

July 25, 2014

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Public Utility Commission of Oregon
3930 Fairview Industrial Dr. S.E.
Salem, OR 97302-1166

Attn: Filing Center

**RE: UM 1690 – Voluntary Renewable Energy Tariffs for Non-Residential Customers
Pacific Power's Response to VRET Model Table**

Enclosed for filing is PacifiCorp's response to the Commission Staff's draft VRET Model Table, which was circulated to parties July 3, 2014.

Please direct questions regarding this filing to Joelle Steward, Director, Pricing, Cost of Service and Regulatory Operations, at (503) 813-5542.

Sincerely,



R. Bryce Dalley
Vice President, Regulation

cc: UM 1690 Service List

Framework for VRET Models Table - PacifiCorp

July 25, 2014

Basic Structure			
Resource Owner	Utility Role	Relationships	Notes/Comments
(1.) Third Party (IPP, ESS)	(1.a.) Regulated utility "passes-through" the renewable energy without taking ownership.	3rd party and customer negotiate contract for renewable energy service. Regulated utility and customer have relationship that may be similar to direct access structure.	This model is currently available under existing the Direct Access program and requires the third party to be an ESS and take delivery service under applicable tariffs. The legislative intent was to explore new options for providing a VRET, not to re-open Direct Access and therefore there is no need to investigate this model further. The relationship between the regulated utility and the customer and the regulated utility and an ESS in this model would be as provided for under Oregon direct access.
	(1.b.) Regulated utility is the middleman between a 3rd party and customer(s) that are contracting for renewable energy. Regulated utility takes ownership of power through one contract and sells it to customer(s) through second contract(s).	Customer and 3rd party negotiate for renewable energy service. First contract between 3rd party and the regulated utility to purchase electricity for resale. Second contract(s) between customer(s) and regulated utility for the same price and duration as first contract. The first contract terminates if customer(s) defaults on second contract(s).	PacifiCorp supports further regulatory clarification of this model. Under this model, there are no limitations on who the third party is (e.g., the third party does not have to be an ESS) as long as the third party seller is eligible to enter into a power sale. This model would most appropriately result in a retail sale from the regulated utility to the end use customer via an approved tariff that takes into consideration any above market power costs of the power supply. Matching customer commitments with supply commitments on both a contract term basis and on a billing interval basis will need to be considered in order to not create cost shifting risk for other customers. Also, this model should not preclude ownership of a renewable resource by the regulated utility (See 2(a) and (b) below.) Due to the potential for increased administrative activity under this model, eligibility should be limited to large retail loads. In response to Staff's question regarding whether the utility is acting as a marketer, PacifiCorp envisions acting as a wholesale buyer and retail seller.
	(1.c.) Regulated utility aggregates customers into a "VRET load" and puts that aggregated load out for bid. Regulated utility contracts with third parties to serve the "VRET load."	Once regulated utility puts out the RFP, then IPPs, ESSes, marketers can respond through a competitive process to serve the "VRET load."	This model is currently available under the aggregation rules of the Direct Access program and further investigation of this model is not warranted at this time.
	(1.d.) Regulated utility aggregates 3rd party RE generators and purchases the output through fixed price, long-term contracts. The regulated utility offers that output to the customers through a "subscription" process.	Regulated utility holds contracts with 3rd party RE generators. Customers "subscribe" on a long term basis to the aggregated pool of RE resources at fixed price.	PacifiCorp supports further regulatory clarification of this model and suggest it be explored in the context of model 1(b).

