

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE 374**

In the Matter of	)	
	)	
PACIFICORP, dba PACIFIC POWER	)	VITESSE PREHEARING BRIEF
	)	
Request for a General Rate Revision	)	

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**I. INTRODUCTION**

Pursuant to the Administrative Law Judge’s March 6, 2020, Prehearing Conference Order, Vitesse, LLC (“Vitesse”) submits this Prehearing Brief on two limited issues: 1) the non-contested rate spread and rate design settlement stipulation (“Partial Stipulation”); and 2) the future application of the Schedule 272 tariff, which allows cost-of-service customers to purchase renewable energy certificates (“RECs”) from PacifiCorp.

Vitesse recommends that the Oregon Public Utility Commission (the “Commission”) approve the Partial Stipulation. The Partial Stipulation is a reasonable compromise that all relevant parties support, and it will result in fair, just, and reasonable rates.

Vitesse takes no position regarding whether the Commission should adopt Staff’s recommendations to 1) open a new investigation into Schedule 272; and 2) pending the completion of the investigation, limit any new Schedule 272 agreements to power purchase agreements (“PPAs”), and not utility-owned resources. PacifiCorp opposes opening an investigation or having any restrictions, but it will commit to meeting and

conferring with stakeholders before proceeding with a future Schedule 272 utility-owned transaction. Because Staff's recommended investigation and PacifiCorp's commitment to meet and confer are both reasonable, Vitesse defers to the Commission regarding whether to open an additional proceeding at this time.

Vitesse appreciates that no party opposes or recommends any restrictions on the continued use of Schedule 272 in conjunction with PPAs. Vitesse strongly supports the Commission maintaining Schedule 272 with at least a PPA option. Schedule 272 is the only green power option available to PacifiCorp's cost-of-service customers in Oregon. Moreover, Vitesse has successfully used Schedule 272 for its data center in Prineville, Oregon, and hopes to continue using this voluntary renewable energy rider to achieve its goal of supporting its operations with 100% renewable energy and reducing its greenhouse gas footprint by 75% in 2020. Vitesse has found the tariff a useful tool to protect the environment, tackle the global challenge of climate change, and partner with others to develop and share solutions for a more sustainable world.

## **II. ARGUMENT**

### **A. The Commission Should Approve the Rate Spread and Rate Design Partial Stipulation**

The Partial Stipulation will result in rates that are fair, just, and reasonable. The Partial Stipulation is essentially an all-party settlement,<sup>1</sup> and the Commission has a well-supported evidentiary record to evaluate the compromise agreement.<sup>2</sup> While Vitesse did

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<sup>1</sup> All parties, except Sierra Club, have executed the Settlement. Sierra Club is not opposed to the Partial Stipulation and did not submit testimony on rate spread or rate design issues.

<sup>2</sup> Rate spread and rate design direct, opening, reply and/or rebuttal testimony was submitted by PacifiCorp, Staff, the Oregon Citizens' Utility Board, the Alliance

not submit testimony, Vitesse reviewed both PacifiCorp’s filing and testimony, and the rate spread and rate design testimony of the other parties, and Vitesse participated in all the relevant rate spread and rate design settlement meetings. Based on Vitesse’s review of parties’ testimony and participation in the settlement conferences, Vitesse believes that the Partial Stipulation is a reasonable compromise of all the rate spread and rate design issues raised in this case.

**B. Schedule 272 Should Continue to Provide an Option for Industrial Customers to Meet Corporate Renewable Energy Goals**

**1. Schedule 272 Background**

Schedule 272 is part of PacifiCorp’s Oregon “Blue Sky” green power option for non-residential customers. Schedule 272 allows non-residential customers to purchase RECs from PacifiCorp while continuing to purchase energy through PacifiCorp’s standard commercial rate schedules. In 2017, the Commission approved a revision to Schedule 272 to allow customers to purchase unbundled RECs from specific sources, but the revision did not change the requirement that cost-of-service customers must continue to purchase energy through PacifiCorp’s standard commercial rate schedules.<sup>3</sup>

Vitesse supported Schedule 272 as revised in 2017 and has purchased RECs from specific sources through long-term agreements with PacifiCorp pursuant to Schedule 272. The specific resources associated with Vitesse’s Schedule 272 agreements include six solar resources (including two Oregon projects totaling 100 MW) that PacifiCorp secured

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of Western Energy Consumers, ChargePoint, Inc., Tesla, Inc., Fred Meyer Stores, Inc., Small Business Utility Advocates, Walmart Inc., and Klamath Water Users Association.

