ITEM NO. 1

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: July 17, 2018

REGULAR __X__ **CONSENT** ____ **EFFECTIVE DATE** **July 18, 2018**

DATE: July 11, 2018

TO: Public Utility Commission

JBB for BA

FROM: Brittany Andrus

ep for JPB

THROUGH: Jason Eisdorfer and JP Batmale

SUBJECT: PACIFIC POWER: (Docket No. UM 1729) Annual and Post-IRP qualifying facility avoided cost update.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve PacifiCorp's standard nonrenewable avoided costs as filed on April 26, 2018, effective July 18, 2018.

Staff also recommends that the Commission direct PacifiCorp to work with Staff and stakeholders to develop a reasonable representation of costs associated with building the D2 Segment of Gateway West four years earlier than originally planned.

Finally, Staff recommends that the Commission direct PacifiCorp to refile standard renewable avoided costs to include a renewable deficiency period capacity payment beginning in 2021, and to include the transmission costs described above, not later than August 28, 2018, to be effective on August 29, 2018. If after this process of determining the transmission cost the standard renewable avoided cost for wind remains lower than the standard non-renewable avoided cost for wind, adopt Staff's May 11th recommendation regarding PacifiCorp's request for interim relief for wind.

DISCUSSION:

Issue

Whether the Commission should approve PacifiCorp's filing of updated standard avoided costs.

Applicable Orders and Rules

OAR 860-029-0040(4)(a) requires utilities to file updated avoided cost prices for qualifying facilities (QF) under PURPA[1] within 30 days of Commission integrated resource plan (IRP)[2] acknowledgment.[3]

Background
PacifiCorp's 2017 IRP was acknowledged on December 11, 2017.[4] On April 26, 2018, PacifiCorp submitted the post-IRP acknowledgment update to its standard avoided costs.[5].

Also on April 26, 2018, PacifiCorp filed a Motion for Emergency Interim Relief in this docket because the renewable avoided cost prices had changed from being higher than nonrenewable prices to being lower.[6] PacifiCorp asked the Commission to eliminate standard nonrenewable avoided cost prices and require that nonrenewable and renewable QFs that qualify for standard rates be paid at the standard renewable avoided cost price. Commission policy states that QFs eligible for standard prices have the choice of either nonrenewable or renewable streams. If the QF selects the renewable price stream, it cedes the renewable energy certificates to the utility during the utility's renewable deficiency period. Staff filed its response to this motion, supporting the emergency relief with respect to renewable QFs but not with respect to nonrenewable QFs.[7]

On April 27, 2018, the Commission issued Order No. 18-138 memorializing its decision to acknowledge PacifiCorp's 2017 IRP with conditions and modifications.[8] Included in

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[1] Public Utility Regulatory Policies Act of 1978.
[2] Integrated Resource Plan and least-cost plan are synonymous.
[3] "In the same manner as rates are published for electricity sales each public utility shall file with the Commission, within 30 days of Commission acknowledgement of its least-cost plan pursuant to Order No. 89-507, standard rates for purchases from qualifying facilities with a nameplate capacity of one megawatt or less, to become effective 30 days after filing. The publication shall contain all the terms and conditions of the purchase. Except when a public utility fails to make a good faith effort to comply with the request of a qualifying facility to wheel, the public utility's standard rate shall apply to purchases from qualifying facilities with a nameplate capacity of one megawatt or less."
[4] Order No. 18-138 in Docket No. LC 67.
[5] Order No. 18-096 in Dockets No. LC 67 and UM 1729 adopted Staff's recommendation that the date of the IRP acknowledgement decision begins the 30-day timeline to file avoided cost updates, and granted PacifiCorp's request for a 30-day extension.
[6] "The updated renewable prices— which are calculated based on the wind resources identified in PacifiCorp's 2017 IRP for acquisition by the end of 2020—are significantly lower than the non-renewable prices— which are based on a natural-gas-fired combined-cycle combustion turbine plant (CCCT) to be acquired in 2030." PacifiCorp's Motion for Emergency Interim Relief, April 26, 2018, p. 2.
[7] Staff's Response to PacifiCorp's Motion for Emergency Interim Relief, May 11, 2018.
[8] Order No. 18-138, Docket No. LC 67, at 1, 7, and Appendix A.

the Commission's decision were acknowledgement of three action items that comprise PacifiCorp's Energy Vision 2020: wind repowering, new wind resources, and a new transmission line. The new transmission line action item (Aeolus to Bridger/Anticline line) enables the interconnection and delivery of the acknowledged new Wyoming wind resources.

