

Public Utility Commission

201 High St SE Suite 100

Salem, OR 97301

Mailing Address: PO Box 1088

Salem, OR 97308-1088

Consumer Services

1-800-522-2404

Local: 503-378-6600

Administrative Services

503-373-7394

August 12, 2015

Via Electronic Filing

OREGON PUBLIC UTILITY COMMISSION ATTENTION: FILING CENTER PO BOX 1088 SALEM OR 97302-1088

RE: <u>Docket No. UE 296-</u> In the Matter of PACIFICORP, dba PACIFIC POWER, 2016 Transition Adjustment Mechanism.

Attached for errata filing are two pages that replace Staff- Cross Answering Redacted Testimony in UE 296 filed on August 3, 2015.

Dollar amount changes as follows:

Staff/200, Ordonez/2, line 9: "\$1.7 million" changed to "\$1.07 million"

Staff/200, Ordonez/10, line 11: "\$1.7 million" changed to "\$1.07 million"

/s/ Kay Barnes Utility Program (503) 378-5763

Email: kay.barnes@state.or.us

Docket UE 296 Staff/200 Ordonez/2

1 2

3 4

5 6

7 8 9

11 12

10

13 14

15

17

16

18 19

20

22

21

23

24

10) Modeling Avian Protection, and

11) Direct access.

Q. What are Staff's recommendations regarding the topics you have referenced above?

- 1. BAA Nexus Modeling: Staff proposes an increased system-wide value of Α. inter-regional benefits of \$12.60 million, which represents \$4.2 million in addition to the Company-proposed amount of \$8.4 million. The \$4.2 million is on a system-wide basis and it is \$1.07 million on an Oregon-allocated basis. The rationale for Staff's adjustment lies in the assumption that the increased "dynamic transfer capability" (DTC) between PacifiCorp's BAAs is needed to produce inter-regional exports to the CAISO.
 - 2. EIM Within-Hour Benefits: Staff withdraws its adjustment presented in its Opening Testimony. Staff learned through additional discovery that the new performance paradigm featuring a 30-minute balancing market, on which the Staff adjustment relied, is not yet in operation.
 - 3. Day-Ahead and Real-Time Modeling: Staff continues to recommend that the Commission not accept the Company-proposed change, which reduces the Company's Oregon-allocated NPC by approximately \$8 million, until Staff and other parties have had the opportunity to reasonably understand the mechanics of the Company-proposed modeling, as well as the opportunity to analyze GRID run variances and sensitivities to the Company-proposed change. However, Staff recommends that instead of addressing its issues through workshops before the next 2017 TAM, similar to the way in which

Docket UE 296 Staff/200 Ordonez/10

Therefore, Staff proposes an increased value of inter-regional benefits of \$12.6 million, which is \$4.2 million in addition to the Company-proposed amount of \$8.4 million.

- Q. Why is Staff proposing an upward adjustment of \$4.2 million instead of \$8.4 million?
- A. Staff is making a conservative assumption that only 50 percent of the increased DTC between PacifiCorp's BAAs will be used to produce exports to the CAISO, resulting in the \$12.6 Staff-proposed adjustment. The rationale for the 50 percent is based on Staff's judgment that the DTC between PacifiCorp's BAAs will not always result in transactions with the CAISO. The \$4.2 million of system-wide basis is expressed in an Oregon-allocated basis of \$1.07 million.

2. EIM Within-Hour Benefits

- Q. What was Staff's position in the Opening Testimony regarding this issue?
- A. In its Opening Testimony, Staff recommended "the inclusion of \$1.43 million of Oregon-allocated benefits of reduced reserves due to the fact that EIM allows the Company to schedule wind [and load] resources on a within-hour basis."
- Q. Has Staff changed its position regarding this issue?
- A. Yes. Staff has performed further discovery regarding this issue. In the Company's response to Staff DR 55, which is included as Exhibit Staff/201, Ordonez/7-11, the Company stated that the new performance paradigm featuring a 30-minute balancing market, on which the Staff adjustment relied, is

⁸ See Exhibit Staff100, Ordonez/3, lines 1-3.