

January 19, 2017

***VIA ELECTRONIC FILING***

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

Attn: Filing Center

**RE: Advice 16-012 – Schedule 272 – Replacement Sheets**

PacifiCorp d/b/a Pacific Power (Company) submitted the above-referenced tariff advice notice on September 27, 2016, with an effective date of November 9, 2016. On December 9, 2016, the Company filed for an extension of the advice filing and requested an effective date of February 8, 2017. These tariff pages replace the pages submitted in the original filing in their entirety. An application of less than statutory notice has been included with this filing.

Second Revision of Sheet No. 272-1	Schedule 272	Renewable Energy Rider Optional Bulk Purchase Option
First Revision of Sheet No. 272-2	Schedule 272	Renewable Energy Rider Optional Bulk Purchase Option
First Revision of Sheet No. 272-3	Schedule 272	Renewable Energy Rider Optional Bulk Purchase Option
Original Sheet No. 272-4	Schedule 272	Renewable Energy Rider Optional Bulk Purchase Option

The purpose of this filing is to request approval to update the language in Schedule 272 to provide additional flexibility for qualifying customers in providing an option to contract with the Company to purchase renewable energy certificates (RECs) from a specified renewable resource purchased on their behalf.

PacifiCorp met with Staff and parties to clarify certain aspects of the proposed changes to existing Schedule 272, respond to questions or concerns, and solicit feedback to incorporate into the final tariff language. The Company also circulated a draft version of the tariff changes to get final comments and suggestions prior to submitting this filing. The attached redlined changes are the end result of discussions with Staff and parties, with the following notable changes:

- Adds a requirement the Company will notify the Commission if participation on Schedule 272 exceeds 100 average megawatts.
- Provides clarification between standard charge per block and individually negotiated arrangements.

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- Specifies that customers with individually negotiated arrangements pay a minimum fixed charge and the full price for RECs.
- Clarifies participation on Schedule 272 is only for block purchases of RECs and not energy.
- Adds a requirement for the Company to file an annual report with the Commission that includes total participation on Schedule 272 and copies of individually negotiated arrangements.
- Removes term “bundled” to avoid confusion regarding REC purchases and system energy.
- Adds a requirement that no purchase under the tariff shall cause the Company’s Blue Sky program to no longer be Green-e certified.

These proposed changes do not alter the fundamental structure of Schedule 272 that has been in place for twelve years and are intended only to update Schedule 272 to be more responsive to customer needs. The proposed changes add clarity to existing Schedule 272 and provide for additional transparency for the Commission to help monitor the impact of the bulk purchases.

Like PacifiCorp’s residential and other commercial Blue Sky options, Schedule 272 is in addition to the base rates paid by the customers electing this voluntary option, ensuring there is no cost shift between participating and non-participating customers. In addition, Schedule 272 costs are, like the residential and commercial Blue Sky options, tracked separately and recovered from participating customers through program fees. PacifiCorp has removed the term “bundled” from the tariff to help remove any confusion with regard to the REC purchase and the customer taking system power. However, PacifiCorp maintains that a customer electing to purchase RECs from a specified resource under the proposed changes to Schedule 272 could claim that it is receiving RECs from a resource that is delivering electricity to the same system from which the customer purchases electricity.

PacifiCorp’s proposed changes to Schedule 272 are intended to address Staff’s and parties’ concerns for additional oversight and clarity, with particular attention given to customers who enter into individually negotiated arrangements. The proposed changes are responsive to the needs of the Company’s large non-residential customers while not fundamentally altering the existing Schedule 272.

Sincerely,



R. Bryce Dalley  
Vice President, Regulation

Enclosures

# LESS THAN STATUTORY NOTICE APPLICATION

This document may be electronically filed by sending it as an attachment to an electronic mail message addressed to the Commission's Filing Center at [puc.filingcenter@state.or.us](mailto:puc.filingcenter@state.or.us).

## BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

IN THE MATTER OF THE APPLICATION OF  Pacific Power _____ (UTILITY COMPANY)	) ) ) )	UTILITY L.S.N. APPLICATION  NO. _____ (LEAVE BLANK)
TO WAIVE STATUTORY NOTICE.		