On May 1, 2018, PacifiCorp filed its 2017 IRP Update for "informational purposes only."[9] Because PacifiCorp did not request acknowledgment of the IRP Update, it was not the basis for any inputs to the standard avoided cost filing addressed in this staff report.

At the May 22, 2018, public meeting, Staff presented its recommendation to acknowledge the standard nonrenewable avoided costs as filed. Staff also recommended that PacifiCorp be directed to file revised standard renewable avoided costs to include the costs of the transmission necessary to deliver the new Wyoming wind resources to load.[10] Also at that public meeting, an issue was noted regarding PacifiCorp's treatment of the capacity component of the renewable avoided costs. The company's work papers use a renewable deficiency year of 2021, in accordance with the acknowledged IRP. However, the work papers reflect there are no capacity payments included in the renewable avoided cost rates from 2021 through 2029, which is the last year of *nonrenewable* resource sufficiency.

<u>*Analysis*</u>

The analysis below covers four topics and is sequenced as follows: 1) Capacity during renewable deficiency period; 2) inclusion of transmission costs; 3) calculation of avoided transmission costs; and, 4) PacifiCorp's Motion for Emergency Relief.

Capacity during renewable deficiency period
Order No. 14-058 directed utilities to adjust capacity payments to QFs based on their various contributions to the utility's peak load (CTP).[11]

Order No. 14-058 at 15 discusses the method for calculating the capacity value:[12]

> For the Standard Renewable Method, Staff proposes adjusting the capacity component implicit in the renewable on-peak price by the incremental capacity contribution of the specific QF resource type relative to the avoided renewable resource. For a wind QF, this would currently result in no change

[9] Docket No. LC 67, PacifiCorp's 2017 Integrated Resource Plan Update, cover letter.
[10] Staff report for May 22, 2018, public meeting, Regular Agenda, item number 4.
[11] Order No. 14-058 at 15.
[12] The Staff 102-203 method was amended to correct the price per On-Peak MWh capacity payment; it did not change the valuation of capacity.

> to its renewable avoided cost prices obtained under the current Renewable Method because the next avoidable resource for both PGE and Pacific Power is a wind resource. For solar and baseload QFs, the price adjustment would result in a higher capacity component (and therefore a higher on-peak price) than in the current method. The capacity contribution for each renewable QF resource type used in this adjustment would be the capacity contribution assumed for that resource type in the utility's acknowledged IRP.
>
> We agree on the need to adjust for capacity contribution of each resource type and adopt Staffs proposed method for calculating capacity adjustments, as set forth in Staff/102- 103, using input estimates derived from the utility's acknowledged IRP.

Order No. 14-058 at 8:

> Under our current rules, Pacific Power and PGE must use the Standard Method to calculate standard avoided cost prices, and the Renewable Method to calculate renewable avoided cost prices. The Commission requires electric utilities to set rates based on the cost of a proxy resource during periods of resource deficiency and on monthly market prices during periods of resource sufficiency.

Further, in its Investigation into Resource Sufficiency,[13] the Commission established that:

> During periods of renewable resource sufficiency, the rate will be based on market prices. During periods of renewable resource deficiency, the rate will be based on the renewable avoided cost of the next utility renewable resource acquisition in that utility's IRP. The renewable resource QF will keep all associated Renewable Energy Certificates (RECs) during periods of renewable resource sufficiency, but will transfer those RECs to the purchasing utility during periods of renewable resource deficiency.[14]

In this filing, PacifiCorp has proposed to use monthly market prices for renewable QFs up until the year of *nonrenewable* resource deficiency, 2030, rather than the renewable deficiency starting in 2021. This upends the Commission's construct of providing separate standard avoided costs for nonrenewable and renewable QFs based on different avoided resources, and different sufficiency/deficiency demarcations.

