

September 8, 2020

VIA ELECTRONIC FILING

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

**RE: UM 1797(4)—Application for Reauthorization of Deferred Accounting for a
Balancing Account Related to the Purchase of Renewable Energy Certificates**

PacifiCorp d/b/a Pacific Power encloses for filing in the above-referenced docket its Application for Reauthorization of Deferred Accounting.

If you have any questions, please contact Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

Sincerely,



Etta Lockey
Vice President, Regulation

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1797(4)

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Reauthorization of Deferred
Accounting for a Balancing Account Related to
the Purchase of Renewable Energy Certificates.

**APPLICATION FOR
REAUTHORIZATION OF
DEFERRED ACCOUNTING**

I. INTRODUCTION

In accordance with Oregon Revised Statutes (ORS) 757.259(2)(e) and Oregon Administrative Rules (OAR) 860-027-0300, PacifiCorp d/b/a Pacific Power applies to the Public Utility Commission of Oregon (Commission) for an order reauthorizing deferred accounting for the balancing account used to record the costs related to contracts to purchase renewable energy certificates (RECs), the actual collections through PacifiCorp's Schedule 203, and associated interest. PacifiCorp respectfully requests to continue the use of deferred accounting for this balancing account for the 12-month period beginning September 9, 2020.

II. NOTICE

Communications regarding this application should be addressed to:

Oregon Dockets
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
Email: oregondockets@pacificorp.com

Matthew D. McVee
Chief Regulatory Counsel
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
Email: matthew.mcvee@pacificorp.com

In addition, PacifiCorp requests that all data requests regarding this application be sent to the following:

By email (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232

Informal questions may be directed to Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

III. BACKGROUND

On September 9, 2016, PacifiCorp filed tariff advice 16-011, docketed as UE 313, to request approval to recover the costs associated with the purchase of RECs through the Renewable Resource Deferral Supply Service Adjustment, Schedule 203. After review, Commission staff found PacifiCorp's purchase of RECs were prudently incurred.¹ The Commission approved PacifiCorp's filing to recover the costs associated with the REC purchases, which included the use of a balancing account to track over- and under-collections. Schedule 203 became effective on January 25, 2017.

On September 9, 2016, PacifiCorp also filed an application for deferred accounting for the balancing account related to the REC purchases. The Commission approved the deferral application on December 20, 2016, in Order No. 16-486², to defer costs related to the purchase of RECs for the 12 months beginning September 9, 2016. The Commission

¹ *In the Matter of PacifiCorp d/b/a Pacific Power's Update to Schedule 203, Renewable Resource Deferral Supply Service Adjustment*, Docket No. UE 313, Order No. 17-019 at 6 (Jan. 24, 2017).

² *In the Matter of PacifiCorp d/b/a Pacific Power Application for Reauthorization of Deferred Accounting for a Balancing Account Related to the Purchase of Renewable Energy Certificates*, Docket No. UM 1797, Order No. 16-486 (Dec. 20, 2016).

approved PacifiCorp's requests for reauthorization of the deferred accounting on November 7, 2017³, October 23, 2018,⁴ and on October 10, 2019.⁵

PacifiCorp respectfully requests reauthorization of deferred accounting for the balancing account related to the company's REC purchases for the 12-month period beginning September 9, 2020.

IV. DEFERRAL OF COSTS

PacifiCorp respectfully requests reauthorization under ORS 757.259(2)(e) to continue the use of a balancing account to record the costs and Schedule 203 collections related to the company's REC purchases, along with related interest consistent with the treatment of interest rates during accrual and amortization described in Order No. 08-263 as modified by Order No. 10-279.

As required by OAR 860-027-0300(3) and (4), PacifiCorp provides the following:

A. Description of Utility Expense

PacifiCorp proposes to continue to maintain a balancing account to record the costs related to the purchase of RECs, the amortization of collections through Schedule 203 and related interest. The continued use of a balancing account will ensure that Schedule 203 will not under- or over-collect amounts related to the purchase of RECs.

³ *In the Matter of PacifiCorp d/b/a Pacific Power Application for Reauthorization of Deferred Accounting for a Balancing Account Related to the Purchase of Renewable Energy Certificates*, Docket No. UM 1797(1), Order No. 17-449 (Nov. 8, 2017).

⁴ *In the Matter of PacifiCorp d/b/a Pacific Power Application for Reauthorization of Deferred Accounting for a Balancing Account Related to the Purchase of Renewable Energy Certificates*, Docket No. UM 1797(2), Order No. 18-411 (Oct. 23, 2018).

⁵ *In the Matter of PacifiCorp d/b/a Pacific Power Application for Reauthorization of Deferred Accounting for a Balancing Account Related to the Purchase of Renewable Energy Certificates*, Docket No. UM 1797(3), Order No. 19-337 (Oct. 10, 2019).

B. Reasons for Deferral

ORS 757.259(2)(e) allows the deferral of identifiable utility expenses in order to minimize the frequency of rate changes or the fluctuation of rate levels or to match appropriately the costs borne and received by customers. In this application PacifiCorp seeks reauthorization to use a balancing account to match the costs borne and benefits received by customers.

C. Proposed Accounting

If this application is approved, PacifiCorp will record deferred REC purchase cost amounts by crediting REC purchases in FERC Account 555, Purchased power, and debiting the REC balancing account, in FERC Account 182.3, Other regulatory assets. The deferral balance will be reduced monthly by the amount collected under proposed Schedule 203, Renewable Resource Deferral Supply Service Adjustment. A carrying charge calculated at the current Modified Blended Treasury (MBT) rate will be recorded each month on the deferral balance. If this application is denied, the cost of REC purchases will remain in Purchased power, FERC Account 555.