**NOTE: ATTACH EXHIBIT IF SPACE IS INSUFFICIENT.**

1. GENERAL DESCRIPTION OF THE PROPOSED SCHEDULE(S) ADDITION, DELETION, OR CHANGE. (SCHEDULE INCLUDES ALL RATES, TOLLS AND CHARGES FOR SERVICE AND ALL RULES AND REGULATIONS AFFECTING THE SAME)

The purpose of this filing is to request approval for changes to the following rate schedule to provide additional flexibility for qualifying customers in providing an option to contract with the Company to purchase renewable energy certificates (RECs) from a specified renewable resource purchased on their behalf.

Second Revision of Sheet No. 272-1 - Renewable Energy Rider Optional Bulk Purchase Option  
 First Revision of Sheet No. 272-2 - Renewable Energy Rider Optional Bulk Purchase Option  
 First Revision of Sheet No. 272-3 - Renewable Energy Rider Optional Bulk Purchase Option  
 Original Sheet No. 272-4 - Renewable Energy Rider Optional Bulk Purchase Option

2. APPLICANT DESIRES TO CHANGE THE SCHEDULE(S) NOW ON FILE KNOWN AND DESIGNATED AS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)

First Revision of Sheet No. 272-1 - Renewable Energy Rider Optional Bulk Purchase Option  
 Original Sheet No. 272-2 - Renewable Energy Rider Optional Bulk Purchase Option  
 Original Sheet No. 272-3 - Renewable Energy Rider Optional Bulk Purchase Option

3. THE PROPOSED SCHEDULE(S) SHALL BE AS FOLLOWS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE AND ITEM)

Second Revision of Sheet No. 272-1 - Renewable Energy Rider Optional Bulk Purchase Option  
 First Revision of Sheet No. 272-2 - Renewable Energy Rider Optional Bulk Purchase Option  
 First Revision of Sheet No. 272-3 - Renewable Energy Rider Optional Bulk Purchase Option  
 Original Sheet No. 272-4 - Renewable Energy Rider Optional Bulk Purchase Option

4. REASONS FOR REQUESTING A WAIVER OF STATUTORY NOTICE:

Less than statutory notice is warranted in order to preserve the requested date after changes were developed per discussion with Commission Staff and parties related to Advice No. 16-012

5. REQUESTED EFFECTIVE DATE OF THE NEW SCHEDULE(S) OR CHANGE(S):    February 8, 2017

AUTHORIZED SIGNATURE 	TITLE Vice President, Regulation	DATE January 19, 2017
PUC USE ONLY		
<input type="checkbox"/> APPROVED <input type="checkbox"/> DENIED	EFFECTIVE DATE OF APPROVED SCHEDULE(S) OR CHANGE	
AUTHORIZED SIGNATURE	DATE	



## Replacement Tariff Sheets

**RENEWABLE ENERGY RIDER**  
**OPTIONAL BULK PURCHASE OPTION**

**Available**

In all territory served by the Company in the State of Oregon.

**Applicable**

To Large Non-residential Consumers receiving Delivery Service.

(T)

**Administration**

Funds received from Consumers under this Schedule will cover program costs and match Renewable Energy Certificate purchases to Block purchases. Funds not spent after covering program costs and matching Renewable Energy Certificate purchases to Block purchases may be used to fund Qualifying Initiatives as defined below.

(T)

(T)

**Block**

1 Block equals 100 kWh of Renewable Energy Certificates. This program requires a minimum purchase of 121.2 megawatt-hours (121,200 kWh or 1,212 Blocks) per year. For the purpose of qualifying for this Schedule, Consumers with multiple sites can sum their Block purchases across all Pacific Power and Rocky Mountain Power service territories to meet the minimum purchase requirement.

(T)

To the extent the purchase of Renewable Energy Certificates on this Schedule exceeds 100aMW the Company will notify the Commission.

