7	18.3	76.4
18	15,670.1	24.0	100.0
19	15,894.8	24.0	100.0
20	15,549.4	24.0	100.0
21	19,839.4	24.0	100.0
22	5,545.0	22.0	91.7
23	1,457.1	24.0	100.0
24	12,306.7	24.0	100.0
25	6,790.8	24.0	100.0
26	6,224.3	23.8	99.2
27	19,583.4	24.0	100.0
28	20,086.2	23.8	99.0
29	15,578.9	24.0	100.0
30	19,079.6	23.1	96.2
31	17,752.0	21.6	90.0
Total	303,573.2	700.0	94.1

Turbine B

DELTA WIND FARM PRODUCTION DATA
December 2013

6. ADDITIONAL INFORMATION

January 2014

Day	Energy (MWh)	Avail. hours	Avail. %
1	15,304.5	22.4	93.2
2	1,499.9	24.0	100.0
3	9,520.4	24.0	100.0
4	17,189.0	21.2	88.4
5	18,154.9	23.9	99.4
6	19,038.0	24.0	100.0
7	15,517.0	24.0	100.0
8	8,590.0	24.0	100.0
9	464.8	24.0	100.0
10	-38.8	24.0	100.0
11	-59.3	24.0	100.0
12	8,890.8	24.0	100.0
13	17,250.5	24.0	100.0
14	13,581.3	24.0	100.0
15	3,513.9	24.0	100.0
16	6,365.7	24.0	100.0
17	17,734.8	24.0	100.0
18	13,686.2	24.0	100.0
19	7,205.7	24.0	100.0
20	19,416.0	24.0	100.0
21	18,246.0	21.3	88.9
22	11,433.7	24.0	100.0
23	10,249.5	24.0	100.0
24	7,965.9	23.1	96.4
25	15,787.7	24.0	100.0
26	20,630.8	24.0	100.0
27	20,635.3	24.0	100.0
28	N/A	N/A	N/A
29	N/A	N/A	N/A
30	N/A	N/A	N/A
31	N/A	N/A	N/A
Total	317,771.8	639.9	98.7

Turbine A

January 2014

Day	Energy (MWh)	Avail. hours	Avail. %
1	16,295.3	23.5	98.0
2	1,463.9	24.0	100.0
3	8,686.0	23.5	97.9
4	16,259.6	23.4	97.4
5	18,189.2	24.0	100.0
6	18,233.3	24.0	100.0
7	14,328.5	24.0	100.0
8	7,966.8	24.0	100.0
9	404.3	24.0	100.0
10	100.3	24.0	100.0
11	111.6	24.0	100.0
12	8,003.8	24.0	100.0
13	16,454.2	24.0	100.0
14	13,108.9	24.0	100.0
15	3,240.6	24.0	100.0
16	5,634.9	24.0	100.0
17	17,158.0	24.0	100.0
18	13,094.7	24.0	99.9
19	6,587.9	24.0	100.0
20	16,640.4	24.0	100.0
21	20,026.0	23.3	97.0
22	10,808.6	24.0	100.0
23	9,552.6	24.0	100.0
24	7,795.5	23.5	97.7
25	15,270.0	24.0	100.0
26	20,523.3	24.0	100.0
27	20,336.6	24.0	100.0
28	N/A	N/A	N/A
29	N/A	N/A	N/A
30	N/A	N/A	N/A
31	N/A	N/A	N/A
Total	310,575.1	645.1	99.6

Turbine B

DELTA WIND FARM PRODUCTION DATA
January 2014

7. SUMMARY

Changes legally required	**Avoided Cost** • Incremental avoided cost is required, not system average approach • QF Options: (1) avoided cost determined at time of establishment of contract or other legally enforceable obligation, or (2) avoided cost determined at time of delivery • Avoided cost factors must be made applicable to firm and non-firm power in non-discriminatory manner.
Changes needed for clarification	**Integration Fees** • Burden must be on utilities to justify proposed fees • Criteria and standards are needed to ensure integration fees are fair, reasonable, and non-discriminatory **Curtailment** • Clarification is needed to prevent abuse • Most effective form of clarification would be regulatory language based on FERC decisions
Changes needed to ensure regulations are well-implemented and enforced	**Independent Monitor** • Mechanism to enhance Commission's ability to become engaged earlier, oversee lawfulness of negotiating positions, and minimize abuse of process and delays **Transparency** • Important for Commission oversight • Allows both QFs and utilities to evaluate other parties' negotiating positions • Allows negotiations to move forward in productive and timely fashion

Regulatory Commission of Alaska
Rulemaking Docket R-13-002

SUMMARY OF PROPOSALS

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