(2.) Regulated Utility	(2.a.) Regulated utility owns and operates renewable resource(s) and delivers power to customer.	Regulated utility and customer(s) negotiate long-term contract(s) for non-system renewable energy.	PacifiCorp supports further regulatory clarification of this model and suggest it be explored in the context of model 1(b).
	(2.b.) Regulated utility offers output through a "subscription" process.	Customers subscribe on a basis to the output at a price.	PacifiCorp supports further regulatory clarification of this model and suggest it be explored in the context of model 1(b) and 1(d).
(3.) Utility Affiliate	(3.a.) Regulated utility "passes-through" the renewable energy without taking ownership.	Utility affiliate and customer negotiate contract for renewable energy service. Regulated utility and customer have relationship that may be similar to direct access structure.	PacifiCorp does not support further investigation of model 3a or 3b. Currently, utility affiliates are able to makes these offerings under the existing Direct Access program. As with model 1.a., the legislative intent was to investigate new options for offering a VRET and not to re-open Direct Access.
	(3.b.) Regulated utility is the middleman between a utility affiliate and customer(s) that are contracting for renewable energy. Regulated utility takes ownership of power through one contract and sells it to the customer(s) through a second contract(s).	Customer and utility affiliate negotiate for renewable energy service. First contract between utility affiliate and the regulated utility to purchase electricity for resale. Second contract(s) between customer(s) and regulated utility for the same price and duration as first contract. The first contract terminates if customer(s) defaults on second contract(s).	
(4.) Customer Owned	Regulated utility role depends on the customer's specific load and resource. Could involve distribution and back-up/ supplemental services; "firming and shaping."	Assuming customer self-generates renewable energy on-site, but will likely require other regulated utility services (e.g. back-up/ supplemental services; "firming and shaping").	This model already exists for on-site generation through net metering or partial requirements tariffs. For off-site generation, model 1.b. is applicable.

(5.) Market-Based (REC Product)	(5.a.) Regulated utility continues to provide energy and services as it does with a cost-of-service customer today.	Customer buys renewable attributes only (unbundled RECs) from the market (marketer website, regulated utility program, etc.). The entity from which the customer buys unbundled RECs retires them on behalf of the customer.	This option is currently available through the Company's Blue Sky program and therefore no further investigation of this model is warranted.
	(5.b.) Regulated utility buys bundled RECs from the market and re-sells them to the customer(s).	Customer buys energy together with renewable attributes (bundled RECs) from regulated utility. Regulated utility retires bundled RECs on behalf of the customer.	This option could be accommodated via Company's Blue Sky program if the cost associated with the energy is applied to net power cost for all customers and the cost of the RECs is applied to the Blue Sky program. No further investigation of this model is warranted unless a VRET will involve the Blue Sky tariff.
(6.) 3rd Party (transmission VRET)	Open access, transmission only service by regulated utility	3rd Party and customer contract for energy with a specific threshold of renewable content.	PacifiCorp does not support further investigation of this model. This model is not consistent with the legislative intent of HB 4126.

CERTIFICATE OF SERVICE

I certify that I served a true and correct copy of PacifiCorp's List of Guiding Principles for Voluntary Renewable Energy Tariff on the parties listed below via electronic mail and/or US mail in compliance with OAR 860-001-0180.

UM 1690

Carl Fink (W)
628 SW Chestnut St, Ste 200
Portland, OR 97219
cmfink@blueplanetlaw.com

Jim Stanway (W)
jimstanway@fb.com

Kacia Brockman (W)
Julie Peacock (W)
Oregon Department of Energy
625 MARION ST NE
SALEM OR 97301-3737
kacia.brockman@state.or.us
Julie.peacock@state.or.us

Doris Penwell (W)
AOC/CREA
dpenwell@aocweb.org

Suzanne Leta Liou (W)
Atkins
12725 SW MILLIKAN WAY, STE 230
PORTLAND OR 97005
suzanne.liou@atkinsglobal.com

Angus Duncan (W)
240 SW FIRST AVE
PORTLAND OR 97204
aduncan@b-e-f.org

OPUC Dockets (W)
Citizens' Utility Board of Oregon
610 SW BROADWAY, STE 400
PORTLAND OR 97205
dockets@oregoncub.org

Jeff Bissonnette (W)
G.Catriona McCracken (W)
Citizens' Utility Board of Oregon
610 SW BROADWAY, STE 400
PORTLAND OR 97205
jeff@oregoncub.org
Catriona@oregoncub.org