[13] Docket No. UM 1396.
[14] Order No. 11-505 at 1.

PacifiCorp did not include any information in its filing regarding the change to the methodology for standard renewable avoided costs. Subsequent to the May 22, 2018, public meeting, PacifiCorp and Staff met to review their respective calculations of the impact on avoided costs under the two capacity methodologies. PacifiCorp provided its calculations for the standard renewable avoided costs using 2021 as the first year of deficiency rather than 2030, the year of nonrenewable resource deficiency.

Staff believes that the original methodology for calculating capacity value must continue to be used by PacifiCorp. Staff has re-calculated PacifiCorp's renewable avoided costs incorporating this change. Staff double-checked our results with PacifiCorp as they conducted the same calculations using the original methodology.

Inclusion of Transmission Costs: the Commission's standard for inclusion of avoided transmission costs
In 2007, the Commission concluded that it is appropriate to include avoided transmission costs in the calculation of non-standard avoided cost prices. In its 2007 order establishing guidelines for negotiating non-standard power purchase agreements under PURPA, the Commission addressed both transmission and distribution (T&D) costs that could be avoided by purchase from a QF and T&D costs that may be incurred because of a purchase from a QF. The Commission concluded "[w]e agree with Staff and ICNU that avoided T&D costs should be taken into account in determining avoided costs, and that transmission upgrades should be separately charged as part of the interconnection process, not included in avoided costs."[15]

The Commission established guidelines for considering both avoided and incurred transmission costs during negotiation of nonstandard power purchase agreements:

14. The utility should evaluate whether there are potential savings due to transmission and distribution system upgrades that can be avoided or deferred as a result of the QF's location relative to the utility proxy plant and adjust avoided cost rates accordingly.

15. The utility should not adjust avoided cost rates for any distribution or transmission system upgrades needed to accept QF power. Such costs should be separately charged as part of the interconnection process.[16]

In Phase I of Docket No. UM 1610, the Commission addressed whether avoided transmission costs should be included in standard avoided cost prices. In Order

[15] Order No. 07-360, p. 27.
[16] Order No. 07-360, Att. A.

No. 14-058, the Commission ordered that avoided transmission costs should be included in the calculation of avoided cost prices when the proxy resource is off-system but concluded that there are no avoided transmission costs when the proxy resource is located in the utility's system. In Phase II of Docket No. UM 1610, the Commission revised its previous order regarding avoided transmission costs when the proxy resource is on-system. The Commission ordered that there is a rebuttable presumption there are no avoided transmission costs to be included in avoided cost prices when the utility's proxy resource is on-system, but that this rebuttable presumption can be overcome:

> To rebut the presumption, evidence offered by Staff and other parties must demonstrate that a renewable proxy resource has incremental transmission costs that can actually be avoided by the purchase of QF energy. The evidence must be compelling and, therefore, factual and not anecdotal.[17]

The Commission's use of the word "actually" creates some ambiguity about how the presumption that there are no avoided transmission costs for an on-system proxy resource can be rebutted. Generally, it need not be shown that a QF purchase will allow a utility to "actually" avoid building a planned resource in order to include the costs of the planned resource in the calculation of avoided cost prices. As Staff noted at the May 22, 2018 Public Meeting, the calculation of avoided costs is based on a theoretical construct not an operational construct. Staff does not think the Commission intended to depart from this theoretical construct with respect to avoided transmission costs.

Staff believes that dialogue between Chair Decker and a representative of PacifiCorp at the May 22, 2018 Public Meeting captures the nature of the rebuttable presumption of Order No. 16-174:

> [Chair Decker:] I'm curious how we're reading that precedent differently. I mean, I think there is sort of a generic statement in [Order No. 16-174] that contemplated the theoretical basis for adding transmission was there, it's just that the concrete situation hadn't arisen yet. I mean, is that a more nuanced way of reading the order in question?
>
> [Etta Lockey:] No, I think that's accurate. I think the piece of that that I would point to is that there's a presumption, the way that I read that order, is that there is a presumption that QFs are not avoiding transmission costs unless there is that concrete scenario in which case there is the opportunity for Staff or other parties to rebut that presumption.

