

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1790

In the Matter of)	
)	
PACIFICORP, dba PACIFIC POWER,)	RENEWABLE ENERGY COALITION
)	AND COMMUNITY RENEWABLE
2017-2021 Renewable Portfolio Standard)	ENERGY ASSOCIATION COMMENTS
Implementation Plan)	
_____)	

I. INTRODUCTION

The Renewable Energy Coalition and the Community Renewable Energy Association (“Joint Parties”) submits these comments regarding PacifiCorp’s (or the “Company”) 2017-2021 Renewable Portfolio Standard (“RPS”) Implementation Plan (“RPIP”). The Joint Parties have reviewed the comments of Renewable Northwest that are being filed today, and agrees with the analysis and conclusions therein. Renewable Northwest’s comments establish that there are recent policy changes incentivizing accelerated RPS procurement, and long-term benefits of early procurement. The Joint Parties also agree with Renewable Northwest’s analysis of PacifiCorp’s incremental compliance cost calculations, and supports the acknowledgement of the cost calculations because they accurately reflect that the Company is not likely to approach 4% of its annual retail revenue requirement.

The Joint Parties, however, recommend that the Oregon Public Utility Commission (the “Commission” or “OPUC”) not acknowledge PacifiCorp’s resource procurement plans or address whether the RPIP accurately reflects the Company’s actual plans for acquiring new renewable resources. The RPIP does not incorporate the results

of PacifiCorp's April 2016 Renewable Request for Proposal ("RFP"), the Company's ongoing integrated resource planning ("IRP") analysis, the long-term benefits of early procurement, the significant policy changes related to SB 1547, and the Company's stated desire to continue to "test the market" and acquire renewables in the near future. In the end, the RPIP fails to reflect that PacifiCorp is likely to acquire new renewable resources in the near term.

The Commission has also recently opened an investigation into PacifiCorp's avoided cost rates, including the next date that the Company is actually planning on acquiring new renewable resources.¹ The outcome of this RPIP should not establish any precedent for setting the avoided costs given that this proceeding is not a contested case and the Joint Parties had no prior notice to be involved in this proceeding to set avoided cost rates. In fact, the Commission approved Staff's recommendation that the parties in PacifiCorp avoided cost case did not need to "litigate avoided cost price inputs in the RPIP process."² Therefore, the Commission should ensure that any resolution of the issues in this RPIP does not inadvertently limit or foreclose the opportunity to fully address next date of renewable deficiency in PacifiCorp's avoided cost rate case and undermine the Commission's responsibility to allow for diverse ownership of renewable resources.

¹ Re PacifiCorp, dba Pacific Power, Schedule 37 Avoided Cost Purchases from Eligible Qualifying Facilities, Docket No. UM 1729(1), Order No. 16-307 at 1 (Aug. 18, 2016) (the Commission stated that "an expedited contested case proceeding shall be opened to allow a more thorough vetting of the issues raised in this proceeding and possible revision to Schedule 37 avoided cost prices on a prospective basis").

² The Commission approved Staff's recommendations, with specific revisions not relevant here. Id. at 1 and Appendix A at 9.

II. COMMENTS

A. **The Commission Should Consider Changing the Current RPIP Process Because It Is Poorly Designed to Accurately Review a Utility's Actual RPS Compliance Strategy**

The RPIPs are expedited non-contested cases that are primarily designed to match the utilities' RPS compliance strategies with estimates and forecasts of electricity sales, RECs, renewable generating resources, and incremental compliance costs.³ RPIPs were not intended, nor is there the time and opportunity, to thoroughly vet and litigate whether a utility's claimed resource plans are accurate, especially when there are significant changes from the last acknowledged IRP like the passage of SB 1547, the issuance of an unplanned request for proposal, or unexpected major resource acquisition.

The Joint Parties are supportive of the Commission making the RPIP process, calculations and eventual acknowledgment more relevant and reflective of a utility's actual RPS compliance plans. However, if the Commission wants to use the RPIPs beyond their original intended purpose, then the Joint Parties recommend that the Commission open an investigation or rulemaking to establish the parameters and expectations of any such expanded RPIP analysis. The Commission should have broad input from all stakeholders and thoroughly consider how a more robust RPIP process impacts (or is impacted by) the IRP process, rate cases, Public Utility Regulatory Policies Act contracts, competitive bidding, and other major policies. Additional scrutiny and review of renewable resource acquisition planning is appropriate, but any expansion should occur after careful deliberations and not on an ad-hoc basis.

³ See OAR § 860-083-0400(2).

