

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 374

In the Matter of
PACIFICORP, dba PACIFIC POWER,
Request for a General Rate Revision.

STAFF'S RESPONSE TO PACIFICORP'S
MOTION FOR RECONSIDERATION AND
CLARIFICATION

In accordance with OAR 860-001-0720(4), Staff of the Public Utility Commission of Oregon (Staff) hereby files its Response to PacifiCorp's Motion for Reconsideration and Clarification of Schedule 272 and cost recovery for replaced meters in Order No. 20-473. Staff takes no position on PacifiCorp's requests for reconsideration in this case, and so its response does not address the merits of these issues. Staff does, however, support clarification of certain aspects of the Commission's order related to Schedule 272.

I. DISCUSSION

A. The Commission should clarify its resolution on the cap applicable to Schedule 272.

Generally, Staff supports clarification of the cap applicable to Schedule 272. Order No. 20-473, in relevant part, provides "PacifiCorp should consider procurement of new PPA-based resources to supply Schedule 272 customers – including Pryor Mountain – to be subject to the cap set in UM 1690 (175 average MW for PacifiCorp, unless PacifiCorp can demonstrate to the Commission in advance that it has mitigated the potential impacts on non-participating cost of service customers."¹ Upon review of the order, Staff supports clarification of several questions to implement the Commission's decision, some of which are shared by PacifiCorp.

PacifiCorp's Motion makes numerous requests for clarification related to the Schedule 272 cap. First, PacifiCorp seeks clarification that the cap will not apply to preexisting REC sales under Schedule 272, which it argues may include Pryor Mountain. Given the Order's use of the word "new" to qualify resources to be included in the cap, including Pryor Mountain, Staff finds

¹ Order No. 20-473 at 134.

1 this interpretation to be consistent with how it understands what is to be included in the cap.
2 However, there are prior specified source PPA agreements that provide RECs to Schedule 272
3 customers. It is unclear whether PacifiCorp is seeking clarification that these specific resources
4 are not to be included, but regardless, Staff supports clarification from the Commission on
5 whether the previously executed PPAs should be excluded from the cap calculation. Staff's
6 questions related to Pryor Mountain are addressed below.

7 Second, PacifiCorp seeks clarification that the cap does not apply to Schedule 272
8 transactions of unbundled RECs where no underlying resource has been specified. The
9 resolution in the Order focused on specified resources and did not raise concerns with the sale of
10 unbundled RECs from unspecified resources. As such, Staff finds PacifiCorp's requested
11 clarification to be consistent with its understanding of the Order, but requests clarification if this
12 is an incorrect assumption.

13 Third, PacifiCorp seeks clarification that the Schedule 272 cap "was intended to apply to
14 the Oregon-allocated energy from the new resource generating the sold unbundled RECs, not to
15 the unbundled RECs themselves."² Staff supports clarification on how the cap should be
16 calculated in consideration of PacifiCorp's multi-jurisdictional system. The Order indicates that
17 new resources should be subject to the 175 aMW cap for PacifiCorp as set in UM 1690. The
18 UM 1690 cap is based on participating customer load, similar to the Direct Access cap.³ It is
19 unclear how a customer load participation cap applies in the context of specified resources,
20 wherein the energy is allocated as a system-resource, but the RECs are fully utilized by an
21 Oregon customer (i.e. situs). PacifiCorp argues that this difference should be clarified to mean
22 that the cap should be based on Oregon's allocated energy share of new resources, rather than the
23 resource being situs assigned to Oregon for purposes of calculating the cap. This is consistent, it

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25 ² PacifiCorp's Motion for Reconsideration and Clarification at 9.

26 ³ *In re Public Utility Comm'n of Oregon*, OPUC Docket No. UM 1690, Order No. 15-405 (Dec. 15, 2015).

1 argues, with the Commission’s prior determination that RECs are considered utility property, not
2 energy.⁴

3 The difference between these two methodologies is significant—one allows PacifiCorp to
4 procure up to 175 aMW of resources to serve Schedule 272 demand, the other allows
5 procurement of up to approximately 700 aMW to serve Schedule 272 demand.⁵ As an example,
6 if one were to assume, that there is a 100 aMW resource procured to provide an Oregon customer
7 with all resulting RECs, and that Oregon is approximately 25 percent of PacifiCorp’s system, the
8 question is whether 25 aMW are utilized under the cap, or 100 aMW. A 700 aMW cap is the
9 equivalent of resource procurement of approximately 1.8 GW of nameplate capacity.⁶ All of the
10 Company’s non-residential Oregon forecast load for 2021 is 918 aMW.⁷ Given the context for
11 the cap within the Commission’s order, Staff’s understanding is that the Commission intended
12 the cap to be based on the participating load equivalent, in other words, situs assigned to Oregon.
13 However, Staff agrees with PacifiCorp that this is a question that would benefit from
14 clarification given potentially different interpretations.

