



825 NE Multnomah, Suite 2000  
Portland, Oregon 97232

December 13, 2016

***VIA ELECTRONIC FILING***

Public Utility Commission of Oregon  
201 High Street SE, Suite 100  
Salem, OR 97301-3398

Attn: Filing Center

**RE: UM 1794—PacifiCorp's Response to Request for ALJ Certification by the  
Community Renewable Energy Association and Renewable Energy Coalition**

PacifiCorp d/b/a Pacific Power encloses for filing in the above-referenced docket its Response to Request for ALJ Certification by the Community Renewable Energy Association and Renewable Energy Coalition.

If you have questions about this filing, please contact Natasha Siores at (503) 813-6583.

Sincerely,

R. Bryce Dalley  
Vice President, Regulation

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1794

In the Matter of

PACIFICORP d/b/a PACIFIC POWER,

Investigation into Schedule 37 – Avoided  
Cost Purchases from Qualifying Facilities  
of 10,000 kW or Less.

RESPONSE TO REQUEST FOR ALJ  
CERTIFICATION

PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) respectfully requests that the Administrative Law Judge (ALJ) deny the Community Renewable Energy Coalition’s (CREA) and the Renewable Energy Coalition’s (REC) (collectively, the Joint QFs) Motion for Certification of the ALJ’s November 18, 2016 ruling (November 18 Ruling) denying REC’s request to compel PacifiCorp to rerun its 2015 integrated resource plan (IRP) and produce its IRP models contrary to its contractual obligations. If PacifiCorp is required to rerun its IRP in this avoided cost proceeding, parties could then force PacifiCorp to rerun its IRP in various proceedings outside the IRP—the Company’s IRP team, which supports the company’s IRP in six states, simply does not have the resources to accommodate such an expansive new workload.

In the November 18 Ruling, the ALJ correctly declined to order PacifiCorp to rerun its top performing portfolios from its 2015 IRP and IRP Update in this *expedited* avoided cost proceeding.<sup>1</sup> As the Company stated in its response to REC’s motion to compel, PacifiCorp would need to perform approximately 100 model runs to respond to REC’s request, which would take approximately one month if the IRP staff only worked on this response. The ALJ also correctly declined to require PacifiCorp to produce its IRP models, including its IRP System

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<sup>1</sup> *In the Matter of PacifiCorp, dba Pacific Power, Investigation into Schedule 37—Avoided Cost Purchases from Qualifying Facilities of 10,000 kW or Less*, Docket No. UM 1794, Ruling at 2 (Nov. 18, 2016).

Optimizer model (SO model) and the Planning and Risk model (PaR), when production of those models would be contrary to its contractual obligations.<sup>2</sup>

The ALJ properly denied REC's motion to compel for the following reasons:

- Updating only certain cherry-picked inputs to the 2015 IRP while leaving all other inputs stale from 2014 would not produce highly relevant information;
- Rerunning the 2015 in this avoided cost proceeding is unduly burdensome when it would take PacifiCorp about one month to run the approximately 100 model runs as requested by the Joint QFs, or alternatively, create an entirely new IRP;
- PacifiCorp would be prejudiced if it is required to rerun the 2015 IRP in this expedited avoided cost proceeding while simultaneously preparing the 2017 IRP and running the associated public input process;
- The Joint QFs are not prejudiced by the inability to rerun the IRP in this expedited avoided cost proceeding when the 2015 IRP was properly vetted and acknowledged by the Commission in the nearly two-year long process; and
- The Company should not be compelled to provide its proprietary IRP computer models when disclosure would be contrary to its contractual obligations.

PacifiCorp incorporates its response to REC's motion to compel by reference and will not restate all of the facts and arguments in this response.

## **I. STATEMENT OF FACTS**

### **A. The Scope of UM 1794**

In Order No. 16-307, the Commission opened this expedited contested case proceeding to: (1) allow PacifiCorp to propose updated avoided cost prices; and (2) allow stakeholders to vet PacifiCorp's proposal in light of the issues raised in UM 1729(1). This docket was not opened to recreate the 2015 IRP.

