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Portland, Oregon 97232

September 30, 2016

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, OR 97301-1166

Attn: Filing Center

Re: UM 1751—PacifiCorp's Comments

PacifiCorp d/b/a Pacific Power (PacifiCorp or the Company) encloses for filing its comments in the above-referenced docket.

If you have questions about these comments, please contact Natasha Siores at (503) 813-6583.

Sincerely,

A handwritten signature in black ink that reads "R. Bryce Dalley". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

R. Bryce Dalley
Vice President, Regulation

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1751

In the Matter of

PUBLIC UTILITY COMMISSION OF OREGON,

Implementing an Energy Storage Program
Guidelines pursuant to House Bill 2193.

**PACIFICORP d/b/a PACIFIC POWER
COMMENTS ON DRAFT GUIDELINES**

Introduction

PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) appreciates the opportunity to provide these comments on the proposed guidelines contained in Order No. 16-316 to the Public Utility Commission of Oregon (Commission). Specifically, the Company provides the following comments regarding the proposed guidelines in Sections A, B and D of Order No. 16-316. PacifiCorp's comments on Section C were filed in this proceeding on September 16, 2016, as requested by the Commission. In addition, the Company reserves its right to provide additional comments in response to the comments provided by other parties in this proceeding.

Section A - Project Guidelines

The proposed guidelines in this section appear reasonable. The Company notes its concern with item 3 with regard to the use of the term potential. The guidelines should include a clear definition for the term and a methodology for calculating its value.

Section B - Proposal Guidelines

The descriptions and analyses described in these guidelines for the required information that must be included with each proposed project will likely produce a robust set of data that will assist in the Commission's review and evaluation of project proposals. The Company

recommends that specific details should be defined for achieving the information sought in item 3b:

“The potential benefits to the electric company’s entire electric system if the electric company installs the energy storage system technology that is the basis for the project system-wide.”

While this language was directly taken from House Bill 2193 (HB 2193), the Company notes that the concept of installing a technology system-wide is vague and may be a complex analysis that will be difficult to quantify. This complexity is especially relevant to PacifiCorp, which has an electric system with operations in multiple states. In addition, such an analysis could be costly to develop without a commensurate benefit contributing to the Commission’s review and evaluation of project proposals.

Additionally, PacifiCorp recommends the guidelines state that prudently-incurred costs of compliance with all of these proposed guidelines in sections A-D are recoverable by the electric utilities consistent with the provision in HB 2193, Section 2, Item 3:

An electric company may recover in the electric company’s rates all costs prudently incurred by the electric company in procuring one or more qualifying energy storage systems under this section, including any above-market costs associated with such procurement.

The Company proposes to clarify that the qualitative and quantitative benefits referenced in Item 9 should be benefits to the electric system.

Section D - Competitive Bidding Requirements

The Company supports the recommendation that the limited requirements proposed in Section D are preferable to applying docket UM 1182 major resource acquisition guidelines or adopting new storage-specific guidelines in this HB 2193 context. The Company recommends adding to these guidelines a timeline or other expectation of the time parameters for the events described in

2b and 2c, especially with regard to the review and input of the Commission's and stakeholders' review period. The Company supports establishing a process that ensures Commission and stakeholder review of vendor selection that is balanced with realistic timeframes that are sensitive to business needs. Additionally, the guidelines should clarify the manner in which electric utilities will receive authorization of proposed project(s), such as through a Commission order or acknowledgement, etc.

PacifiCorp looks forward to continuing to participate in the guideline development process and appreciates the opportunity provide these comments.

Dated this 30th day of September, 2016.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Natasha Siores", written over a horizontal line.

Natasha Siores
Regulatory Affairs