

August 28, 2023

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Salem, OR 97301-3398

RE: UM 2143—PacifiCorp’s Comments on Staff’s Draft Rules

PacifiCorp d/b/a Pacific Power (PacifiCorp or the Company) provides these comments in response to the August 11, 2023, draft rules (Rules) provided by Staff of the Public Utility Commission of Oregon (Staff). The Company values the significant effort and analysis that has characterized Staff’s approach to Resource Adequacy in this docket so far and the collaborative engagement with stakeholders that resulted in the latest draft rules. PacifiCorp is generally supportive of the rules that have been provided by Staff and provides these additional comments on some suggested revisions.

1. PacifiCorp appreciates the edits to make the Regional Forward Showing available upon request.

PacifiCorp appreciates Staff’s continued consideration around the concerns raised in the comments with regards to protection of the commercially sensitive information in the Regional Forward Showing. PacifiCorp also appreciates the edits that were made by Staff to recognize that this information will be provided only to the employees of the Citizens’ Utility Board and Staff who have executed the appropriate modified protective order and have requested the information.

2. There remains significant uncertainty about the definition of an advisory forecast and the actual outputs of the WRAP program.

A significant portion of section 3 of the draft rules continues to be centered around the Advisory Forecast that will be provided from a Qualified Regional Program. PacifiCorp would like to note that the “output” from the Western Resource Adequacy Program (WRAP) is still largely under development, and would like to emphasize that the Advisory Forecast should be limited to publicly available information provided by the WRAP. Early last year, the WRAP did provide some guidance on what these outputs may include, and PacifiCorp recommends that the Advisory Forecast be limited to the publicly available outputs and reports.¹

¹ *Overview of Governance Proposal for Binding WRAP, Western Resource Adequacy Program*, WESTERN POWER POOL at 29 (Feb. 4, 2022) available at https://www.westernpowerpool.org/private-media/documents/2022-01-25_Public_Webinar_-_Governance.pdf.

3. PacifiCorp recommends the inclusion of “resource specific contract” to the definition of Compliance Resource

PacifiCorp recommends that Staff add “resource specific contract” to the definition for Compliance Resource in section 2(r) of the draft rules. It is important that a Compliance Resource be tied to a specific resource and not be a purely financial contract that could expose customers to additional risk. This is an issue that has been negotiated and dealt with in the WRAP tariff.²

4. There are certain limitations on the information that PacifiCorp will be able to provide in the Informational Filing that is requested to accompany the Integrated Resource Plan (IRP).

PacifiCorp has reviewed the revised language in Section 3 and is concerned that Staff has still required the use of certain information that reveals PacifiCorp’s position with regards to transmission rights. The market for transmission is even less liquid than that for generation capacity, and publicly providing this information to market competitors who participate in PacifiCorp’s IRP could lead to situations that increase costs for customers. PacifiCorp also reiterates the concerns that were raised in our previous comments regarding PacifiCorp’s load and resource balance that some of this information would need to be protected at the same level as the inputs to the Regional Forward Showing.

However, PacifiCorp can speak generally to how the Company’s purchasing and hedging strategy fit into the overall resource strategy. Additionally, the capacity contribution and the planning reserve margin are calculated very differently when comparing the IRP and the Resource Adequacy filing for the Qualified Regional Program’s Advisory Forecast. Detailed comparisons of the differences in the calculation may not be possible, however a high-level discussion of the differences between how these numbers are calculated could be included in the Informational Filing.

Finally, PacifiCorp continues to lack clarity on Staff’s reference to an Effective Load Carrying Capability curve. Individual utilities do not have access to the methods and data that is available to the regional resource adequacy program and so would not be able to provide that same level of analysis. To the extent that “Effective Load Carrying Capability” was intended to refer the forecasted Qualified Capacity of an Electric Company’s portfolio of resources, to inform a comparison of load and resources, this should be stated more directly in the rules.

5. PacifiCorp supports Staff’s position on a capacity RFO

PacifiCorp supports Staff’s position that Calpine’s proposal for a capacity RFO is not appropriate for this proceeding. In addition to the concerns raised by Staff, PacifiCorp is concerned about the implications of being forced to offer excess capacity to an electric service

² §16.2.6.1, Western Resource Adequacy Program Tariff, NORTHWEST POWER POOL D/B/A WESTERN POWER POOL, available at https://www.westernpowerpool.org/private-media/documents/WRAP_Tariff_12-12-22_W0327945x8DF47_2.pdf.

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suppliers (ESS). Calpine may maintain that such a requirement is consistent with the Commission's jurisdiction and does not conflict with the Federal Power Act, but their logic is internally inconsistent.³ Calpine attempts to draw a distinction between a utility being compelled to hold the capacity RFO and not being compelled to actually enter into a contract with an ESS. Untangling Calpine's contortions are not appropriate for this late stage in the rulemaking process and has the potential to interfere with the participation in organized markets. Finally, PacifiCorp's concerns regarding cost-shifting and risk-shifting that were identified in the Company's July 21, 2023, comments still remain applicable to Calpine's proposal. Calpine is essentially asking that cost-of-service customers subsidize excess capacity for ESS customers. As a result, Calpine's proposal is best addressed in other forums and possibly in the Direct Access investigation (UM 2024).

Sincerely,

A handwritten signature in black ink, appearing to read 'Matthew McVee', written in a cursive style.

Matthew McVee
Vice President, Regulatory Policy and Operations

³ Calpine Energy Solutions, LLC's Comments on Staff Revised Draft Rules at 6-7 (Jul. 21, 2023).