15 Fourth, PacifiCorp requests clarification that the cap does not include energy generated
16 by qualifying facilities. Because PacifiCorp raised this issue, and it was not otherwise addressed
17 in the Order, Staff agrees that clarification on this point would be beneficial.

18 Fifth, PacifiCorp requests clarification that the Commission did not intend to include
19 Pryor Mountain in the cap “because Pryor Mountain is not a PPA-based resource,”⁸ despite the
20 Commission’s language stating that the new cap should include Pryor Mountain. Alternatively,
21 PacifiCorp argues that “if the Commission intended the cap to apply to the energy generated by

22 ⁴ PacifiCorp’s Motion for Reconsideration and Clarification at 9.

23 ⁵ The approximate 700 aMW results from a 175 aMW Oregon cap at Oregon’s approximate 25
24 percent SG Allocation Factor.

25 ⁶ The approximate 1.8 GW of nameplate capacity results from a 700 aMW system cap and Pryor
26 Mountain’s **BEGIN CONFIDENTIAL**  **END CONFIDENTIAL** percent capacity factor.

⁷ UE 374 - PAC/700, Link/111, Table 14. Annual MWh divided by 8760 provides aMW.

⁸ PacifiCorp’s Motion for Reconsideration and Clarification at 10.

1 utility-owned projects such as Pryor Mountain, then the Commission should clarify that the cap
2 applies only to *non*- PPA based resources”—in other words, replacing “new” with “non.”⁹ Staff
3 finds a third alternative reading of the Commission’s order to be the most plausible, which is that
4 the Commission intended both Pryor Mountain (as a utility owned resource)¹⁰ and any new PPA-
5 based resources would be subject to the cap. This would mean that, in effect, the remaining cap
6 is either approximately **BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL** aMW
7 (system allocated)¹¹ or approximately **BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL**
8 aMW (situs allocated),¹² depending on the Commission’s determination on the third issue,
9 above.¹³ Given the varying potential interpretations of this requirement, Staff agrees that
10 clarification on this point is warranted.

11 Sixth, PacifiCorp requests clarification on the timing and substance of the demonstration
12 necessary for waiver of the cap. Staff agrees that additional procedural guidance on this issue
13 would be welcome. As Staff’s testimony in this case demonstrates, it does not share
14 PacifiCorp’s conclusion that the current construct of Schedule 272 avoids concerns with the
15 Company’s use of the schedule.

16 Seventh, PacifiCorp argues that the Commission should clarify its cautionary language
17 regarding PacifiCorp’s procurement of new utility-owned resources to provide specified

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19 ⁹ PacifiCorp’s Motion for Reconsideration and Clarification at 10.

20 ¹⁰ Staff finds it clear from the Commission’s Order that the Commission understood Pryor
21 Mountain to be a utility-owned resource, and also assumes that its inclusion in the sentence
22 establishing the cap to be purposeful. *See* Order No. 20-473 at 48-49.

23 ¹¹ PacifiCorp’s Motion for Clarification at 10.

24 ¹² Staff calculates the **BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL** aMW
25 remaining cap as the 175 aMW cap less the **BEGIN CONFIDENTIAL [REDACTED] END**
26 **CONFIDENTIAL** aMW result of Pryor Mountain’s 240 MW nameplate capacity multiplied by
its **BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL** percent capacity factor (which is
implied by PacifiCorp’s **BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL** aMW on an
Oregon-allocated basis).

¹³ PacifiCorp’s Motion for Clarification at fn. 37 (stating that the Oregon-allocated basis for
Pryor Mountain is approximately **BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL**
aMW.).

1 unbundled RECs to customers and considering its Schedule 272 as an appropriate option to
2 provide customers with a community-wide green tariff. Staff takes no position on PacifiCorp’s
3 desire for clarification on this point. Staff does, however, support clarification of the
4 Commission’s intended definition of “community-wide green tariffs” so that the tariff changes
5 can be requested at a future public meeting, as appropriate.

6 Finally, PacifiCorp urges the Commission to rule now on any interim changes to its
7 Schedule 272 and to clarify the timing and scope of the investigation. Staff takes no position on
8 PacifiCorp’s requests for clarification of these items.

9 **III. CONCLUSION**

10 As discussed above, Staff supports clarification of the issues and questions raised in
11 relation to the Commission’s Order regarding Schedule 272. Staff takes no position on
12 PacifiCorp’s requests for reconsideration, nor does it advocate for a specific outcome on the
13 questions raised by the Schedule 272 cap.

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15 DATED this 11th day of February, 2021.

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Respectfully submitted,

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ELLEN F. ROSENBLUM
Attorney General

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/s/ Sommer Moser

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