On October 14, 2016, the Company filed opening testimony in this proceeding. The Company's proposal includes cost and performance inputs from the 2015 IRP Update, filed on

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<sup>2</sup> *Id* at 3.

March 31, 2016, a 2028 sufficiency/deficiency date, and an updated forward price curve.<sup>3</sup> The Company has never argued that it should be precluded from proposing to use more up-to-date information after the 2015 IRP. Rather, the Company has consistently stated that the scope of this proceeding is limited to vet the Company's proposal in light of issues raised in UM 1729(1), which does not include rerunning the IRP in this avoided cost case.

The Commission has held that stakeholders may seek suspension of the Company's avoided cost prices for a review into whether the Company's filing complies with the Commission's *methodologies* for establishing avoided cost prices.<sup>4</sup> The Commission has clarified that this is not an opportunity to challenge or otherwise alter these methodologies; rather, the scope of the investigation is limited to a review of compliance with those methodologies.<sup>5</sup>

This expedited proceeding includes a target order date of April 14, 2017, to allow the Company to make its May 1 filing and return to the regularly scheduled avoided cost updates. PacifiCorp already agreed to a three-week extension for the Joint QFs to file response testimony.<sup>6</sup> Despite that compromise, the Joint QFs later sought and received suspension of the procedural schedule after failing to prevail on two discovery disputes.<sup>7</sup> Any attempts to resolve this proceeding expeditiously would be significantly compromised if PacifiCorp is required to

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<sup>3</sup> See e.g., PAC/100, Dickman/4.

<sup>4</sup> *In the Matter of Public Utility Commission of Oregon Investigation to Determine if Pacific Power's Rate Revision is Consistent with the Methodologies and Calculations Required by Order No. 05-584*, Docket No. UM 1442, Order No. 09-427 at 4 (Oct. 28, 2009).

<sup>5</sup> *Id.*

<sup>6</sup> *In the Matter of PacifiCorp, dba Pacific Power, Investigation into Schedule 37—Avoided Cost Purchases from Qualifying Facilities of 10,000 kW or Less*, Docket No. UM 1794, Community Renewable Energy Association and Renewable Energy Coalition Joint Motion for Extension of Time at 2 (Nov. 17, 2016).

<sup>7</sup> *In the Matter of PacifiCorp, dba Pacific Power, Investigation into Schedule 37—Avoided Cost Purchases from Qualifying Facilities of 10,000 kW or Less*, Docket No. UM 1794, Community Renewable Energy Association and Renewable Energy Coalition Joint Motion to Suspend Schedule (Nov. 28, 2016); *In the Matter of PacifiCorp, dba Pacific Power, Investigation into Schedule 37—Avoided Cost Purchases from Qualifying Facilities of 10,000 kW or Less*, Docket No. UM 1794, Ruling at 2 (Dec. 7, 2016).

perform nearly 100 model runs from the 2015 IRP. PacifiCorp would then be forced to perform additional model runs to rebut the Joint QFs' arguments, which would turn this avoided cost investigation into a battle of competing IRP models.

## **B. REC's Data Requests**

As the ALJ correctly noted in the November 18 Ruling, REC's data requests would not produce relevant information "because the data would consist of conflating information from two different time periods."<sup>8</sup> In these data requests, REC asked PacifiCorp to rerun all of its top performing scenarios from its 2015 IRP to update Table 8.1 (REC Data Requests 1.2 and 1.3). REC asked PacifiCorp to update only a limited number of assumptions and proposes to leave all others outdated (from 2014), including outdated load and market price information and outdated environmental policy assumptions that rely on the U.S. Environmental Protection Agency's (EPA) draft Clean Power Plan rule.

The ALJ also denied REC's attempt to require PacifiCorp to produce the proprietary IRP System Optimizer and PaR models (REC Data Request 1.4) because disclosure would be contrary to the Company's contractual obligations.<sup>9</sup>

## **C. The Company's 2015 IRP Process**

Although REC participated in the Company's 2015 IRP, the Joint QFs claim they were unable to "actually vet" the Company's 2015 IRP<sup>10</sup> and are prejudiced by the inability compel PacifiCorp to perform nearly 100 model runs. The Company's 2015 IRP was properly vetted

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<sup>8</sup> November 18 Ruling at 2.