<sup>3</sup> *PacifiCorp dba Pacific Power, Schedule 272 - Renewable Energy Rider Optional Bulk Purchase Option*, Docket No. ADV 386, Staff Report at 2-3 (Feb. 7, 2017).

via long-term PPA and the PacifiCorp owned Pryor Mountain wind facility, which is under construction. Schedule 272 has been an important part of Vitesse’s goal of reducing its greenhouse gas footprint by 75% and reaching 100% renewable energy in 2020.

**2. Staff’s Recommendation: Open an Investigation and Limit Schedule 272 to Only PPA Resources in the Interim**

Staff reviewed Schedule 272, including the transactions related to the Pryor Mountain wind facility, and it reached the conclusion that: 1) no past Schedule 272 transactions should be revisited; and 2) PacifiCorp’s decision to acquire Pryor Mountain was prudent.<sup>4</sup> Staff’s opening testimony asked PacifiCorp to explain why Schedule 272 projects were not appropriately considered as a part of a Voluntary Renewable Energy Tariff (“VRET”).<sup>5</sup> PacifiCorp filed its reply testimony responding to Staff’s concerns.<sup>6</sup>

Staff’s final recommendation is that the Commission should: 1) open an investigation into Schedule 272 and the applicability of the VRET conditions in a separate proceeding; and 2) pending the outcome of such an investigation, prohibit PacifiCorp from entering into new Schedule 272 customer agreements that include supplying RECs from utility-owned resources.<sup>7</sup> To be clear, Staff recommends that Schedule 272 continue to be a green power option at this time as long as PacifiCorp enters into PPAs with non-utility owned facilities that supply the RECs.

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<sup>4</sup> Staff/800, Storm/4 (June 4, 2020) (The Commission should “[f]ind PacifiCorp’s decision to invest in the Pryor Mountain new wind project to be prudent...”); Staff/2000, Storm/34 (July 24, 2020) (Staff does not “seek to ‘unwind’ PacifiCorp’s current contract with Vitesse for RECs from Pryor Mountain.”).

<sup>5</sup> Staff/800, Storm/4-5.

<sup>6</sup> PAC/2000, Wilding/25-26 (June 25, 2020).

<sup>7</sup> Staff/800, Storm/4-5.

**3. PacifiCorp’s Recommendation: PacifiCorp Will Meet and Confer Prior to a New Schedule 272 Utility-Owned Resource**

PacifiCorp opposes Staff’s recommendation to open an investigation to determine whether utility-owned resources under Schedule 272 meet the guidelines for a VRET, as well as Staff’s potential restriction on PacifiCorp’s ability to enter into future utility-owned agreements under Schedule 272 (depending on the outcome of the separate investigation).<sup>8</sup> PacifiCorp explains that it does not believe Staff’s recommendation is necessary or appropriate at this time because “PacifiCorp does not anticipate entering into another Schedule 272 agreement involving a utility-owned facility in the foreseeable future.”<sup>9</sup> PacifiCorp, however, will commit to meeting and conferring with stakeholders before proceeding with a Schedule 272 transaction with a utility-owned facility in the future.<sup>10</sup> Finally, PacifiCorp also notes that “no party opposes the ongoing use of Schedule 272 in conjunction with power purchase agreements.”<sup>11</sup>

**4. Vitesse’s Recommendation: Both Staff and PacifiCorp Have Reasonable Positions**

Vitesse does not take a position on either Staff’s or PacifiCorp’s recommendation. Both Staff and PacifiCorp agree (and we understand that no other party opposes) that Schedule 272 should continue to be allowed as long as PacifiCorp enters into PPAs with specific resources rather than PacifiCorp owning the facilities. Such an arrangement will continue to allow Vitesse an option to use Schedule 272 to meet Vitesse’s renewable energy goals for its Oregon customer loads.

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<sup>8</sup> PAC/3800, Link/29 (Aug. 21, 2020).

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

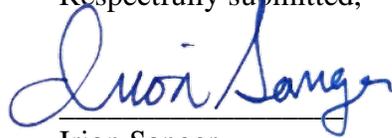
<sup>11</sup> *Id.*

### III. CONCLUSION

Vitesse appreciates the opportunity to participate in PacifiCorp's general rate case proceeding and intends to address these issues in its Post-hearing Opening Brief more fully.

Dated this 2nd day of September 2020.

Respectfully submitted,



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