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DeAnn T. Walker
Chairman
Arthur C. D'Andrea
Commissioner
Shelly Botkin
Commissioner
John Paul Urban
Executive Director



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Governor

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PUBLIC UTILITY COMMISSION
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Public Utility Commission of Texas

TO: DeAnn T. Walker, Chairman
Arthur C. D'Andrea, Commissioner
Shelly Botkin, Commissioner

All Parties of Record

FROM: Gabriel P. Soto ^{MS}
Administrative Law Judge

RE: **Open Meeting of October 25, 2018**
Docket No. 48386 – *Joint Application of MidAmerican Wind Tax Equity Holdings, LLC and Blue Cloud TE Partnership LLC for Approval under § 39.158 of the Public Utility Regulatory Act*

DATE: October 5, 2018

Enclosed is a copy of the Proposed Order in the above-referenced docket. The Commission will consider this docket at an open meeting presently scheduled to begin at 9:30 a.m. on Thursday, October 25, 2018, at the Commission's offices, 1701 North Congress Avenue, Austin, Texas. The parties shall file corrections or exceptions to the Proposed Order on or before Wednesday, October 17, 2018.

If there are no corrections or exceptions, no response is necessary.

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DOCKET NO. 48386

JOINT APPLICATION OF	§	PUBLIC UTILITY COMMISSION
MIDAMERICAN WIND TAX EQUITY	§	
HOLDINGS, LLC AND BLUE CLOUD	§	OF TEXAS
TE PARTNERSHIP LLC FOR	§	
APPROVAL UNDER § 39.158 OF THE	§	
PUBLIC UTILITY REGULATORY ACT	§	

PROPOSED ORDER

This Order addresses the joint application of MidAmerican Wind Tax Equity Holdings, LLC and Blue Cloud TE Partnership LLC for approval of MidAmerican Wind’s purchase of Class A passive equity interests in Blue Cloud TE. The Commission approves MidAmerican Wind’s purchase of equity interests in Blue Cloud TE.

The Commission adopts the following findings of fact and conclusions of law:

I. Findings of Fact

Applicants and Parties of Interest

1. MidAmerican Wind is a limited liability company with ownership interests in electric generation facilities located in the Southwest Power Pool (SPP) power region.
2. Blue Cloud TE is a limited liability company with ownership interests in electric generation facilities located in SPP.
3. Blue Cloud TE owns 100% of the equity interests in Blue Cloud Wind Energy, LLC.
4. Blue Cloud Holdco, LLC is a limited liability company with 100% equity interest in Blue Cloud TE.

The Application

5. On May 24, 2018, MidAmerican Wind and Blue Cloud TE filed a joint application for approval of MidAmerican’s purchase of Class A passive equity interests in Blue Cloud TE.
6. Blue Cloud Wind Energy is developing a 148.35 MW wind-powered electricity generation facility in Lamb and Bailey Counties for interconnection to SPP through Southwestern Public Service Company’s transmission facilities.

7. Blue Cloud Holdco will cause Blue Cloud TE to issue passive Class A interests in Blue Cloud TE to MidAmerican Wind and Blue Cloud Holdco's equity interests in Blue Cloud TE will be converted into Class B managing interests.
8. Applicants and their affiliates hold ownership interests in electric generation facilities located in adjacent power regions.
9. In Order No. 2 issued on June 12, 2018, the administrative law judge (ALJ) deemed the application sufficient.

Installed Generation Capacity

10. It is appropriate to use full nameplate capacity to calculate the share of installed generation capacity because no data was provided to support actual capacity as provided in 16 Texas Administrative Code (TAC) § 25.91(f).
11. MidAmerican Wind, either directly or indirectly through affiliates or subsidiaries, owns active and passive equity interests in generation located in SPP totaling approximately 472.0 MW.
12. Blue Cloud, either directly or indirectly through affiliates or subsidiaries, owns active and passive equity interests in generation located in SPP totaling approximately 148.4 MW.
13. The combined installed generation capacity that is capable of delivery into SPP by way of imports from other power regions during the summer season is 3,782 MW, as determined by SPP.
14. The total installed generation capacity in SPP is 87,727 MW.
15. After the transaction, the combined potential direct and indirect generation ownership of applicants and their respective affiliates will equal 4,402.4 MW accounting for all non-dispatchable renewable generating units at full nameplate capacity.
16. Calculating applicants' generation ownership after the transaction using both a numerator and a denominator that apply full nameplate capacity for non-dispatchable renewable generating units, applicants and their affiliates will own or control a total of 4,402.4 MW of installed generation capacity located in or capable of delivering electricity into SPP, which is 5.02% of the total installed generation capacity in SPP.

17. After the transaction, the total electricity directly or indirectly owned and offered for sale in SPP by applicants and their respective affiliates will not exceed 20% of the total installed generation capacity in SPP.

Notice

18. Notice of the application appeared in the June 8, 2018 issue of the *Texas Register*.
19. In Order No. 2 issued on June 12, 2018, the administrative law judge (ALJ) deemed notice sufficient.

Evidence

20. In Order No. 5 issued on September 25, 2018, the ALJ admitted the following evidence into the record: (a) the joint application of MidAmerican Wind Tax Equity Holdings, LLC and Blue Cloud TE Partnership LLC and all attachments thereto filed on May 24, 2018; (b) notice of the application published in the *Texas Register* on June 8, 2018; and (c) Commission Staff's final recommendation and all attachments thereto filed on June 23, 2018.

Informal Disposition

21. More than 15 days have passed since completion of notice provided in this docket.
22. No parties filed protests, motions to intervene, or requests for hearing.
23. On July 23, 2018, Commission Staff recommended approval of the application.

II. Conclusions of Law

1. The Commission has jurisdiction over the proposed transaction under §§ 39.154 and 39.158 of PURA.¹
2. Notice of the application complies with 16 TAC §§ 22.54(a) and 22.55.
3. The Commission must approve the transaction unless it finds that the proposed transaction results in a violation of PURA § 39.154.

¹ Public Utility Regulatory Act Tex. Util. Code Ann. §§ 11.001-58.302 (West 2016 & Supp. 2017), §§ 59.001-66.016 (West 2007 & Supp. 2017) (PURA).

4. A power generation company may not own and control more than 20% of the installed generation capacity located in or capable of delivering electricity to a power region under PURA § 39.154.
5. The relevant power region under PURA § 39.154(a) is SPP.
6. The analysis performed to determine compliance with the 20% standard meets the requirements of PURA § 39.154(a) and 16 TAC 25.401.
7. The proposed transaction will not result in a violation of PURA § 39.154 because MidAmerican Wind and its affiliates and Blue Cloud and its affiliates will not own or control more than 20% of the installed generation capacity located in or capable of delivering electricity to SPP.
8. The proposed closing date complies with the 120-day requirement in PURA § 39.158.
9. The application does not constitute a major rate proceeding as defined in 16 TAC § 22.2(27).
10. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders:

1. The Commission approves MidAmerican Wind's purchase of equity interests in Blue Cloud TE.
2. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the _____ day of October 2018.

PUBLIC UTILITY COMMISSION OF TEXAS

DEANN T. WALKER, CHAIRMAN

ARTHUR C. D'ANDREA, COMMISSIONER

SHELLY BOTKIN, COMMISSIONER

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