

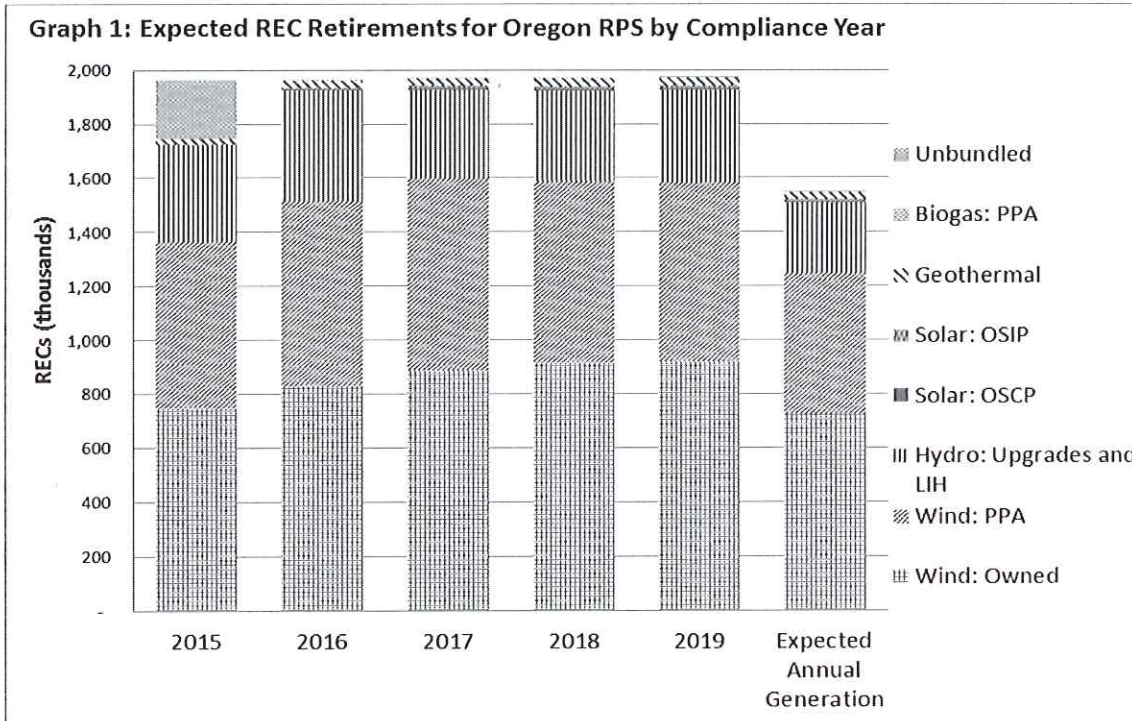
1 any conditions specified by the Commission at a public meeting, unless the Commission
2 decides to commence an investigation or take other action as necessary to make its
3 decision regarding acknowledgment of the plan. Acknowledgment must come within 6
4 months of the RPIP filing.

- 5 5. PacifiCorp filed its RPIP on December 26, 2013, and updated the RPIP on February 18,
6 2014. The updated RPIP included a non-confidential summary of RPS total incremental
7 costs of compliance.
- 8 6. To comply with the RPS, PacifiCorp must use renewable energy certificates (RECs) that
9 qualify for the RPS at an amount equal to 15 percent of its expected Oregon load for each
10 year from 2015-2019. One REC represents one megawatt-hour (MWh) of energy
11 generated by a renewable resource. At least 80 percent of the REC's used in a
12 compliance year must be bundled, though all of the RECs used in a year can be generated
13 in previous years (i.e., banked RECs). ORS 469A.140 directs that banked RECs must be
14 used before RECs generated in the compliance year and that "banked renewable energy
15 certificates with the oldest issuance date must be used to comply with standard before
16 banked renewable energy certificates with more recent issuance dates are used."¹
- 17 7. The following graph shows PacifiCorp's expected REC retirements by compliance year
18 by energy source to meet the 15 percent renewable standard. For a comparison on the
19 Company's ability to meet its RPS compliance obligation with annual expected
20 generation² and to show the impact of REC banking on compliance, the graph also shows
21 the annual expected generation of PacifiCorp's owned and contracted qualifying
22

23 ¹ In Order No. 12-435, the Commission adopted Staff's recommendation allowing WREGIS certificates with older
24 vintages to be drawn from a utility's bank after WREGIS certificates with more recent vintages in the case of low
25 impact hydro (LIHY) category and unbundled REC category. *In the Matter of PacifiCorp, dba Pacific Power 2011*
26 *RPS Compliance*, Docket UM 1606, Order No. 12-435 at Appendix A (Nov. 15, 2012) ("As a result, Staff
recommends the Commission apply the law to allow the Company to 'draw' RECs, [first in, first out], from its bank
in three separate 'draws'; unbundled; LIHY; and bundled." *Id.*).

