

April 14, 2016

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, OR 97301-1166

Attn: Filing Center

Re: Docket UM 1690

In Order No. 15-405 in docket UM 1690, the Public Utility Commission of Oregon (Commission) deferred for future consideration the issue of whether it is in the public interest for utilities to offer voluntary renewable energy tariffs (VRET). To facilitate consideration of this threshold question, the Commission encouraged PacifiCorp d/b/a Pacific Power (Pacific Power or the Company) and Portland General Electric (PGE) to file VRET proposals by April 14, 2016. The order presented certain guidelines for the utilities to follow in preparing VRET proposals. The VRET guidelines:

- Applied Renewable Portfolio Standard (RPS) definitions to the VRET;
- Restricted VRET offerings to bundled REC products from facilities with online dates no earlier than 2015;
- Required retirement of renewable energy certificates on behalf of participating customers;
- Restricted VRET participation to a total program cap of 175 aMW for Pacific Power;
- Required VRET design to be “sufficiently differentiated” from direct access, but with terms and conditions that “mirror” direct access;¹
- Allowed utility ownership of VRET resources along with an associated return on the utility investment, provided the utility does not include the VRET resource in rate base and the utility credits back to customers some of the return;
- Required costs to be independently reviewed and verified by the Commission, and risks to be borne by program participants, developers, or utility shareholders; and
- Required public availability and review by the Commission of all VRET offerings.

Pacific Power appreciates the hard work of Staff and stakeholders in developing a framework for consideration of a VRET. Pacific Power is equally appreciative of the considered deliberation of the Commission in creating the criteria a VRET proposal must meet. The Company remains

¹ Alternatively, the guidelines specify that VRET program elements that do not mirror direct access must be accompanied by proposed changes to direct access to ensure consistency between the two programs.

Docket No. UM 1690
Public Utility Commission of Oregon
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committed to exploring “green” energy options responsive to the unique needs of our customers. Based on the Company’s discussions and research, Pacific Power is not able to develop a tariff-based program that meets the needs of customers while conforming to the narrow constraints of the VRET guidelines established by the Commission.

Pacific Power looks forward to continuing to work with customers, the Commission and policymakers to find ways to ensure that customers are able to meet their renewable and green energy goals within the state of Oregon.

Sincerely,

A handwritten signature in black ink that reads "R. Bryce Dalley" with a stylized flourish at the end.

R. Bryce Dalley
Vice President, Regulation