(C)

(C)

**Charge per Block**

Standard:

\$0.70 per month (\$7.00 per MWh per month) **Plus**  
\$1500.00 per year fixed charge

(C)

Individually Negotiated Arrangements:

For block purchase commitments over one year in length or large purchases over 75,000 MWh per year, individually negotiated arrangements may be available, pursuant to the execution of a written contract. Consumers who enter into an individually negotiated arrangement will be required to pay a minimum \$1500.00 per year fixed charge and no less than the full price for any Renewable Energy Certificates purchased.

(C)

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(C)

**Charge**

Except as pursuant to an individually negotiated arrangement as contemplated above, the Charge can be billed either monthly, twice yearly or annually and shall be the number of Blocks the customer has agreed to purchase multiplied by the Charge per Block, plus the \$1,500 yearly fixed charge divided between the Consumer's billing choice (monthly, twice yearly or annually) and added to the Consumer's standard bill. The Charge is in addition to all other charges contained in Consumer's applicable tariff schedule. This Schedule's Charge shall be applied to the Consumer's billing regardless of actual energy consumption.

(C)

(T)

**Renewable Energy Certificates**

Renewable Energy Certificate (REC) purchases include those obtained from specified resources and derived from the following fuels:

(T)

(C)

(C)

- wind;
- solar;
- geothermal energy;
- certified low impact hydroelectric;

(M) to pg  
2

(continued)

**Renewable Energy Certificates (continued)**

- hydrogen derived from photovoltaic electrolysis or a non-hydrocarbon derivations process;
- pipeline or irrigation canal hydroelectric systems;
- wave or tidal action; and
- low emissions biomass based on digester methane gas from landfills, sewage treatment plants or animal waste and biomass energy based on solid organic fuels from wood, forest or field residues or dedicated crops that do not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol or copper chrome arsenic.

(T)

(M) from  
pg 1

(M)

Renewable Energy Certificates (also known as Tradable Renewable Energy Credits, Renewable Energy Credits, Green Tags or Carbon Credits) represent all of the regional and global environmental and emissions benefits associated with one unit of output from a qualifying renewable electricity generating resource. In some markets, the credits are certified by an independent third party and include a serial number for tracking purposes.

(T)

(T)

One hundred percent of RECs purchased under this offering must originate from new renewable energy resources.

(C)

New renewable energy is (1) placed in operation (generating electricity) on or after January 28, 2000; (2) repowered on or after January 28, 2000 such that 80% of the fair market value of the project derives from new generation equipment installed as part of the repowering, or (3) a separable improvement to or enhancement of an operating existing facility that was first placed in operation prior to January 28, 2000, such that the proposed incremental generation is contractually available for sale and metered separately than existing generation at the facility. Any enhancement of a fuel source that increases generation at an existing facility, without the construction of a new or repowered, separately metered generating unit, is not eligible to participate.

(T)

No purchase under this tariff shall disqualify the Company's Blue Sky program from being Green-e certified.

(C)

Preference will be given to resources within Pacific Power and Rocky Mountain Power service territories.

Renewable Energy Certificate purchases made to match Consumer Block purchases are in addition to investments associated with the Company's Integrated Resource Plan, and are not considered for purposes of any Renewable Portfolio Standard requirements.

(T)

(D)

**Qualifying Initiatives**

1. Funding for locally-owned commercial-scale renewable energy projects that produce less than 10 MW of electricity. The preference is for local community based projects that provide strong environmental and economic benefit to local communities and Consumers the Company services under this Schedule.

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(M) to pg  
3

(continued)

**Qualifying Initiatives (continued)**

2. Funding for research development projects encouraging renewable energy market transformation in order to accelerate marketability of renewable energy technologies. (M) from pg 2 (T) (T)
3. Investment in the above-market costs associated in the construction of renewable energy facilities or purchase by contract of renewable energy, reducing the costs of renewable energy to be competitive with cost-effective resources. (T) (T) (M) (T)
4. To the extent a project in paragraphs 1, 2, and 3 above is able to generate RECs, the recipient agrees that the Company has the right to claim a share of the project's REC output. The share amount is expressed as a percentage of output when comparing the Company's financial contribution to the overall cost of the project. The share amount of these RECs will be retired on behalf of program participants across the Company's service territories. The Company will also be given the opportunity to purchase additional RECs off the project.
5. Qualifying Initiatives are not considered for purposes of any Renewable Portfolio Standard requirements. (D)