² The Parties note that there is no requirement for a utility to meet its RPS compliance obligation with annual
expected generation.

resources in 2019. PacifiCorp plans no major renewable resources to come online during the 2015-2019 period.



8. Graph 1 above shows that in 2019 PacifiCorp expects that roughly 80 percent of its Qualifying Electricity will come from wind power (47 percent from Company-owned resources and 34 percent from contracted resources), 17 percent from low-impact hydro (LIH) and hydro upgrades, and the remaining three percent from a combination of geothermal (1.6 percent), solar (0.8 percent), and biogas (0.2 percent). This generation mix is nearly constant over the 2015-2019 compliance period. Variations in the mix of RECs that PacifiCorp expects to retire reflect the interaction between differences in resource in-service/qualification dates and the first in/first out banked REC retirement rules.

9. The Company's annual expected generation from qualifying renewable resources is not expected to reach 15 percent of PacifiCorp's Oregon load in any year from 2015 to 2019,

1 which reflects that PacifiCorp is utilizing banked RECs to comply with the RPS in these
2 years. PacifiCorp expects to use banked bundled RECs to comply with the RPS. Though
3 PacifiCorp's bank of bundled RECs will decrease during the compliance period,
4 PacifiCorp anticipates that it will still have banked RECs at the end of 2019.

5 10. PacifiCorp's RPIP shows that PacifiCorp expects to use some unbundled RECs for
6 compliance in 2015. However, these RECs are already in PacifiCorp's possession and
7 the RPIP assumes the Company does not intend to purchase any additional unbundled
8 RECs to use during the 2015-2019 compliance period.

9 11. Staff believes that PacifiCorp's RPIP should include analysis of the use of unbundled
10 RECs that have not yet been purchased for compliance with the RPS because their use
11 can impact resource planning by changing the optimal timing to construct, acquire, or
12 contract with a qualifying renewable resource. PacifiCorp used unbundled RECs for
13 compliance at the 20 percent limit in the last compliance year (2012), and the possibility
14 that they will use unbundled RECs that they have yet to purchase for compliance in 2015-
15 19 is a realistic one, particularly if REC market conditions do not change drastically.

16 12. PacifiCorp contends that because the market for RECs lacks transparency, publishing a
17 forecast REC price could influence prices when the Company looks to sell or purchase
18 RECs in the market, to the harm of customers.

19 13. Staff agrees this is a valid concern, but still believes that it is important to consider the
20 possibility that unbundled RECs will be purchased in the future and used for compliance.
21 Staff recommends that the Commission direct the Company to include in future RPIPs a
22 scenario that uses the base case assumptions where the Company maximizes the use of
23 unbundled RECs for each year analyzed in the RPIP, assuming an unbundled REC price
24 equal to the weighted average price paid for unbundled RECs used in the last compliance
25 year.

26

AGREEMENT

14. The Parties other than PacifiCorp have reviewed PacifiCorp's RPIP.

15. The Parties agree that PacifiCorp's RPIP shows that it is positioned to be in compliance with ORS 469A.052, which states that at least 15 percent of the electricity sold by a large utility to retail customers in each of the calendar years of the next compliance period (2015-2019), must be Qualifying Electricity.

16. PacifiCorp, CUB, RNW, and ODOE support acknowledgment of PacifiCorp's 2015-2019 RPIP. ICNU does not oppose acknowledgment of the RPIP because it is consistent with the all-party stipulation in Docket No. UM 1616, subject to the following condition:

PacifiCorp will include a non-confidential summary of RPS total incremental costs for each scenario analyzed in future RPIPs.

17. Staff supports acknowledgment of the RPIP subject to the condition above, as well as the following condition:

PacifiCorp will include in subsequent RPIPs a scenario that uses the base case price curve assumptions (medium gas and medium CO2 prices) similar to that used in the other scenarios in the RPIP, with the assumption the Company maximizes the use of unbundled REC for each year analyzed in the RPIP and assuming an unbundled REC price equal to the weighted average price paid for unbundled RECs used for compliance in their last compliance filing.

18. The Parties agree and support waiver of the requirements of OAR 860-083-400(8), pursuant to OAR 860-083-0005(2).

19. The Stipulation will be offered into the record of the above-captioned docket pursuant to OAR 860-001-0350. The Parties agree to cooperate in drafting and submitting an explanatory brief or written testimony per OAR 860-001-0350(7), unless such requirement is waived. The Parties will support the Stipulation throughout this proceeding, including any appeal, provide witnesses to sponsor the Stipulation at any

1 hearing held in the above-captioned docket, and recommend that the Commission issue
2 an order adopting the settlement contained herein.

