

December 10, 2020

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, OR 97301-3398
puc.publiccomments@state.or.us

**Re: PacifiCorp Comments on Draft Distribution System Plan Guidelines
Docket No. UM 2005**

On March 22, 2019, the Public Utility Commission of Oregon (Commission) issued Order No. 19-104, initiating an investigation in docket UM 2005. The investigation was to develop a transparent, robust, holistic regulatory planning process for electric utility distribution system operations and investments. Staff issued Draft Distribution System Planning (DSP) Guidelines on October 1, 2020. PacifiCorp, and other stakeholders, filed comments on the Draft DSP Guidelines on October 29, 2020. In response to comments, Staff issued revised proposed DSP Guidelines on December 3, 2020. The DSP Guidelines are intended to create a new regulatory structure that will enable utilities to better identify system needs and evaluate the evolving range of opportunities that can meet those needs.

PacifiCorp d/b/a Pacific Power (PacifiCorp) appreciates Staff's thoughtfulness in developing the DSP Guidelines and response to comments received. The recognition of the issues raised in comments, and subsequent modification of the proposed DSP Guidelines forwarded for Commission consideration were meaningful and helpful for implementation.

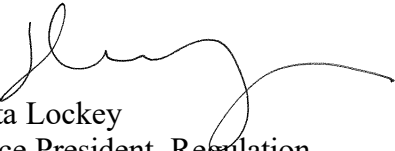
PacifiCorp supports the changes to allow for a transitional period to assist implementation through a two-phase initial filing. This procedure provides time to develop internal processes for finer granularity of distributed energy resource forecasting, which will allow the forecast to evolve to match the purpose and provide greater value. This will be important given the number of components in the proposed DSP Guidelines that remain unclear and will be subject to future policy determinations by the Commission. Considering the high-level concepts articulated in the DSP Guidelines, PacifiCorp also anticipates that the first filings may not address all of the issues in the way envisioned by Staff or other stakeholders. It will take time to fully develop the planning deliverables, some of which may require more detailed policy direction through other proceedings. PacifiCorp, and other utilities, have experienced this in other planning programs, such as the Federal Energy Regulatory Commission's transmission planning requirements, and believes this process will develop in a similar way.

PacifiCorp, however, is concerned by the inclusion of qualifying facilities under the federal Public Utility Regulatory Policies Act in the definition of distributed energy resources (DER) in Staff's revision. In the revised DSP Guidelines, Staff modified footnote 5 of the Draft DSP Guidelines, now footnote 10, to include a reference to net metering or qualifying facilities. That change is not part of the definition from the cited reference and is a significant change from the Draft DSP Guidelines. Qualifying facilities have been subject to other planning processes, and

the late inclusion as DER is not necessarily appropriate given the range in sizes and other prior-established processes to address qualifying facilities. Importantly, qualifying facilities constitute wholesale sales of energy, unlike net metering which offset customer charges, and raise additional federal issues regarding transparency and fairness in the interconnection of wholesale generation resources. PacifiCorp requests that reference be removed at this time, with consideration of including qualifying facilities after the DSP process has evolved.

PacifiCorp appreciates the opportunity to comment on the DSP Guidelines and looks forward to working with the Commission as they move forward with this effort. Please contact Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934 if you have any questions.

Sincerely,



Etta Lockey
Vice President, Regulation