



# Oregon

Kate Brown, Governor

## Public Utility Commission

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June 23, 2015

UE 296 Service List

RE: Notice of *Ex Parte* Communication

The purpose of this letter is to notify all parties to docket UE 296 of a potential *ex parte* communication that occurred between Administrative Law Judge Sarah Rowe and Jorge Ordonez, a Staff witness.

After reading PacifiCorp's testimony and a CAISO quarterly report, ALJ Rowe had questions she wanted answered in the docket. To obtain answers to her questions on the record, she met with Aster Adams to request that Staff address her questions in testimony. She also provided Mr. Adams a copy of her handwritten notes.

Mr. Adams then sent the notes to Mr. Ordonez, who prepared a set of data requests based on ALJ Rowe's notes and forwarded them to ALJ Rowe for approval. A copy of Mr. Ordonez's email, as well as ALJ Rowe's response, and the draft data request, is attached.<sup>1</sup>

Because this email exchange may constitute *ex parte* communications under OAR 860-001-0340, I am disclosing it to the parties. Copies of the communications will also be placed in the record. Pursuant to OAR 860-001-0340(7), any party may file a written rebuttal to the *ex parte* communication, with service to other parties to the proceeding.

Michael Grant  
Chief Administrative Law Judge  
Public Utility Commission of Oregon

Attachment

<sup>1</sup> The data requests were not served on PacifiCorp. ALJ Rowe plans to work with the parties to determine the best way to obtain answers to her questions on the record.

## GRANT Michael

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**From:** ROWE Sarah  
**Sent:** Monday, June 22, 2015 4:19 PM  
**To:** GRANT Michael  
**Subject:** FW: Message from "RNP0026735D8830"

-----Original Message-----

**From:** ORDONEZ Jorge  
**Sent:** Thursday, June 18, 2015 4:38 PM  
**To:** ROWE Sarah  
**Cc:** ADAMS Aster  
**Subject:** RE: Message from "RNP0026735D8830"

Dear Judge Rowe,

Thanks for confirming. I will process this batch now after deleting the transcript of your notes.

Regards,

Jorge Ordonez

-----Original Message-----

**From:** ROWE Sarah  
**Sent:** Thursday, June 18, 2015 2:38 PM  
**To:** ORDONEZ Jorge  
**Cc:** ADAMS Aster  
**Subject:** RE: Message from "RNP0026735D8830"

Those are perfect. Please don't forget to delete my version that is at the bottom of the document. And FYI by 'base schedules' I meant day-ahead bilateral sales, or the non-EIM sales. Thank you!

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**From:** ORDONEZ Jorge  
**Sent:** Thursday, June 18, 2015 2:24 PM  
**To:** ROWE Sarah  
**Cc:** ADAMS Aster  
**Subject:** FW: Message from "RNP0026735D8830"

Judge Rowe,

Aster Adams suggested that I should directly contact you to coordinate the Company addressing your questions. I have prepared the attached batch of DRs. Please let me know if this batch address your questions.

Regards,

Jorge

Jorge Ordonez  
Senior Financial Economist  
Energy Resources and Planning  
Public Utility Commission of Oregon  
[jorge.ordonez@state.or.us](mailto:jorge.ordonez@state.or.us)  
Phone: 503-378-4629  
Fax: 503-373-7752

-----Original Message-----

From: ORDONEZ Jorge  
Sent: Thursday, June 18, 2015 7:31 AM  
To: ADAMS Aster  
Subject: RE: Message from "RNP0026735D8830"

Hi Aster,

I prepared the attached \*draft\* batch of DRs addressing Judge Rowe's scanned notes. Please share with her this batch. I hope it reflects the questions she has. I will be in Salem today and tomorrow if she needs to discuss with us.

Thanks!

Jorge

-----Original Message-----

From: ADAMS Aster  
Sent: Wednesday, June 17, 2015 4:21 PM  
To: ORDONEZ Jorge  
Subject: FW: Message from "RNP0026735D8830"

Jorge,

RE: PacifiCorp's TAM

Attached are questions from Judge Rowe that I would like you to work into a DR as soon as possible. Let's discuss.

Thanks.

Aster

-----Original Message-----

From: [PUC.Scanner@puc.state.or.us](mailto:PUC.Scanner@puc.state.or.us) [mailto:[PUC.Scanner@puc.state.or.us](mailto:PUC.Scanner@puc.state.or.us)]  
Sent: Wednesday, June 17, 2015 2:19 PM  
To: ADAMS Aster  
Subject: Message from "RNP0026735D8830"

This E-mail was sent from "RNP0026735D8830" (Aficio MP 6002).

Scan Date: 06.17.2015 14:18:40 (-0700)  
Queries to: [PUC.Scanner@puc.state.or.us](mailto:PUC.Scanner@puc.state.or.us)

June 18, 2015

DATA REQUEST RESPONSE CENTER  
PACIFICORP  
825 NE MULTNOMAH ST., SUITE 2000  
PORTLAND, OR 97232  
[datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

RE:	<u>Docket No.</u>	<u>Staff Request Nos.</u>	<u>Response Due By</u>
	UE 296	DR 47-50	July 2, 2015

Please provide responses to the following request for information. Contact the undersigned as early as possible, but no later than the response due date noted above if the request is unclear or if you need more time.