<sup>9</sup> *Id.* at 3.

<sup>10</sup> *In the Matter of PacifiCorp, dba Pacific Power, Investigation into Schedule 37—Avoided Cost Purchases from Qualifying Facilities of 10,000 kW or Less*, Docket No. UM 1794, Renewable Energy Coalition Motion to Compel at 9 (Oct. 31, 2016); *In the Matter of PacifiCorp, dba Pacific Power, Investigation into Schedule 37—Avoided Cost Purchases from Qualifying Facilities of 10,000 kW or Less*, Docket No. UM 1794, Community Renewable Energy Association and Renewable Energy Coalition Joint Motion for Certification at 8 (Nov. 30, 2016).

and included a comprehensive public input process with numerous public input meetings and the opportunity to file multiple sets of comments for the Commission’s consideration.<sup>11</sup>

REC participated in the Commission’s 2015 IRP proceeding—REC intervened and filed two sets of comments.<sup>12</sup> REC did not issue any discovery requests in the IRP proceeding, although PacifiCorp responded to 178 data requests from other Oregon parties. The Commission considered the 2015 IRP at a special public meeting on December 17, 2015, and issued its acknowledgment order on February 29, 2016.<sup>13</sup>

## II. LEGAL STANDARD

Under the Oregon Rules of Civil Procedure (ORCP), “parties may inquire regarding any matter, not privileged, which is relevant to the claim or defense of the party seeking discovery or to the claim or defense of any other party.”<sup>14</sup> Relevant evidence is evidence that tends to make the existence of any fact at issue in the proceeding more or less probable than it would be without the evidence; and be of the type commonly relied upon by reasonably prudent persons in the conduct of their serious affairs.<sup>15</sup> The Oregon courts and the Commission have affirmed that the information sought in discovery must be reasonably calculated to lead to the discovery of admissible evidence.<sup>16</sup>

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<sup>11</sup> The public input process for the 2015 IRP began in June 2014 and included five state meetings, seven public input meetings, and two technical workshops with parties. PacifiCorp and intervenors each had the opportunity to file two sets of comments with the Commission. The Commission considered the 2015 IRP and staff’s recommendation at the December 17, 2015 special public meeting.

<sup>12</sup> REC filed opening comments on August 27, 2015, and final comments on October 15, 2015.

<sup>13</sup> *In the Matter of PacifiCorp, dba Pacific Power, 2015 Integrated Resource Plan*, Docket No. LC 62, Order No. 16-071 (Feb. 29, 2016).

<sup>14</sup> ORCP 36 B(1). The Oregon Rules of Civil Procedure apply in Commission contested case and declaratory ruling proceedings unless inconsistent with Commission rules, a Commission order, or an Administrative Law Judge ruling. *See* OAR 860-001-0000(1).

<sup>15</sup> OAR 860-001-0450.

<sup>16</sup> *See Baker v. English*, 324 Or. 585, 588 n.3 (1997); *In re Portland Extended Area Service Region*, Docket No. UM 261, Order No. 91-958 at 5 (Jul. 31, 1991).

Under OAR 860-001-0500(4), “a party will *not* be required to develop information or prepare a study for another party unless the capability to prepare the study is *possessed uniquely* by the party from whom discovery is sought, the discovery request is *not unduly burdensome*, and the information sought has a *high degree of relevance* to the issues in the proceeding” (emphasis added).

### III. ARGUMENT

The ALJ properly denied REC’s motion to compel when REC failed to satisfy the requirements of OAR 860-001-0500(4) for the following reasons: (1) REC’s request to only update certain assumptions while leaving all other assumptions stale and based on 2014 data would not produce highly relevant information; (2) re-running these models would be unduly burdensome because it would take PacifiCorp’s IRP staff about one month dedicated solely to responding to these requests, which would impede the Company’s development of the 2017 IRP; and (3) PacifiCorp does not possess the unique capability to prepare this study—the Joint QFs may contract with the vendor and run these models as other intervenors have chosen to do.