**Special Conditions**

1. Consumers may apply for this Schedule anytime during the year.
2. The Company may not accept enrollments for accounts that have a time-payment agreement in effect, or have received two or more disconnect notices, or have been disconnected within the last 12 months.
3. The Company will buy Renewable Energy Certificates within two years of a Consumer's purchase, unless otherwise set forth in a written contract between the Company and Consumer. (T) (C) (C)
4. RECs procured pursuant to this Schedule will be either (i) delivered by Company, at Company's expense, to Consumer's registered Western Renewable Energy Generation Information System (WREGIS) account (as set forth in a written contract between Company and Consumer and approved by the Commission), or (ii) deposited into a WREGIS account maintained by Company and retired on behalf of Consumers (except with respect to RECs generated from Qualifying Initiatives as set forth above in this Schedule). All costs associated with transferring, retiring, administering or otherwise managing RECs within Consumer WREGIS accounts shall be borne by Customer. (C) (C)
5. To ensure that all costs and benefits of this program are isolated to the participants of this program, all funds collected under this program will be separately identified and tracked by state jurisdiction by which the funds were collected. On the effective date of this Schedule, the Company will establish a regulatory liability for all funds collected and will debit the regulatory liability for all funds spent. The company will apply its authorized rate of return to the balances in the regulatory liability account. The Company will endeavor to match spending to collection within each calendar year.

(M) to pg 4

(continued)



**Special Conditions (continued)**

6. The Company may use Consumer proprietary information gathered for the provisioning of electricity services upon Consumer written or verbal permission as long as it provides the same information under the same terms and conditions to alternative Renewable Energy Certificate providers upon Consumer written or verbal request.
7. The Company will communicate to Consumers that they are not required to buy Renewable Energy Certificates from the Company in order to continue to receive the Company's safe and reliable Electricity Service.
8. The Company will not use bill inserts to market Renewable Energy Certificates to Consumers served under this Schedule.
9. The Company will file an annual report with the Commission no later than January 31<sup>st</sup> providing information regarding total participation on Schedule 272 and copies of individually negotiated arrangements from the prior calendar year.

(M) from  
pg 3

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(N)

**Rules and Regulations**

Service under this Schedule is subject to the General Rules and Regulations contained in the tariff of which this Schedule is a part and to those prescribed by regulatory authorities.

(M)

## Redlined Replacement Tariff Sheets

**RENEWABLE ENERGY RIDER  
OPTIONAL BULK PURCHASE OPTION**

Page 1

**Available**

In all territory served by the Company in the State of Oregon.

**Applicable**

To Large Non-residential Consumers receiving Delivery Service.

**Administration**

Funds received from Consumers under this Schedule will cover program costs and match Renewable Energy Certificate purchases to Block purchases. Funds not spent after covering program costs and matching Renewable Energy Certificate purchases to Block purchases may be used to fund Qualifying Initiatives as defined below.

**Block**

1 Block equals 100 kWh of Renewable Energy Certificates. This program requires a minimum purchase of 121.2 megawatt-hours (121,200 kWh or 1,212 Blocks) per year. For the purpose of qualifying for this Schedule, Consumers with multiple sites can sum their Block purchases across all Pacific Power and Rocky Mountain Power service territories to meet the minimum purchase requirement.

To the extent the purchase of Renewable Energy Certificates on this Schedule exceeds 100aMW the Company will notify the Commission.

**Charge per Block**

Standard: \$0.70 per month (\$7.00 per MWh per month) **Plus**  
\$1500.00 per year fixed charge

Individually Negotiated Arrangements:

For block purchase commitments over two-one years in length or large purchases over 75,000 MWh per year, individually negotiated arrangements may be available, pursuant to the execution of a written contract. Consumers who enter into an individually negotiated arrangement will be required to pay a minimum \$1500.00 per year fixed charge and no less than the full price for any Renewable Energy Certificates purchased.

