

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 1794**

In the Matter of
PACIFICORP, dba PACIFIC POWER
Investigation into Schedule 37 – Avoided Cost
Purchases from Qualifying Facilities of 10,000
kW or Less.

STAFF RESPONSE TO MOTION TO SUSPEND
PROCEDURAL SCHEDULE

Staff of the Public Utility Commission of Oregon (Staff) files this response in favor of the motion to suspend the procedural schedule filed by the Community Renewable Energy Association (CREA) and the Renewable Energy Coalition (REC) on November 28, 2016. CREA and REC seek suspension of the procedural schedule in this docket pending the ruling of the Administrative Law Judge (ALJ) regarding their request to clarify the scope of this proceeding (filed on November 23, 2016) and their requests for Commission certification of two ALJ orders denying motions to compel certain discovery from PacifiCorp (filed on November 17, 2016 and November 30, 2016).

Staff agrees with CREA and REC that clarity on the scope of the issues presented in this docket is important, but as explained below, not necessarily present.¹

In Order No. 16-307, the Commission ordered “an expedited contested case proceeding shall be opened to allow a more thorough vetting of the issues raised in [UM 1729] and possible revision to Schedule 37 avoided cost prices on a prospective basis.”² The issues raised in Docket No. UM 1729 regarding PacifiCorp’s post-2015 IRP acknowledgment avoided cost filing include at least two issues that appear to be precluded under the ALJ’s orders denying the motions to compel filed by CREA and REC.

¹ Staff intends to file a response to the motion to clarify.

² Order No. 16-307.

1 The first apparently-precluded issue is one raised by CREA and REC that “PacifiCorp’s
2 resource sufficiency-deficiency demarcation for **new thermal resources** was inaccurate in its
3 2015 IRP, and is hopelessly out of date considering circumstances announced after the
4 Company’s 2015 IRP was acknowledged.”³ CREA and REC asserted that the 2028 resource
5 deficiency period start date is arbitrary and unreasonable because the Company “1) has not
6 conducted adequate analysis to determine if the wholesale market has sufficient depth to meet
7 PacifiCorp’s summer peak until PacifiCorp’s proposed resource sufficiency-deficiency
8 demarcation (2028, which is about 12 years); 2) recently announced major coal plant retirements
9 (the 337 MW Naughton 3 in 2018, and the 387 MW Cholla 4 in 2025); 3) possible need to
10 accelerate coal plant retirements because of the Clean Power Plan and SB 1547 requirement to
11 move coal costs from Oregon rates; and 4) possible need to replace coal plants with flexible gas
12 plants to integrate the increased need for renewable resources under SB 1547.”⁴

13 The second issue raised in UM 1729 but possibly precluded under the ALJ’s November
14 18, 2016 order denying discovery is also an issue by CREA and REC. This issue concerns the
15 reasonableness of the cost and performance data inputs for PacifiCorp’s renewable proxy
16 resource.⁵ Staff urged the Commission to reject the proposed inputs on the ground they were
17 based on information in PacifiCorp’s unacknowledged 2015 IRP Update rather than information
18 in PacifiCorp’s 2015 acknowledged IRP. However, CREA and REC questioned the
19 reasonableness of the inputs themselves, i.e., whether it is reasonable to assume a 35 percent
20 capacity factor for an Oregon wind farm without also assuming some avoided transmission costs,
21 etc. Given that these issues were raised in UM 1729, Staff assumed they could be litigated in the
22 further proceedings ordered by the Commission in Order No. 16-307.

23 _____
24 ³ Comments of the Community Renewable Energy Association and Renewable Energy Coalition
at 20 (July 1, 2016) (emphasis added).

25 ⁴ Comments of the Community Renewable Energy Association and Renewable Energy Coalition
20-21 (July 1, 2016).

26 ⁵ Comments of the Community Renewable Energy Association and Renewable Energy Coalition
12. (July 1, 2016).

1 It is not clear from the ALJ's November 2 and November 18, 2016 orders denying the
2 motions to compel discovery filed by CREA and REC that the issues described above will be
3 fully litigated in this proceeding. Accordingly, Staff agrees that suspension of the procedural
4 schedule is appropriate to allow the Commission opportunity to certify the ALJ's rulings and for
5 the ALJ to clarify the scope of this proceeding.

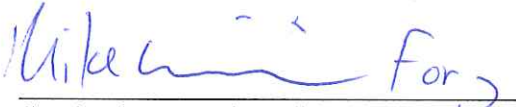
6 **CONCLUSION**

7 Staff recommends that the ALJ grant the request to suspend the procedural schedule.

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9 DATED this 1st day of December 2016.

10 Respectfully submitted,

11 ELLEN F. ROSENBLUM
12 Attorney General

13 

14 Stephanie S. Andrus, #92512
15 Senior Assistant Attorney General
16 Of Attorneys for Staff of the Public Utility
17 Commission of Oregon