#### A. **The ALJ Properly Ruled that REC’s Request to Update Only Certain Cherry-Picked Updates from the 2015 IRP Would Not Produce Relevant Information.**

##### 1. **The ALJ Did Not Create a “New Consistent Set of Data and Methodology Standard.”**

Contrary to the Joint QFs’ assertions, the ALJ’s November 18 Ruling did not create a “new consistent set of data and methodology standard.”<sup>17</sup> The ALJ properly acknowledged that the requested information would be the result of mismatching inputs to create new IRP model runs that are simply not relevant.<sup>18</sup> The select updates requested by REC include capping all front office transactions at 13 percent of all energy from new resources, the impacts of Senate

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<sup>17</sup> Community Renewable Energy Association and Renewable Energy Coalition Joint Request for Certification at 3.

<sup>18</sup> November 18 Ruling at 2.

Bill 1547, and the retirements of Naughton 3 and Cholla 4 for all of the top performing portfolios from the 2015 IRP (REC Data Requests 1.2 and 1.3).

Performing nearly 100 model runs associated with PacifiCorp's top performing portfolios from its 2015 IRP with only a few select updates while leaving other stale assumptions would not produce highly relevant information in this proceeding. In the November 18 Ruling, the ALJ accurately summarized PacifiCorp's position by stating that "although [REC] claims it wants only narrow and limited runs, in PacifiCorp's view, such runs would suffer the infirmities of combining current and stale data and assumptions."<sup>19</sup> Alternatively, updating all assumptions, including those requested by REC, would require *an entirely new IRP*, which takes about one year and is simply not possible in this avoided cost proceeding.

The IRP contains numerous planning assumptions that influence the timing, type, and location of future resources in the IRP.<sup>20</sup> These include changes to existing resource availability and capacity ratings, generator operating costs, load forecasts, environmental policies, and capacity contribution values, among others. The ALJ accurately summarized PacifiCorp's position in the November 18 Ruling by stating that "PacifiCorp argues that there is an inherent mismatching of outdated and updated assumptions, by their very nature, reduce the relevancy to the process."<sup>21</sup>

## **2. The Joint QFs Create a False Comparison to Updated Cost and Performance Supported by Publicly Available Studies.**

The Joint QFs seem to state that performing limited IRP runs would necessarily produce relevant information in part because "information from different times [sic] periods must be

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<sup>19</sup> *Id.*

<sup>20</sup> The Company included an example of the impact of the Clean Power Plan regulations in its response to REC's motion to compel.

<sup>21</sup> November 18 Ruling at 2.



conflated.”<sup>22</sup> The Joint QFs state that “the current avoided cost are a conflation of information from numerous time periods.”<sup>23</sup> The Joint QFs are creating a false comparison. In opening testimony, the Company proposed to use updated cost and performance inputs from the 2015 IRP Update, which is supported by publicly available studies<sup>24</sup> that the Joint QFs are free to vet.

Updating certain inputs to the avoided cost calculation is distinct from creating new model runs combining mismatched updated and outdated information. The updates to renewable resource cost and performance proposed by the Company are similar to the updates to other avoided cost inputs allowed each May 1, e.g. updated natural gas prices, on- and off-peak forward-looking electricity market prices, changes to the status of the Production Tax Credit, and any other action or change in an acknowledged IRP update relevant to the calculation of avoided costs.<sup>25</sup> These inputs are readily available, supported by publicly available information, and do not rely on incremental IRP model runs.

**B. Rerunning the 2015 IRP in this Avoided Cost Proceeding is Unduly Burdensome When it Would take PacifiCorp About One Month to Run the Approximately 100 Model Runs Requested.**

The Joint QFs misstate the legal standard for requiring a special study by stating that the requested model runs “are not unduly burdensome because PacifiCorp has special expertise in running its own computer models.”<sup>26</sup> Under OAR 860-001-0500(4), the request to develop information or prepare a study for another party cannot be unreasonably burdensome. Here, REC asks the Company to perform approximately 100 model runs which would take about one month to complete in the context of an expedited avoided cost investigation.