#### ENERGY IMBALANCE MARKET (EIM) BENEFITS

47. Regarding CAISO quarterly reports that represent the following:

*"This report does not consider PacifiCorp's **opportunity cost [emphasis added]** that the utility considered when deciding to use its transfer rights."<sup>1</sup>*

And

*"PacifiCorp used a large portion of its Interchange Rights Holder mechanism for EIM transfers between PACW and the ISO. This report does not consider PacifiCorp's **opportunity cost [emphasis added]** that the utility considered when using its transfer rights for the EIM."<sup>2</sup>*

Please respond the following questions:

- What is the Company's understanding of PacifiCorp's **opportunity cost** of its transmission rights in the California-Oregon border (COB) as referred in the above quotation?; and
- Provide a comprehensive explanation of the criteria by which the Company decides how to use its transmission rights in the COB for either EIM or any other non-EIM uses (e.g., forward purchases of electricity,

<sup>1</sup> See page 5 of 9 of CAISO's 2014 Q4 Report: Benefits for Participating in EIM (February 11, 2015)

<sup>2</sup> See page 5 of 9 of CAISO's 2015 Q1 Report: Benefits for Participating in EIM (April 30, 2015)

forward sales of electricity, sale of transmission rights without associated power, etc.);

48. Regarding PacifiCorp Exhibit PAC/100, Dickman/17, where the Company represented:

*"...the Company's EIM exports in December 2014 and January 2015 averaged 115 megawatts (MW) and had an estimated margin (transaction revenue minus generation expense) totaling approximately \$1.3 million. The transmission available to EIM averaged 278 MW. This works out to benefits of \$7.81 per megawatt-hour exported or \$3.22 per megawatt-hour of transmission available to EIM"*

Please:

- a. Explain whether or not the 278 MW of transmission available referred in the above quotation could have been sold to other parties (e.g., other utilities, merchant generators, power brokers, etc.); please explain the Company's response whether it is "yes" or "no";
- b. If the response to part "a" is "yes" how the sale of such transmission rights compares to the \$3.22 \$/MW EIM benefit referred in the above quotation.

#### WHOLESALE SALES

49. Regarding the wholesale sales in the previous TAMs (i.e., \$417,919,102 in the 2016 TAM,<sup>3</sup> \$ 458,515,946 in the 2015 TAM,<sup>4</sup> \$ 449,767,986 in the 2014<sup>5</sup> TAM, and 468,372,565 in the 2013 TAM<sup>6</sup>), please provide a comprehensive explanation why the level of wholesale sales in this current 2016 TAM (i.e., \$417,919,102) is lower than the wholesale sales in the other TAMs.

#### Judge Rowe's questions

<sup>3</sup> See Exhibit PAC/101, Dickman/1 at <http://edocs.puc.state.or.us/efdocs/HAA/ue296haa15059.pdf>

<sup>4</sup> See Exhibit PAC/101, Dickman/1 at <http://edocs.puc.state.or.us/efdocs/HAA/ue296haa15059.pdf>

<sup>5</sup> See Exhibit PAC/101, Dickman/1 at <http://edocs.puc.state.or.us/efdocs/UAA/ue287uaa8327.pdf>

<sup>6</sup> See Exhibit PAC/101 Duvall/1 at <http://edocs.puc.state.or.us/efdocs/UAA/ue264uaa143647.pdf>

- CAISO's quarterly reports include the disclaimer that the "report does not consider PacifiCorp's opportunity cost that the utility considered when using its transfer rights for the EIM" meaning they don't consider PacifiCorp's base schedules or selling the transfer rights.
- PacifiCorp's testimony says that the Company's forward transactions at COB also uses its transmission rights but does not specifically explain whether all economic forward sales are being made please explain how the Company commits to base schedules/forward sales.
- PacifiCorp's testimony says that the transmission available to EIM averages 278 MW or 3.22 \$/MW per transmission available to EIM. Please explain whether the 278 MW of transmission rights could be sold or not, and how this resale value would compare to the \$3.22 \$/MW EIM benefit.
- Wholesale sales have been slightly down for the last few TAMs. In the 2014 TAM, Duvall provided a good explanation of the market, but last year (i.e. 2015 TAM) and this year (2016 TAM), there was little explanation. Please fully explain why wholesale sales are down.

Comment [JD01]: What does Judge Rowe mean with "base schedules"?

Comment [JD02]: What does Judge Rowe mean with "base schedules" and "forward sales"?

Non-confidential responses should be sent via electronic mail to [puc.datarequests@state.or.us](mailto:puc.datarequests@state.or.us).

Confidential information should not be sent via electronic mail. Instead, please file an original and one copy, or a CD containing the confidential response if it is voluminous. Paper copies of confidential responses must be on Yellow Paper and clearly marked "Confidential." CDs must be clearly marked "Confidential."

Please send your confidential responses to the attention of Kay Barnes, PO Box 1088, Salem, OR 97308-1088 **and** send a redacted version via electronic mail to ([puc.datarequests@state.or.us](mailto:puc.datarequests@state.or.us)).

One complete copy of the confidential response needs to be filed to the attention of counsel for PUC Staff Michael Weirich, Department of Justice, 1162 Court St NE, Salem, OR 97301-4096; **and** electronically at ([michael.weirich@state.or.us](mailto:michael.weirich@state.or.us)).

/s/ Jorge Ordonez

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June 18, 2015  
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Senior Financial Economist  
Energy Resource & Planning  
(503) 378-4629  
E-mail: [Jorge.ordonez@state.or.us](mailto:Jorge.ordonez@state.or.us)

Staff Initiator per request of Administrative Law Judge Sarah Rowe:  
Jorge Ordonez     [jorge.ordonez@state.or.us](mailto:jorge.ordonez@state.or.us)     503-378-4629

cc: Service List: UE 296 Service List- electronic only