**Charge**

Except as pursuant to an individually negotiated arrangement as contemplated above, tThe Charge can be billed either monthly, twice yearly or annually and shall be the number of Blocks the customer has agreed to purchase multiplied by the Charge per Block, plus the \$1,500 yearly fixed charge divided between the Consumer's billing choice (monthly, twice yearly or annually) and added to the Consumer's standard bill. The Charge is in addition to all other charges contained in Consumer's applicable tariff schedule. This rider's-Schedule's Charge shall be applied to the Consumer's billing regardless of actual energy consumption.

**Renewable Energy Certificates**

Renewable Energy Certificate (REC) purchases includes ~~bundled power or Renewable Energy Credits (RECs)~~ those obtained from specified resources and derived from the following fuels:

- wind;
- solar;
- geothermal energy;
- certified low impact hydroelectric;
- ~~hydrogen derived from photovoltaic electrolysis or a non-hydrocarbon derivation process;~~

(continued)

**RENEWABLE ENERGY RIDER  
OPTIONAL BULK PURCHASE OPTION**

- ~~• pipeline or irrigation canal hydroelectric systems;~~
- ~~• wave or tidal action; and~~
- ~~• low emissions biomass based on digester methane gas from landfills, sewage treatment plants or animal waste and biomass energy based on solid organic fuels from wood, forest or field residues or dedicated crops that do not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol or copper-chrome arsenic.~~

(continued)

Renewable Energy Certificate (continued)

- hydrogen derived from photovoltaic electrolysis or a non-hydrocarbon derivation process;
- pipeline or irrigation canal hydroelectric systems;
- wave or tidal action; and
- low emissions biomass based on digester methane gas from landfills, sewage treatment plants or animal waste and biomass energy based on solid organic fuels from wood, forest or field residues or dedicated crops that do not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol or copper chrome arsenic.

Renewable Energy ~~Credits~~ Certificates (also known as Tradable Renewable Energy Credits, Renewable Energy ~~Credits~~ Certificates, Green Tags or Carbon Credits) represent all of the regional and global environmental and emissions benefits associated with one unit of output from a qualifying renewable electricity generating resource. In some markets, the credits are certified by an independent third party and include a serial number for tracking purposes.

One hundred percent of RECs purchased under this offering must originate from consist of 100% new Renewable Energy resources.

New Renewable Energy is (1) placed in operation (generating electricity) on or after January 28, 2000; (2) repowered on or after January 28, 2000 such that 80% of the fair market value of the project derives from new generation equipment installed as part of the repowering, or (3) a separable improvement to or enhancement of an operating existing facility that was first placed in operation prior to January 28, 2000, such that the proposed incremental generation is contractually available for sale and metered separately than existing generation at the facility. Any enhancement of a fuel source that increases generation at an existing facility, without the construction of a new or repowered, separately metered generating unit, is not eligible to participate.

No purchase under this tariff shall disqualify the Company's Blue Sky program from being Green-e certified.

Preference will be given to resources within Pacific Power and Rocky Mountain Power service territories.

Renewable Energy Certificate purchases made to match Consumer Block purchases are in addition to investments associated with the Company's Integrated Resource Plan, and are not considered for purposes of any Renewable Portfolio Standard requirements. ~~Renewable Energy generated in response to any federal or state statutory requirement to construct or contract for the Renewable Energy is not eligible.~~

**Qualifying Initiatives**

1. Funding for locally-owned commercial-scale Renewable Energy projects that produce less than 10 MW of electricity. The preference is for local community based projects that provide strong environmental and economic benefit to local communities and Consumers the Company services under this Schedule.