[17] Order No. 16-174, p. 8.

> Chair Decker: So it's really the question of whether we're in that concrete scenario or not right now.[18]

Staff believes that the circumstances of the D2 segment of Gateway West and PacifiCorp's Wyoming wind resources are a concrete example that rebuts the presumption of Order No. 16-174.

PacifiCorp's acknowledged 2017 IRP reflects that there are avoidable transmission costs associated with the proxy renewable resource.
The Commission's order acknowledging PacifiCorp's 2017 IRP noted that PacifiCorp's Action Item 1b, acquisition of up to 1,100 MW of wind resources in Wyoming, and Action Item 2a, the Aeolus to Bridger/Anticline transmission line, were directly tied in the IRP:

> The proposed wind resources will be acquired in conjunction with Action Item 2a, which describes a new 140-mile, 500 kilovolt (kV) transmission line and associated infrastructure running from the new Aeolus substation near Medicine Bow, Wyoming, to a new annex substation, Bridger/Anticline, which will be located near the existing Jim Bridger substation (Aeolus to Bridger/Anticline line).[19]

At the May 22, 2018 Public Meeting regarding PacifiCorp's avoided cost filing, PacifiCorp acknowledged that the D2 segment of Gateway West and the Wyoming Wind resources are "inextricably linked":

> [Etta Lockey:] The Wyoming wind projects that were acknowledged in our 2017 IRP, which serve as the proxy in the renewable avoided cost price stream, are not causing the build out of Gateway West. As we stated in our IRP, they are inextricably linked to the extent the availability of the PTCs allows for us to essentially buy down the cost of that transmission line and bring that transmission line on in a very cost-effective way to customers.[20]

And importantly, PacifiCorp acknowledged that acquisition of the Wyoming wind resources **accelerated** the construction of the D2 segment of Gateway West.

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[18] May 22, 2018 Public Meeting Video Record, 1:22.23 – 1:23.23.
[19] *In the Matter of PacifiCorp, dba Pacific Power, 2017 Integrated Resource* Plan, (LC 67), Order No. 18-138, pp. 6-7.
[20] May 22, 2018 Public Meeting Video Record, 1:20.29 – 1:22.30.

> [Chair Decker:] Assuming that sort of accuracy of your statement that it's not avoidable because it's in those plans for some period down the road, is there any relevance to asking the question of whether it's deferrable? You know, why are we seeing it right now? Would we be seeing it right now instead of later if we had significant increases on the system?
>
> [Etta Lockey:] So, I think this gets to a point that I made a little bit earlier about the economics, the combined economics of the Wyoming wind resources and the D2 segment of Gateway West. And, you know, we did not have, we accelerated the construction of the D2 segment to capitalize on the PTC benefits that buy down the cost. So, I don't see how an Oregon QF development would be deferring any more than we've already been deferring, the construction of that unit. We've accelerated it because of the Wyoming wind opportunity, but that again is unrelated to bringing on additional QFs in Oregon.[21]

In other words, accepting PacifiCorp's statement that it would eventually have built the D2 segment of Gateway West even if it did not acquire the Wyoming wind resources, PacifiCorp would not have built it in 2020. This inextricable link is sufficient to rebut the presumption that there are no avoided transmission costs associated with the Wyoming wind resources.

PacifiCorp's assertion that it is inappropriate to include transmission costs in the calculation of avoided costs because the transmission line cannot be avoided with a purchase from a QF is based on an incorrect reading of previous Commission orders. Under the Commission's orders, avoided cost rates are based on inputs from the utility's IRP. To calculate renewable avoided cost rates, the Commission uses the costs of the utility's next planned renewable resource acquisition and bases the utility's resource sufficiency/deficiency periods on the date the utility intends to acquire the resource. As noted above, the Commission's orders do not contemplate that costs of the proxy resource may be used to calculate avoided cost prices only if a purchase from a QF will allow the utility to actually avoid acquiring the proxy resource.