D. Estimate of Amounts

In Order No. 17-019, the Commission approved PacifiCorp's Advice 16-011 to recover the costs associated with REC purchases through Schedule 203, Renewable Resource Deferral Supply Service Adjustment. The rates currently reflected in Schedule 203 were designed to collect \$662,000, and became effective on January 25, 2017. As mentioned above, deferred REC purchase cost amounts are recorded in the balancing account and are offset monthly by the amount collected under Schedule 203. Thus, the difference between REC purchase costs and Schedule 203 collections will be reflected in the proposed balancing

account along with interest calculated at the MBT. Generally, it is expected that the balancing account will zero out over time.

E. Notice

A copy of the Notice of Application is included as Exhibit A. This notice will be served to the service list in docket UM 1797.

F. Description and Explanation of Entries in the Deferred Account to Date

Exhibit B provides the current history of the PacifiCorp's REC balancing account that includes actual activity through August 2020.

G. Reasons for Continuation of Deferred Accounting

Reauthorization of deferred accounting for the REC balancing account will allow PacifiCorp to continue to match the costs borne and benefits received by customers.

V. CONCLUSION

PacifiCorp respectfully requests that, in accordance with ORS 757.259(2)(e), the Commission approve the PacifiCorp's request for reauthorization of deferred accounting for the REC balancing account.

Respectfully submitted this 8th day of September, 2020.

By:



Matthew D. McVee
Chief Regulatory Counsel
PacifiCorp d/b/a Pacific Power

EXHIBIT A

NOTICE

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1797(4)

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Reauthorization of Deferred
Accounting for a Balancing Account Related to
the Purchase of Renewable Energy Certificates.

**APPLICATION FOR
REAUTHORIZATION OF
DEFERRED ACCOUNTING**

On September 8, 2020, PacifiCorp d/b/a Pacific Power (PacifiCorp) filed an Application with the Public Utility Commission of Oregon (Commission) for an order reauthorizing deferred accounting relating to PacifiCorp's renewable energy certificate balancing account. Approval of PacifiCorp's Application will not authorize a change in rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding. Persons who wish to obtain a copy of PacifiCorp's filing should contact the following:

PacifiCorp Oregon Dockets
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232
Telephone: (503) 813-5934
Email: oregondockets@pacificorp.com

Any person who wishes to submit written comments to the Commission must do so within 25 days of the date of PacifiCorp's application.

DATED: September 8, 2020.



Matthew McVee
Chief Regulatory Counsel

CERTIFICATE OF SERVICE

I certify that I served a true and correct copy of PacifiCorp's **NOTICE OF APPLICATION FOR REAUTHORIZATION OF DEFERRED ACCOUNTING** on the parties listed below via electronic mail delivery in compliance with OAR 860-001-0180.

Service List UM 1797

JOHN FOX
PUBLIC UTILITY COMMISSION OF OREGON
PO BOX 1088
SALEM, OR 97308-1088
john.fox@state.or.us

SABRINNA SOLDAVINI
PUBLIC UTILITY COMMISSION OF OREGON
201 HIGH ST SE
SUITE 100
SALEM OR 97301
[sabrinna.soldavini@state.or.us](mailto:sabrina.soldavini@state.or.us)

JOHANNA RIEMENSCHNEIDER
PUC STAFF - DEPARTMENT OF JUSTICE
BUSINESS ACTIVITIES SECTION
1162 COURT ST NE
SALEM, OR 97301-4796
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PORTLAND OR 97232
matthew.mcvee@pacificorp.com

Dated September 8, 2020.

A handwritten signature in cursive script that reads "Katie Savarin". The signature is written in black ink and is positioned above a horizontal line.

Katie Savarin
Coordinator, Regulatory Operations

EXHIBIT B

ENTRIES IN DEFERRED BALANCING ACCOUNT TO DATE

OR RPS Compliance							
Account # 187886							
12 month amortization period beginning February 1, 2014							
Interest = 1.77% effective January 1, 2014 - December 31, 2014							
Interest = 1.93% effective January 1, 2015 - December 31, 2015							
Interest = 2.38% effective January 1, 2017 - December 31, 2017							
							1.93%
							1.77%
		UM 1646	Estimated	Reversed	Actual		
Acctg Pd	Begin Bal	Additions	Amortization	Amortization	Amortization	Interest	End Bal.
Dec-18	162,026.79	3,952.88	0.00	0.00	(51,020.85)	140.19	115,099.01
Jan-19	115,099.01	118,182.68	0.00	0.00	(65,250.24)	175.05	168,206.50
Feb-19	168,206.50	8,171.09	0.00	0.00	(59,872.16)	201.21	116,706.64
Mar-19	116,706.64	9,359.84	0.00	0.00	(59,082.27)	83.65	67,067.86
Apr-19	67,067.86	76,446.19	0.00	0.00	(59,525.51)	55.87	84,044.41
May-19	84,044.41	10,785.89	0.00	0.00	(51,014.01)	36.04	43,852.33
Jun-19	43,852.33	16,066.25	0.00	0.00	(46,827.73)	(60.92)	13,029.93
Jul-19	13,029.93	77,472.99	0.00	0.00	(49,541.93)	(57.24)	40,903.75
Aug-19	40,903.75	14,440.06	0.00	0.00	(52,784.50)	(59.46)	2,499.85
Sep-19	2,499.85	11,511.88	0.00	0.00	(57,103.17)	(168.55)	(43,259.99)
Oct-19	(43,259.99)	167,476.55	0.00	0.00	(54,852.59)	(102.99)	69,260.98
Nov-19	69,260.98	5,999.90	0.00	0.00	(48,908.72)	(29.19)	26,322.97
Dec-19	26,322.97	4,656.00	0.00	0.00	(53,485.22)	(130.79)	(22,637.04)