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June 28, 2017

VIA ELECTRONIC FILING

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

Attn: Filing Center

**RE: UM 1802—PacifiCorp's Motion to Amend the Procedural Schedule—Expedited
Consideration Requested**

PacifiCorp d/b/a Pacific Power encloses for filing in the above-referenced docket its motion to amend the procedural schedule, with expedited consideration requested.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Etta Lockey", with a long, sweeping horizontal line extending to the right.

Etta Lockey
Vice President, Regulation

Enclosure

**EBEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1802

In the Matter of

**INVESTIGATION OF
PACIFICORP'S NON-STANDARD
AVOIDED COST PRICING**

**PacifiCorp's Motion to Amend the
Procedural Schedule and Request for
Expedited Consideration**

Under OAR §§ 860-001-0390(2)(b), -0420(1), and -0420(6), PacifiCorp d/b/a Pacific Power respectfully moves the Administrative Law Judge (ALJ) to extend the June 30, 2017, deadline for parties to file response testimony to July 21, 2017. The change is necessary for PacifiCorp to modify its initial proposal in light of changed circumstances and new policy considerations that were first discovered while PacifiCorp prepared its response testimony—namely, how cost effective renewable resources (rather than renewables resources needed to comply with renewable portfolio standards (RPS)) identified in an integrated resource plan (IRP) should be considered when developing renewable non-standard avoided cost pricing.

PacifiCorp apologizes for the lateness of this request. PacifiCorp did not recognize this issue until it was reviewing draft testimony. PacifiCorp's primary concern is ensuring that the issue of renewable pricing is fully explored in light of changed circumstances in an orderly and efficient manner. PacifiCorp recognizes that parties have already devoted time and resources to this docket, and believes that the work will remain relevant and useful even if PacifiCorp's initial proposal is modified.

PacifiCorp also respectfully requests that the ALJ consider this request on an expedited basis because response testimony is due on June 30, 2017.

I. Background

In its opening testimony filed on January 27, 2017, PacifiCorp proposed that renewable pricing be made available to non-standard qualifying facilities (QFs) when: (1) PacifiCorp's IRP identifies the need for a renewable resource of the same type, and (2) the identified need exists during the term of the QF power purchase agreement.¹ Changed circumstances have implicated the first prong of PacifiCorp's proposal.

In Docket No. UM 1396, the Public Utility Commission of Oregon ruled that QFs may be entitled to a renewable price stream when a utility's IRP indicates a period of renewable resource deficiency.² The Commission's conclusion was predicated on the understanding that a utility was renewable resource deficient when its IRP determined that new renewable generation was necessary for RPS compliance.³ Order No. 11-505 was silent on the issue of whether a utility would be considered renewable resource deficient (and QFs would be entitled to renewable pricing) if an IRP identified a cost-effective renewable resource, rather than a renewable resource needed for RPS compliance. The Commission's silence is understandable because when Order No. 11-505 was issued, renewable resources were generally *not* considered to be cost effective resources and were identified by utilities only for RPS compliance purposes.

PacifiCorp's initial proposal in this docket shared the Commission's understanding in Order No. 11-505—namely, that a renewable price stream would be available when PacifiCorp needed to acquire new renewables for RPS compliance purposes (and was renewable resource

¹ PAC/100, MacNeil/2.

² Order No. 11-505, Docket No. UM 1396 at 4 (Dec. 13, 2011).

³ *Id.* at 9 (“Renewable QFs willing to sell their output and cede their RECs to the utility allow the utility to avoid building (or buying) renewable generation to meet their RPS requirements. These QFs should be offered an avoided cost stream that reflects the costs that utility will avoid.”)

deficient). The initial proposal, however, did not contemplate a scenario where an IRP identified a cost-effective renewable resource.

PacifiCorp's initial proposal in this docket was submitted on January 27, 2017, over two months before it published its 2017 IRP. The 2017 IRP is exceptional because it identifies cost-effective renewable resources for the first time as part of PacifiCorp's Energy Vision 2020 initiative. PacifiCorp developed the cost-effective renewable aspect of its 2017 IRP in a relatively short period of time *after* the initial proposal in this docket was filed. The presence of cost effective renewables in the 2017 IRP is a notable changed circumstance that implicates numerous aspects of the Commission's avoided cost pricing policies.

As PacifiCorp was preparing its response testimony, it became aware that its initial proposal needed to be modified in light of these changed circumstances, and that additional process would likely be needed to fully explore the implications on avoided cost pricing if a utility's IRP identifies a cost-effective, non-RPS renewable resource.

II. Requested Relief

PacifiCorp moves that the ALJ extend the date for response testimony from June 30, 2017, to July 21, 2017. This will provide PacifiCorp with sufficient time to fully analyze these changed circumstances and prepare testimony that modifies its initial proposal. At this time, PacifiCorp is not seeking additional changes to the schedule.

While additional schedule changes will likely be necessary, it is not fruitful to discuss them in the abstract without PacifiCorp's modified proposal. So PacifiCorp suggests scheduling a prehearing conference shortly after its modified proposal is filed. This would provide Staff, intervenors, and PacifiCorp with an opportunity to discuss procedural adjustments that may be necessary to allow for discovery and additional rounds of responsive testimony.

Rather than raising this issue for the first time in its reply testimony, PacifiCorp contacted the ALJ on June 27, 2017, to discuss procedural options for resolving this new issue. At the ALJ's request, PacifiCorp's counsel contacted counsel for Staff and intervenors who have filed testimony to see if an agreement could be reached on procedural matters.

Counsel for the Renewable Energy Coalition (REC) indicated that it did not oppose extending the June 30, 2017, deadline for response testimony, but wants to maintain the August 9, 2017, hearing date (or another hearing date in August).

Counsel for PacifiCorp and counsel for the Community Renewable Energy Association (CREA) were not able to reach agreement on these procedural issues.

Counsel for PacifiCorp left voicemail messages with counsel for Staff and counsel for the Oregon Department of Energy (ODOE). As of the time of filing, PacifiCorp's counsel has not heard back from Staff or ODOE.

The ALJ has scheduled a prehearing conference (PHC) for June 29, 2017, to allow the parties to further discuss this issue.

III. Conclusion

PacifiCorp respectfully asks the ALJ to extend the deadline for response testimony to July 21, 2017. If granted, PacifiCorp will file a modified renewable pricing proposal at that time. PacifiCorp also suggests setting another PHC shortly after its modified proposal is filed so the parties can discuss additional process that may be needed.

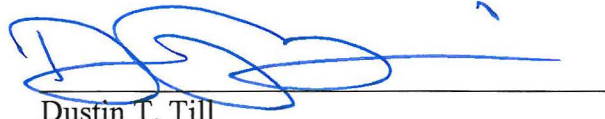
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Respectfully submitted this 28st day of June, 2017



Dustin T. Till
Senior Counsel
PacifiCorp
Counsel for PacifiCorp