PACIFIC POWER
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VIA ELECTRONIC FILING

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

Attn: Filing Center

RE: UM 1837 – PacifiCorp's Comments

PacifiCorp d/b/a Pacific Power provides the following comments on the public meeting memorandum provided by Public Utility Commission (Commission) staff on January 22, 2018.

I. INTRODUCTION AND BACKGROUND

PacifiCorp generally supports Staff's recommendation that the Commission has the authority to consider a direct access program applicable to certain new loads with transition adjustment charges that may be different than current direct access programs. PacifiCorp does not oppose opening a rulemaking to develop rules related to a new load direct access program and to address outstanding issues of contention that were raised during this investigation.

Throughout this investigation, PacifiCorp has consistently stated, in comments, briefs, and workshops, that the Commission has the discretion to reduce or eliminate transition charges for certain types of new customer load. In addition, the company provided detailed information describing how new load would be defined within the company's planning process, and how any new direct access program for new loads should balance the interest of the utility, cost-of-service customers and direct access customers, just as its existing direct access program currently does. PacifiCorp will not repeat all of those comments here, but the principles supporting those arguments should continue to serve as a guide during the rulemaking process.

In these comments PacifiCorp provides additional clarification of the outstanding issues of contention that have been raised during the investigation with regard to any new load direct access program. These issues include enrollment limits, generation sources, determining new load, and utility participation.

II. COMMENTS

A. Participation Limits Should be Based on the Utility's Planning Considerations and Not to Ensure Certain Levels of Enrollment.

PacifiCorp maintains that the new program for direct access contemplated in this docket should be included in the existing direct access program caps.[1] Maintaining the current cap for direct access programs limits the potential risk of cost shifting to cost-of-service customers from potential provider of last resort requirements. The current caps provide a failsafe against a large number of customers all choosing direct access at one time and unanticipatedly shifting system costs to cost-of-service customers. Any requirement to promote participation in direct access runs the risk of inappropriate cost shifting.

B. The New Load Direct Access Program Contemplated in this Investigation Should Only Be Available for Customers Seeking Green Energy from Green Resources.

As PacifiCorp stated in its previous comments, any direct access offering for new customers should be limited to customers seeking green energy, either from the utility or the electricity service provider. Not only is this requirement consistent with the debate over Senate Bill 979, the proposed legislation that directly lead to this proceeding, this requirement also helps to protect against the risk of cost shifting for cost-of-service customers. It is more likely that a consumer seeking direct access from a renewable energy resource is making its decision for reasons other than purely financial reasons and supports additional state policy goals related to carbon reduction goals.

C. New Load Determination Should be Made from a Planning Perspective and Not a Resource Acquisition Perspective.

PacifiCorp strongly disagrees with Staff's proposal that the new load direct access program be available to customers that the utility has not acquired resources to serve. Under ORS 757.600 (35), the definition of uneconomic utility investment is not limited to resources acquired to serve a specific load, but includes contractual or other legal obligations dedicated to generation, conservation and workforce commitments. Staff's proposal could inappropriately result in cost shifting if the electric utility cannot show a specific resource acquisition to serve the new load. PacifiCorp's planning process, outlined in its November 22, 2017 Opening Comments, is a complex process required to anticipate the needs of its customers. In response to anticipated resource needs, PacifiCorp may choose between a number of investment strategies, of which only one is resource acquisition, that would become uneconomic if the consumer chooses direct access. Additionally, given PacifiCorp's resource acquisition process, it would be virtually impossible to assign a resource to a specific new load customer.

D. The New Load Direct Access Program Should Include the Utility's Ability to Compete to Provide Renewable Options to New Customer Load.

Allowing utilities the ability to compete for new customer load on the same footing as electricity service suppliers (ESS) would benefit all consumers. The utility has no competitive advantage with respect to new customer load. Prohibiting utilities from competing for new

[1] See Pacific Power's Tariff Schedule 295 and 296.

customer load would actually provide ESSs with a competitive advantage by entirely eliminating a viable market participant. Designed appropriately, a program to allow utilities to compete for new customer load will result in a more robust competitive marketplace in Oregon, while ensuring that cost-of-service customers remain insulated from the decisions of consumers electing alternative service supply from either an ESS or a utility.

PacifiCorp appreciates the opportunity to provide these comments and looks forward to attending the public meeting to address any questions on these comments and participating in further rulemaking proceedings.

Please direct any informal inquiries on these comments to me at (503) 813-6583.

Sincerely,

Natasha Siores
Manager, Regulatory Affairs