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<sup>22</sup> Community Renewable Energy Association and Renewable Energy Coalition Joint Motion for Certification at 8.

<sup>23</sup> *Id.*

<sup>24</sup> See PAC/100, Dickman/12-13.

<sup>25</sup> *In the Matter of Public Utility Commission of Oregon, Investigation Into Qualifying Facility Contracting and Pricing*, Docket No. UM 1610, Order No. 14-058 (Feb. 24, 2014).

<sup>26</sup> Community Renewable Energy Association and Renewable Energy Coalition Joint Motion for Certification at 9.

Without providing any support for their claim, the Joint QFs imply that PacifiCorp exaggerates the burden associated with rerunning its 2015 IRP in the context of an expedited proceeding.<sup>27</sup> As the Company stated in its response to REC’s motion to compel, PacifiCorp’s IRP staff reviewed these requests and estimated that its response would require the Company to complete 52 System Optimizer runs and 42 PaR runs, which would take about one month to complete if the team did nothing but respond to this request. Responding to REC’s request would severely impede PacifiCorp’s ability to complete its six-state 2017 IRP on time.

Furthermore, responding to REC’s request with any meaningful information would turn this proceeding into another IRP, which is even more unreasonable because PacifiCorp is in the middle of preparing its 2017 IRP for filing on or around March 31, 2017. In order to produce any relevant information, PacifiCorp would be required to update all inputs and assumptions and create an entirely new IRP. There is a reason it takes the Company nearly a year to prepare its biennial IRP—these model runs are complex and time-consuming to complete and should not be done in an expedited proceeding.

The Joint QFs state that the Company’s “willingness to run the model in the IRP, but not now, demonstrates the Company’s priorities.”<sup>28</sup> Running the 2015 IRP *in the IRP proceeding* and then preparing the 2017 IRP for filing does not just represent the Company’s priorities—this sequence complies with Commission policies. The Joint QFs now attempt to blame the Company for adhering to the standard process of running the IRP in the two-year long IRP process.

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<sup>27</sup> *Id.*

<sup>28</sup> *Id.* at 10.

**C. PacifiCorp Would be Prejudiced if it is Required to Rerun the 2015 IRP in this Expedited Avoided Cost Proceeding While Simultaneously Preparing the 2017 IRP.**

**1. Compelling PacifiCorp to Rerun the 2015 IRP in this Proceeding Could Open the Door to Requiring PacifiCorp to Perform Expansive Model Runs in Any Commission Proceeding.**

Requiring PacifiCorp to rerun its IRP outside the IRP proceeding in this avoided cost proceeding would create a very concerning precedent to allow parties to rerun the IRP in any proceeding. PacifiCorp does not have the resources to support this new workload. PacifiCorp has a small IRP team dedicated to preparing the biennial IRP for filing in its six states. Before those filings, the IRP team conducts an extensive and time consuming public input process. The Company simply does not have the resources to begin rerunning the IRP in regulatory proceedings outside the IRP proceeding and PacifiCorp is concerned with this potentially significant strain on its limited resources.

**2. PacifiCorp Would Be Prejudiced if this Avoided Cost Proceeding Becomes a Battle of IRP Models when the Company is Currently Preparing its 2017 IRP for Filing with Six State Commissions.**

In the November 18 Ruling, the ALJ correctly summarized PacifiCorp’s position and stated that performing approximately 100 model runs to recreate the IRP in this expedited proceeding is inappropriate and “would take at least one month and interfere with the preparation of the Company’s 2017 IRP.”<sup>29</sup> Moreover, PacifiCorp would be forced to rebut the Joint QFs’ arguments through its own updated IRP model runs, and this proceeding would be transformed into a drawn-out battle of competing IRP models. PacifiCorp lacks the resources to conduct these model runs in this expedited avoided cost proceeding without compromising its ability to deliver its 2017 IRP on time.

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<sup>29</sup> November 18 Ruling at 2.