Andria Jacob (W)
City of Portland
Andria.jacob@portlandoregon.gov

Benjamin Walters
City of Portland City Attorney's office
1221 SW 4th Avenue, Room 430
Portland, OR 97204
Ben.walters@portlandoregon.gov

Michael Armstrong (W)
David Tooze (W)
City of Portland
1900 SW 4th Ave, Ste 7100
Portland, OR 97201
Michael.Armstrong@portlandoregon.gov
David.tooze@portlandoregon.gov

Jude Noland (W)
Clearing Up
734 Hill Rd
Walla Walla, WA 99362
nolandj@charter.net

Brian Skeahan (W)
CREA
Brian.skeahan@yahoo.com

Joshua D. Weber (W)
Davison Van Cleve
333 SW Taylor Ste 400
Portland, OR 97204
jdww@dvclaw.com

Kevin Higgins (W)
Energy Strategies LLC
215 State Street, Suite 200
Salt Lake City, UT 84111-2322
khiggins@energystrat.com

Kvin Lynch (W)
Kourtney Nelson (W)
Sara Parsons (W)
Iberdrola Renewables
1125 NW Couch St, Ste 700
Portland, OR 97209
Kevin.lynch@iberdrolaren.com
Kourtney.nelson@iberdrolaren.com
Sara.parsons@iberdrolaren.com

Banjo Reed (W)
IBEW L.U. 659
4480 Rogue Valley Hwy #3
Central Point, OR 97520
banjo@ibew659.org

Michael Youngblood (W)
Idaho Power
PO Box 70
Boise, Idaho 83707
myoungblood@idahopower.com

Ann L. Fisher (W)
Legal & Consulting Services
PO Box 25302
Portland, OR 97298-0302
ann@annfisherlaw.com

Greg Bass (W)
Noble Americas Energy Solutions, LLC
401 West A St, Ste. 500
San Diego, CA 92101
gbass@noblesolutions.com

Robert D. Kahn (W)
NW & Intermountain Power Producers
Coalition
PO Box 504
Mercer Island, WA 98040
Rkahn@nippc.org

Wendy Gerlitz (W)
NW Energy Coalition
1205 SE Flavel
Portland, Oregon 97202
Wendy@nwenergy.org

Erik Anderson (W)
Pacific Power
825 NE Multnomah St, Ste 1800
Portland, Oregon 97232
Erik.anderson@pacificcorp.com

Joelle Steward (W)
Alysa M. Dunlap
Pacific Power and Light
825 NE Multnomah Ste 2000
Portland, Oregon
Joelle.steward@pacificcorp.com
Alias.dunlap@pacificcorp.com

Portland General Electric
Karla Wenzel (W) 1WTC0702
J. Richard George (W) 1WTC1301
Elizabeth Paul (W)
121 SW Salmon St.
Portland, Oregon 97204
Pge.opuc.filing@pgn.com
Richard.george@pgn.com
Elizabeth.paul@pagn.com

Public Utility Commission of Oregon
Ruchi Sadhir (W)
PO Box 1088
Salem, Oregon 97308
Ruchi.sadhir@state.or.us

Michael T. Weirich (W)
PUC Staff- Department of Justice
1162 Court ST NE
Salem, OR 97301
Michael.weirich@state.or.us

Renewable NW Dockets (W)
Megan Decker (W)
Renewable Northwest
421 SW 6th Avenue, Ste 1125
Portland, OR 97204
dockets@renewalbenw.org
megan@renewalbenw.org

Gregory M. Adams (W)
Richardson Adams, PLLC
PO Box 7218
Boise, Idaho 83702
greg@richardsonadams.com

Letha Tawney
World Resources Institute
ltawney@wri.org

Dated this 25th June, 2014

Steve W. Chriss (W)
Wal-mart Stores
2001 SE 10th Street
Bentoville, AR 72716
Stephen.chriss@wal-mart.com

Jacques Grant (W)
Yam Services
1819 SW 5th Avenue, Ste 342
Portland, OR 97201
Electric@yamservices.com



Amy Eissler
Coordinator, Regulatory Operations