Staff does not believe the Commission intended to depart from this precedent when it created the rebuttable presumption in Order No. 16-174. Instead, Staff interprets the Commission's order to require an actual link between the utility's planned proxy

[21] May 22, 2018 Public Meeting Video Record, 1:24.22 – 1:25.32.

resource and the planned transmission. Such a link is established for the Wyoming wind resources and the D2 segment of Gateway West.

Furthermore, to the extent that PacifiCorp is relying on its stated purpose for the Wyoming wind resources for its argument that a purchase from an Oregon QF will not allow PacifiCorp to avoid the transmission line, the reliance is misplaced. PacifiCorp explains that it has accelerated the construction of the D2 segment to take advantage of PTCs associated with new wind resources. But, the fact that PacifiCorp is acquiring the Wyoming wind resources for the economic benefits of PTCs, rather than to comply with Oregon's RPS, is not pertinent to the use of the Wyoming wind resource as the proxy resource for Oregon's avoided cost prices.

Under Order No. 11-505, PacifiCorp's standard renewable avoided cost prices are based on costs of PacifiCorp's next planned renewable resource in its IRP. Although PacifiCorp has asked the Commission to change this policy when the renewable resource is acquired for economic reasons rather than RPS compliance, the Commission has not done so. Accordingly, the fact that a purchase from an Oregon QF would not affect PacifiCorp's choice to build the Wyoming wind resources and accelerate the construction of the D2 segment of Gateway West is not relevant to the issue presented to the Commission.

In part, Staff's position is driven by equity. The Commission has concluded that a QF must bear incremental transmission costs a utility incurs to move the QF's output to PacifiCorp's load. If the Commission accepts PacifiCorp's interpretation of the rebuttable presumption, a QF located in the same place as the avoidable wind resource would have to pay PacifiCorp's incremental transmission costs to move its net output to load, but would not receive credit for avoided incremental transmission costs associated with PacifiCorp's proxy renewable resource.

Calculation of total avoided transmission cost

As discussed at the May 22, 2018, public meeting, PacifiCorp provided Staff and other parties information to support the development of an approximate transmission avoided cost adder to standard renewable avoided costs. PacifiCorp provided calculations of standard renewable avoided costs that include transmission costs for Gateway West Segment D2, which will be the new transmission segment used to deliver the new proxy avoided renewable wind resource to load. The costs and benefits from this new transmission segment change from year to year based on several factors, such as "increased reliability, congestion relief, and reduction of capacity and energy losses because the generation capacity behind this transmission line already exceeds the transmission capacity."[22]

Regardless, the impacts of transmission on QF avoided costs change significantly beginning in 2028 with the planned retirement of the Dave Johnston plant. Given that Staff and stakeholders have not dug into questions regarding the costs and benefits associated with the D2 segment in detail as part PacifiCorp's 2017 IRP and 2017 avoided costs, Staff would like to add a review of PacifiCorp's quantification of the D2 costs and benefits to the calculation of early build costs.

To this end, Staff does not believe all of the D2 transmission segment costs should be included as avoided renewable transmission costs. Staff recognizes that PacifiCorp has stated in multiple documents and presentations[23] that the Segment D2 of the Gateway West project has been planned for several years. PacifiCorp has also stated that because of the Energy Vision 2020 time-limited opportunity, the date for Segment D2 has been moved up from 2024 to 2020. Therefore, Staff's initial position regarding which portion of the avoided transmission cost should be included are the differences between the cost of building the D2 segment in 2024 and building it in 2020. This calculation has not yet been made, but Staff is optimistic that it can be completed, vetted by stakeholders and Staff, and filed in a reasonable timeframe, e.g., 30 days.

Summary of avoided cost comparisons

Table 2 below shows a summary of the various adjustments to standard renewable avoided costs as discussed in this report, and Figure 1 below is a graphical representation of the same.