In PacifiCorp's response to REC's motion to compel, PacifiCorp discussed the timing of the 2017 IRP and parties' opportunities for engagement in that process. PacifiCorp incorporates those arguments by reference and will not restate them here.

**D. The Joint QFs are Not Prejudiced by the Inability to Rerun the IRP in this Expedited Avoided Cost Proceeding.**

**1. The Joint QFs Incorrectly Claim that the 2015 IRP Was Never Vetted.**

The Joint QFs claim to be prejudiced by their inability to compel PacifiCorp to perform additional IRP model runs "actually vet" the Company's filing.<sup>30</sup> In REC's motion to compel, it asserted that the Company's 2015 IRP was never vetted, either by the Commission or parties.<sup>31</sup> REC claimed that the assumptions used in the Company's 2015 IRP were inaccurate when the Company's IRP was filed.<sup>32</sup>

REC now seeks to re-argue certain changes to the Company's 2015 IRP when it already made similar arguments in the comments filed in that proceeding. In the Joint QFs' request for certification, they cite to their arguments made in the Company's IRP regarding carbon-limiting regulations, coal plant closures, and front office transactions (FOTs).<sup>33</sup> Despite the fact that the REC already made these arguments for the Commission's consideration in the IRP proceeding, REC asked PacifiCorp to update Table 8.1 from the Company's 2015 IRP capping the amount of FOTs at 13 percent of all energy from new resources (REC Data Request 1.3). In its comments in the 2015 IRP, REC argued that the "Commission should not acknowledge the Company's proposed date for when its next thermal resource acquisition would be acquired (2028) because it

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<sup>30</sup> Community Renewable Energy Association and Renewable Energy Coalition Joint Motion for Certification at 8; Renewable Energy Coalition Motion to Compel at 9.

<sup>31</sup> Renewable Energy Coalition Motion to Compel at 9.

<sup>32</sup> *Id* at 2.

<sup>33</sup> Community Renewable Energy Association and Renewable Energy Coalition Joint Request for Certification at 11; *In the Matter of PacifiCorp, dba Pacific Power, 2015 Integrated Resource Plan*, Docket No. LC 62, Renewable Energy Coalition's Final Comments at 4-5 (Oct. 15, 2015).

is outside the action plan period and is poorly supported.”<sup>34</sup> REC cited concerns regarding wholesale power prices and wholesale power availability.<sup>35</sup>

The Commission considered these concerns regarding the Company’s reliance on FOTs when it acknowledged Action Item 2(b) in the 2015 IRP.<sup>36</sup> The Commission noted that “staff generally supports this action item and believes it is normal business practice”<sup>37</sup> and also noted that staff and REC “raise concerns about the company’s reliance on FOTs over the long run[,]” and the Commission urged the Company to address concerns about reliance on front office transactions in its market risk analysis.<sup>38</sup> Despite the record demonstrating that the Commission considered REC’s concerns in the 2015 IRP, the Joint QFs claim that PacifiCorp “will have effectively prevented the Joint QF Parties from making their case in the IRP.”<sup>39</sup>

## **2. The Joint QFs Can Reasonably Vet the Company’s Proposed Avoided Cost Prices.**

The Joint QFs can reasonably vet the Company’s avoided cost prices without expanding the scope of this proceeding. The ALJ’s November 18 Ruling does not eliminate the Joint QFs’ ability to challenge the reasonableness of the Company’s proposed avoided cost prices. The 2015 IRP includes a broad range of studies that can be used to assess how the timing of future resources are affected by different planning assumptions, including assumptions related to the availability of front office transactions, environmental policies, and load growth. The Company summarizes how these uncertainties might influence its near-term and long-term resource acquisition activities in Table 9.3 of the 2015 IRP.

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<sup>34</sup> Renewable Energy Coalition’s Final Comments at 1.

<sup>35</sup> *Id.*

<sup>36</sup> Order No. 16-071 at 4-5.

<sup>37</sup> *Id.* at 4.

<sup>38</sup> *Id.* at 4-5.