B. PacifiCorp’s RPIP Has Little Relationship to the Company’s Actual Resource Procurement Policies

PacifiCorp’s claimed renewable resource acquisition plans in its Oregon regulatory filings cannot be more markedly different from the Company’s public statements and actions. The regulatory planning process cannot be expected to be, and has never been, a perfect predictor of actual utility resource decisions; however, it is unlikely that the difference between utility plans and reality has ever been greater. This disconnect should give the Commission pause, because the credibility of the regulatory process is diminished when the Company’s IRPs and RPIPs show no short or long-term need for renewable resources yet are directly contradicted by PacifiCorp’s aggressive efforts to obtain new generation.

PacifiCorp’s RPIP assumes that the Company will meet its Oregon RPS targets during 2017-2021 with a combination of bundled RECs from existing Oregon-eligible renewable resources and renewables that are already under development.⁴ PacifiCorp’s RPIP is based upon its 2015 IRP and 2015 IRP Update, which simultaneously calls for a 2016 renewable request for proposal, and asserts that it does not need any significant new renewable resources.⁵

While the Company continues to claim that it does not “need” new renewables, PacifiCorp has informed both the Legislature and Commission that SB 1547 will result in

⁴ Re PacifiCorp, dba Pacific Power, 2017-2021 Renewable Portfolio Standard Implementation Plan, Docket No. UM 1790, PacifiCorp’s RPIP at 1-2 (July 15, 2016).

⁵ Id. at 2 (“The 2015 IRP does not add any significant new renewable resources, beyond new qualifying facility (QF) projects, through the twenty year planning horizon ending 2034.”); Re PacifiCorp, dba Pacific Power, Schedule 37 Avoided Cost Purchases from Eligible Qualifying Facilities, Docket No. UM 1729(1), Supplemental Application at 3 (June 21, 2016) (“The Company’s current renewable energy credit (REC) bank is sufficient through 2025”).

major new renewable resource acquisitions in the near term. PacifiCorp informed the Legislature that the Oregon renewable portfolio standard revisions “incentivize early action through its REC banking provision, which allows utilities and customers to benefit from recently extended federal tax credits. HB 4036 enables at least 225 MW of additional low-cost renewable procurement over the near-term.”⁶ Similarly, PacifiCorp informed the Commission at its January 29, 2016 hearing regarding the RPS revisions that the bill would provide PacifiCorp “an opportunity to procure over 600 MW of low-cost renewable resources over the near-term.” PacifiCorp then immediately proceeded with an RFP focused on obtaining utility owned generation resources. While PacifiCorp’s 2016 RFP did not result in new resources and is acquiring RECs, PacifiCorp has explicitly stated that it will issue additional Renewable RFPs in the near future and “pursue bi-lateral renewable resource opportunities if cost effective for customers”.⁷

An expedited RPIP is not the time or the proper forum to resolve PacifiCorp’s inconsistent positions that it does not need new renewable resources, but that it is in fact going to attempt to buy new renewables in and outside of RFPs over the next few years. In fact, the RPIP does not incorporate the results of the 2016 RFP, the recent IRP analysis regarding SB 1547, or the Company’s stated plans to acquire new renewables well before

⁶ Hearing Before the House Committee on Energy and Environment, 78th Oregon Legislative Assembly-2016 Regular Session, Scott Bolton presentation at 2 (Feb. 2, 2016). SB 1547 was originally HB 4036.

⁷ OPUC Special Public Meeting, PacifiCorp Presentation to the Commission regarding ongoing renewable and REC RFP process with the potential of an executive session at 3 (July 26, 2016); Re PacifiCorp, dba Pacific Power, 2015 IRP, Docket No. LC 62, 2015 IRP Update at 56 (“To fully evaluate Oregon RPS compliance alternatives that consider potential near-term, time-sensitive resource procurement opportunities, PacifiCorp intends to issue requests for proposals (RFPs) seeking both REC purchase and resource procurement alternatives.”).

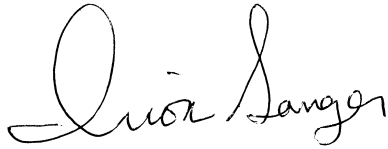
any planned “need.” Therefore, the Commission should refrain from acknowledging any aspect of PacifiCorp’s RPIP that could provide even tacit support for the idea that regulatory resource plans can diverge so radically from the utility’s actual resource procurement decisions and plans.

III. CONCLUSION

PacifiCorp’s RPIP demonstrates that the Company’s renewable resource acquisitions to date have been, and future resource additions are expected to be, low cost, and well under 4% of the Company’s annual retail revenue requirement. There have been major legal, planning and regulatory changes that are not fully incorporated in the RPIP. Therefore, any Commission decision in this proceeding should not acknowledge out dated and inaccurate renewable resource acquisition plans that fail to recognize that the Company has been and will continue to actively pursue owning renewable resources in the near term.

Dated this 9th day of September 2016.

Respectfully submitted,



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