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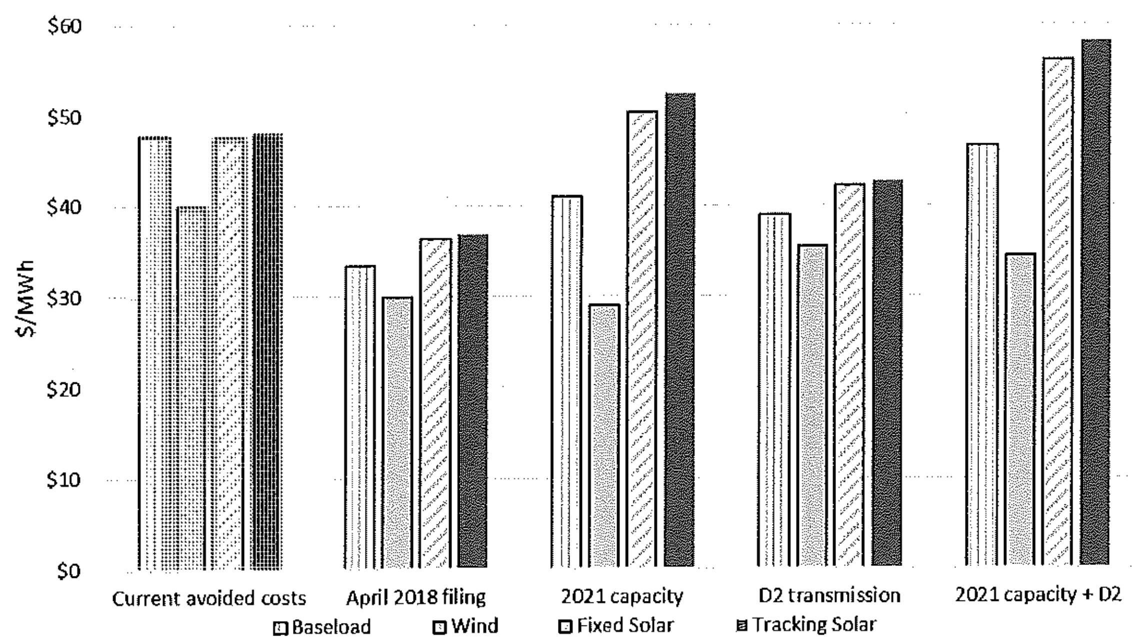
[22] PacifiCorp's Comments to Staff's Report on Annual and Post-IRP Avoided Cost Updates, May 28, 2018.

[23] E.g., PacifiCorp 2017 IRP Public Input Meeting 2, July 20, 2016, pages 38-40.

Table 2. Current standard **renewable** avoided costs and potential changes, $/MWh (15-year levelized values, starting 2019)

	Baseload	Wind	Fixed Solar	Tracking Solar
Standard **renewable** avoided costs currently in effect	$47.72	$39.83	$47.47	$48.08
Post-IRP acknowledgment update, April 26, 2018	$33.43	$29.94	$36.42	$36.91
April filing adding 2021 capacity payments	$41.05	$28.98	$50.26	$52.33
April filing adding segment D2 Gateway West	$38.91	$35.43	$42.14	$42.63
April filing adding 2021 capacity and D2	$46.53	$34.48	$55.98	$58.04
April filing adding 2021 capacity and D2 2024 to 2020 increment	Not yet known			

Figure 1. Standard renewable avoided costs



PacifiCorp's Motion for Emergency Relief

As stated earlier in this report, on April 26, 2018, PacifiCorp filed a Motion for Emergency Interim Relief in this docket because PacifiCorp had calculated that the new renewable avoided cost prices for all renewables would shift from being higher than nonrenewable prices to lower.[24]

However, when the capacity value is appropriately included during the entire renewable resource deficiency period, standard renewable avoided costs exceed standard nonrenewable avoided costs for three of the four QF types: Baseload, Fixed Solar and Tracking Solar.