<sup>39</sup> Community Renewable Energy Association and Renewable Energy Coalition Joint Request for Certification at 12.

**E. The Company Should Not Be Compelled to Produce its Proprietary IRP Computer Models.**

In the November 18 Ruling, the ALJ accurately concluded that REC’s “comparison to the Commission’s requirements with respect to the GRID model is inapposite; [REC] should seek changes in Commission policy with respect to making avoided cost calculation models generally available to QFs, rather than seeking to compel that action in a limited proceeding and in violation of existing contractual agreements.”<sup>40</sup>

In response to the ALJ’s statements that the Joint QFs should have raised the issue of model access in a previous generic proceeding, the Joint QFs claim that they “never imagined that they would not be provided meaningful access to computer models used to set rates, and could not have raised this issue in a previous generic proceeding.”<sup>41</sup> The Joint QFs also note that the “widespread implication of this precedent”<sup>42</sup> warrants Commission certification.

PacifiCorp does not provide unfettered access of its IRP modeling software to intervenors, and REC even acknowledged that it is “aware of other parties who have separately purchased model licenses.”<sup>43</sup> It is therefore unclear why the Joint QFs are surprised by this limitation. As PacifiCorp noted in its response to REC’s motion to compel, PacifiCorp understands that limiting the disclosure of these models is not unique to PacifiCorp or its vendor and is a standard limitation placed by vendors to protect their proprietary models.<sup>44</sup>

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<sup>40</sup> November 18 Ruling at 3.

<sup>41</sup> Community Renewable Energy Association and Renewable Energy Coalition Joint Motion for Certification at 11.

<sup>42</sup> *Id.* at 2.

<sup>43</sup> Renewable Energy Coalition Motion to Compel at 14.

<sup>44</sup> While PacifiCorp is not familiar with each utility’s contract with its vendor for IRP modeling software, Avista Utilities recently filed comments with the Washington Utilities and Transportation Commission highlighting the inability to provide unfettered access to proprietary software used to run the IRP. Avista Utilities’ comments noted “in order for Commission Staff and other stakeholders to independently access Company modeling software and to test assumptions would be for them to purchase their own software licenses.” *WUTC Rulemaking for Integrated Resource Planning, WAC 480-100-238, WAC 480-90-238, and WAC 480-107*, Docket UE-161024, Comments of Avista Utilities at 11 (Nov. 2, 2016).

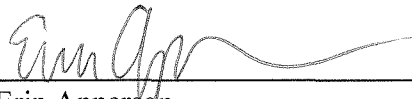
By way of background, PacifiCorp uses the System Optimizer and PaR models for its IRP, and these proprietary models are subject to restrictions by the vendor. There are a limited number of planning tools that PacifiCorp could use to optimize its six-state system, and PacifiCorp contracts with an external vendor for its proprietary modeling software. The System Optimizer and PaR models contain unique algorithms, methods, techniques and modeling processes. As discussed in PacifiCorp's response to REC's motion to compel, the Company's contract with the vendor limits its ability to share the modeling software with third parties due to the proprietary nature of this software.

#### **IV. CONCLUSION**

PacifiCorp respectfully requests that the ALJ deny the Joint QFs' motion for certification of the ALJ's November 18 Ruling. The ALJ properly declined to compel PacifiCorp to run approximately 100 IRP models with mismatched updated and outdated inputs in this avoided cost proceeding and declined to require PacifiCorp to hand over its proprietary IRP modeling software, which would be contrary to its contractual obligations.

PacifiCorp would be prejudiced if it is required to rerun its IRP in this avoided cost proceeding, which would turn this into a protracted modeling battle when PacifiCorp is currently dedicated to completing its 2017 IRP for filing in March 2017. Importantly, if PacifiCorp is required to create a new IRP in this proceeding, a new precedent could be set that would allow parties to force PacifiCorp to rerun its IRP in any proceeding outside the IRP, which would be unduly burdensome.

Respectfully submitted this 13<sup>th</sup> day of December, 2016.

By:   
Erin Apperson  
Legal Counsel  
PacifiCorp d/b/a Pacific Power