3 20. The Parties have negotiated the Stipulation as an integrated document. If the
4 Commission rejects all or any material portion of the Stipulation, or conditions its
5 approval upon the imposition of additional material conditions, each Party reserves its
6 right (i) to withdraw from the Stipulation, upon written notice to the Commission and
7 other Parties within five (5) business days of service of the final order that rejects this
8 Stipulation in whole or material part, or adds such material condition; (ii) pursuant to
9 OAR 860-001-0350(9), to prevent evidence and argument on the record in support of the
10 Stipulation, including the right to cross-examine witnesses, introduce evidence as deemed
11 appropriate to respond fully to issues, and raise issues that are incorporated in the
12 settlements embodied in the Stipulation; and (iii) pursuant to ORS 756.561 and OAR
13 860-001-0720, to seek rehearing or reconsideration or to appeal the Commission order
14 under ORS 756.610. Nothing in this paragraph provides any Party the right to withdraw
15 from this Stipulation as a result of the Commission's resolution of issues that this
16 Stipulation does not resolve.

17 21. By entering into this Stipulation, no Party shall be deemed to have approved, admitted or
18 consented to the facts, principles, methods or theories employed by any other Party in
19 arriving at the terms of the Stipulation. Except with regard to RPIPs, no Party shall be
20 deemed to have agreed that any part of the Stipulation is appropriate for resolving issues
21 arising in any other proceedings.

22 22. The Stipulation may be executed in counterparts and each signed counterpart shall
23 constitute an original document.

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This Stipulation is entered into by each Party on the date(s) entered below.

CITIZENS' UTILITY BOARD

INDUSTRIAL CUSTOMERS OF THE
NORTHWEST UTILITIES

Dated: 6/12/14

Dated: _____

By: 

By: _____

PUBLIC UTILITY COMMISSION STAFF

PACIFIC POWER / PACIFICORP

Dated: _____

Dated: _____

By: _____

By: _____

RENEWABLE NORTHWEST

OREGON DEPARTMENT OF ENERGY

Dated: _____

Dated: _____

By: _____

By: _____

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CITIZENS' UTILITY BOARD

INDUSTRIAL CUSTOMERS OF THE
NORTHWEST UTILITIES

Dated: _____

Dated: 6/11/14

By: _____

By: *Michael J. Davis*

PUBLIC UTILITY COMMISSION STAFF

PACIFIC POWER / PACIFICORP

Dated: _____

Dated: _____

By: _____

By: _____

RENEWABLE NORTHWEST

OREGON DEPARTMENT OF ENERGY

Dated: _____

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CITIZENS' UTILITY BOARD

INDUSTRIAL CUSTOMERS OF THE
NORTHWEST UTILITIES

Dated: _____

Dated: _____

By: _____

By: _____

PUBLIC UTILITY COMMISSION STAFF

PACIFIC POWER / PACIFICORP

Dated: 6/12/14 _____

Dated: _____

By: [Signature] _____

By: _____

RENEWABLE NORTHWEST

OREGON DEPARTMENT OF ENERGY

Dated: _____

Dated: _____

By: _____

By: _____

1 This Stipulation is entered into by each Party on the date(s) entered below.

2
3 CITIZENS' UTILITY BOARD

INDUSTRIAL CUSTOMERS OF THE
NORTHWEST UTILITIES

4 Dated: _____

Dated: _____

5 By: _____

6 By: _____

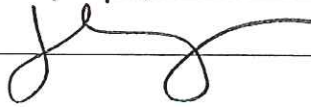
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8
9 PUBLIC UTILITY COMMISSION STAFF

PACIFIC POWER / PACIFICORP

10 Dated: _____

Dated: 6/12/14

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14 RENEWABLE NORTHWEST

OREGON DEPARTMENT OF ENERGY

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This Stipulation is entered into by each Party on the date(s) entered below.

CITIZENS' UTILITY BOARD

INDUSTRIAL CUSTOMERS OF THE
NORTHWEST UTILITIES

Dated: _____

Dated: _____

By: _____

By: _____

PUBLIC UTILITY COMMISSION STAFF

PACIFIC POWER / PACIFICORP

Dated: _____

Dated: _____

By: _____

By: _____

RENEWABLE NORTHWEST

OREGON DEPARTMENT OF ENERGY

Dated: June 11, 2014

Dated: _____

By: 

By: _____

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This Stipulation is entered into by each Party on the date(s) entered below.

CITIZENS' UTILITY BOARD

INDUSTRIAL CUSTOMERS OF THE
NORTHWEST UTILITIES

Dated: _____

Dated: _____

By: _____

By: _____

PUBLIC UTILITY COMMISSION STAFF

PACIFIC POWER / PACIFICORP

Dated: _____

Dated: _____

By: _____

By: _____

RENEWABLE NORTHWEST

OREGON DEPARTMENT OF ENERGY

Dated: _____

Dated: 6/12/14

By: _____

By: 

1 **CERTIFICATE OF SERVICE**

2 I certify that on June 13, 2014, I served the foregoing Stipulation upon all parties of record in this
3 proceeding by delivering a copy by electronic mail only as all parties waive paper service.

4 **W**
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