However, wind renewable avoided costs do not revert to a higher avoided cost than nonrenewable when the capacity adder is included through the renewable deficiency period. This is partially a function of the changes in contributions to peak (CTP) from the 2015 IRP to the 2017 IRP, and the different methodologies for calculating capacity for the renewable proxy vs. the nonrenewable proxy.[25] As shown in Table 3 below, the wind CTP is reduced in the most recent IRP, while the two solar CTPs increase significantly. In addition, any capacity adder impacts effect wind from Oregon (west) differently than solar because of wind's lower capacity contribution than wind resources found in Wyoming (east).

Table 3. Contributions to Peak (West), PacifiCorp 2015 and 2017 IRPs.

	Wind (West)	Solar Fixed	Solar Tracking
2017 IRP (LC 67)	11.8%	53.9%	64.8%
2015 IRP (LC 62)	14.5%	34.1%	39.1%

Renewable and nonrenewable avoided costs as filed, and renewable avoided costs with capacity payments beginning in 2021, are compared in Table 4 below.

[24] PacifiCorp's Motion for Emergency Interim Relief, April 26, 2018, p. 2.
[25] Nonrenewable QF type standard capacity value is adjusted relative to the avoided thermal resource (100%), while the renewable QF type capacity is adjusted relative to the avoided renewable resource, which is currently wind.

Table 4. Renewable and nonrenewable avoided costs from April 26, 2018 filing.

	Baseload	Wind	Fixed Solar	Tracking Solar
Nonrenewable	$34.51	$32.41	$37.91	$38.07
Renewable	$33.43	$29.94	$36.42	$36.91
Renewable with 2021 capacity	$41.05	$28.98	$50.26	$52.33

Conclusion

First, Staff concludes that there is no basis for PacifiCorp's unilateral change to the renewable avoided cost methodology for calculating capacity payments to QFs. In order to conform to the methodology, PacifiCorp should refile its standard renewable avoided costs to include capacity payments during the entire renewable deficiency period, beginning in 2021. This would raise the renewable avoided costs of three of the four categories of generation above their nonrenewable avoided costs. However, wind's renewable avoided cost would remain lower than its nonrenewable avoided cost.

Second, Staff believes that the portion of transmission costs incurred by accelerating the construction of Segment D2 of Gateway West should be included as a component of the avoided renewable resource calculation and that PacifiCorp should work with Staff and stakeholders to develop this calculation.

If after this process to determine PacifiCorp's transmission avoided cost element the standard renewable avoided cost for wind remains lower than the standard nonrenewable avoided cost for wind then, consistent with Staff's May 11 recommendations, the Commission should:

> Eliminate the requirement that renewable QFs have the option of choosing either PacifiCorp's standard non-renewable avoided cost price stream or its standard renewable avoided cost prices stream and require that renewable QFs entering into a standard PURPA contract with PacifiCorp receive PacifiCorp's standard "renewable" avoided cost prices.[26]

Third, Staff concludes that the request in PacifiCorp's Motion for Emergency Interim Relief should be the subject of a broad stakeholder review, given the underlying implications of renewables having lower avoided costs than other generation resources.

[26] *See* UM 1729, OPUC Staff Response to PacifiCorp's request for interim relief, May 11, 2018.

The avoided cost calculations found in this docket raise fundamental questions regarding the setting of avoided costs and Oregon's approach to PURPA policy, much like the Commission previously determined in the final order closing Docket No. UM 1794.

Finally, Staff's conclusion in its report for the May 22, 2018, public meeting regarding PacifiCorp's standard nonrenewable avoided costs filed on April 26, 2018, has not changed, and those standard avoided costs should be approved.

PROPOSED COMMISSION MOTION:

Approve PacifiCorp's standard nonrenewable avoided costs as filed on April 26, 2018.

Direct PacifiCorp to work with Staff and stakeholders to develop a reasonable representation of costs associated with building the D2 Segment of Gateway West four years early than originally planned.

Direct PacifiCorp to refile standard renewable avoided costs to include a renewable deficiency period capacity payment beginning in 2021, and to include the transmission costs described above, not later than August 28, 2018, to be effective on August 29, 2018.

If after this process of determining the transmission cost the standard renewable avoided cost for wind remains lower than the standard non-renewable avoided cost for wind, adopt Staff's May 11th recommendation regarding PacifiCorp's request for interim relief for wind.