(continued)

- ~~2. Funding for research and development projects encouraging Renewable Energy market transformation in order to accelerate marketability of Renewable Energy technologies.~~
- ~~3. Investment in the above-market costs associated in the construction of Renewable Energy facilities or purchase by contract of Renewable Energy, reducing the costs of Renewable Energy to be competitive with cost-effective resources.~~

(continued)

**Qualifying Initiatives (continued)**

2. Funding for research and development projects encouraging rRenewable eEnergy market transformation in order to accelerate marketability of rRenewable eEnergy technologies.
3. Investment in the above-market costs associated in the construction of rRenewable eEnergy facilities or purchase by contract of rRenewable eEnergy, reducing the costs of rRenewable eEnergy to be competitive with cost-effective resources.
4. To the extent a project in paragraphs 1, 2, and 3 above is able to generate RECs, the recipient agrees that the Company has the right to claim a share of the project's REC output. The share amount is expressed as a percentage of output when comparing the Company's financial contribution to the overall cost of the project. The share amount of these RECs will be retired on behalf of program participants across the Company's service territories. The Company will also be given the opportunity to purchase additional RECs off the project.
5. Qualifying Initiatives are not considered for purposes of any Renewable Portfolio Standard requirements. ~~Renewable Energy generated in response to any federal or state statutory requirement to construct or contract for the Renewable Energy is not eligible.~~

**Special Conditions**

1. Consumers may apply for this Schedule anytime during the year.
2. The Company may not accept enrollments for accounts that have a time-payment agreement in effect, or have received two or more disconnect notices, or have been disconnected within the last 12 months.
3. The Company will buy Renewable Energy Certificates within two years of a Consumer's purchase, ~~unless otherwise set forth in a written contract between the Company and Consumer.~~
4. ~~Beginning January 1, 2008, all RECs purchased under procured pursuant to this program Schedule must will be either (i) delivered by Company, at Company's expense, to Consumer's registered with the Western Renewable Energy Generation Information System (WREGIS) account, if WREGIS is operational, or (as otherwise set forth in a written contract between Company and Consumer and approved by the Oregon Portfolio Committee Commission), or (ii) deposited into a WREGIS account maintained by Company and retired on behalf of Consumers (except with respect to RECs generated from Qualifying Initiatives as set forth above in this Schedule). All costs associated with transferring, retiring, administering or otherwise managing RECs within Consumer WREGIS accounts shall be borne by Customer.~~
5. To ensure that all costs and benefits of this program are isolated to the participants of this program, all funds collected under this program will be separately identified and tracked by state jurisdiction by which the funds were collected. On the effective date of this Schedule, the Company will establish a regulatory liability for all funds collected and will debit the regulatory liability for all funds spent. The company will apply its authorized rate of return to

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the balances in the regulatory liability account. The Company will endeavor to match spending to collection within each calendar year.

- ~~6. The Company may use Consumer proprietary information gathered for the provisioning of electricity services upon Consumer written or verbal permission as long as it provides the same information under the same terms and conditions to alternative Renewable Energy Credit providers upon Consumer written or verbal request.~~
- ~~7. The Company will communicate to Consumers that they are not required to buy Renewable Energy Credits from the Company in order to continue to receive the Company's safe and reliable Electricity Service.~~
- ~~8. The Company will not use bill inserts to market Renewable Energy Credits to Consumers served under this Schedule.~~

**Rules and Regulations**

~~Service under this Schedule is subject to the General Rules and Regulations contained in the tariff of which this Schedule is a part and to those prescribed by regulatory authorities.~~

(continued)



**Special Conditions (continued)**

6. The Company may use Consumer proprietary information gathered for the provisioning of electricity services upon Consumer written or verbal permission as long as it provides the same information under the same terms and conditions to alternative Renewable Energy ~~Credit-Certificate~~ providers upon Consumer written or verbal request.
7. The Company will communicate to Consumers that they are not required to buy Renewable Energy ~~Credits-Certificates~~ from the Company in order to continue to receive the Company's safe and reliable Electricity Service.
8. The Company will not use bill inserts to market Renewable Energy ~~Credits-Certificates~~ to Consumers served under this Schedule.
- ~~8.9.~~ The Company will file an annual report with the Commission no later than January 31<sup>st</sup> providing information regarding total participation on Schedule 272 and copies of individually negotiated arrangements from the prior calendar year.

**Rules and Regulations**

Service under this Schedule is subject to the General Rules and Regulations contained in the tariff of which this Schedule is a part and to those prescribed by regulatory authorities.