

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: April 21, 2020**

REGULAR CONSENT EFFECTIVE DATE _____ N/A _____

DATE: April 13, 2020

TO: Public Utility Commission

FROM: Jill Goatcher

THROUGH: Bryan Conway, Michael Dougherty, and JP Batmale **SIGNED**

SUBJECT: PACIFIC POWER:
(Docket No. UM 2049)
Request Acknowledgement of the 2021-2023 Renewable Portfolio
Standard Implementation Plan.

STAFF RECOMMENDATION:

Acknowledge the Pacific Power dba PacifiCorp (PAC or Company) 2021-2023 Renewable Portfolio Standard Implementation Plan (RPIP).

DISCUSSION:

Issue

Whether PAC's 2021-2023 RPIP satisfies all applicable Renewable Portfolio Standard (RPS) statutes, administrative rules, such that the Commission should acknowledge it.

Applicable Rule or Law

Oregon's RPS laws are codified at ORS 469A.005 through 469A.210 and establish incremental targets for energy companies to procure qualifying renewable energy. OAR Chapter 860, Division 83, establishes guidelines for RPS compliance, including limits on the cost of compliance, requirements for planning and reporting, and standards for the use of Renewable Energy Certificates (RECs) as the primary compliance instrument. OAR 860-083-0400 requires electric companies subject to ORS 469A.052 to file an RPS implementation plan every even-numbered year, unless otherwise directed by the Commission.

Due to the broad concerns over both the content and format of the RPIP and the associated rulemakings, the Commission waived a majority of the administrative rules that govern the 2021-2023 RPIP. In Order No. 19-447, the Commission adopted Staff's recommendation to streamline the 2021-2023 RPIP filings, waiving the requirements under OAR 860-083-0400(2)-(5) for the 2021-2023 compliance period. In compliance with the Commission's order, PAC's 2021-2023 RPIP filing includes the information required by statute and the information required by the administrative rules that were not waived, OAR 860-083-0400(1) and (6)-(10).

Analysis

Background

PAC submitted its 2021-2023 RPIP on December 31, 2019. On January 31, 2020, Staff met with PAC to review their RPIP filing. Staff submitted comments on February 14, 2020 indicating that PAC had complied with the requirements outlined OAR 860-083-0400(1) and (6)-(10) and that it is unlikely that PAC will exceed the 4 percent incremental cost threshold during the compliance period. The Company filed a letter in lieu of reply comments on March 13, 2020, that stated the Company appreciated Staff's efforts and looked forward to resolving the larger issues affecting the RPIP filings through the pending rulemakings.

Staff's Assessment

Staff highlighted six ongoing RPS compliance issues in comments on the 2021-2023 RPIP. These concerns are not limited to the Company's RPIP, but rather represent broad concerns with the current RPS planning and compliance regimes:

1. The timing, function, and content of the RPIP;
2. The methodology to calculate the incremental cost;
3. The utilities' accumulation of banked RECs without a meaningful strategy to utilize them and the associated intergenerational equity concerns;
4. The notion of physical compliance and whether the utilities are adequately planning for the use of unbundled RECs;
5. The sale of qualifying RECs to return the value of investment in RPS-eligible resources;
6. Questions regarding inconsistent interpretations of bundled and unbundled RECs as they relate to the 20 percent cap on the use of unbundled RECs in a given compliance year.

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Despite the relevance of these issues to the Company's 2021-2023 RPIP, Staff believes these issues are best addressed through the RPS rulemaking dockets.¹

Conclusion

Staff believes that PAC has met applicable legal requirements and therefore recommends that the Commission acknowledge the Company's 2021-2023 RPIP.

PROPOSED COMMISSION MOTION:

Acknowledge PAC's 2021-2023 Renewable Portfolio Standard Implementation Plan.

UM 2049: PAC 2021-2023 RPS Implementation Plan

¹ See RPS rulemaking dockets, AR 610 In re Rulemaking Regarding the Incremental Cost of Renewable Portfolio Standard Compliance, AR 616 In re Rulemaking Regarding Renewable Portfolio Standard Planning Process and Reports, and AR 617 In re Rulemaking to Address Renewable Energy Certificate (REC) Issues in Renewable Portfolio Standard (RPS).