

# CAITHNESS BEAVER CREEK, LLC

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Via Electronic Submission to:  
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December 29, 2017

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

Re: UM 1845: Caithness Beaver Creek, LLC's Reply in Support of Request to Modify Conditions in Order 17-345 Re. Conditional Approval of PacifiCorp's 2017R Request for Proposals

Dear Commissioners:

The Commission should grant the December 15, 2017 request ("Request") on behalf of Beaver Creek I, LLC and Beaver Creek IV, LLC ("Bidders") to modify the terms of PacifiCorp's 2017R RFP. Bidders seek the fair treatment of all wind energy resource proposals, in a manner consistent with the RFP itself. The arguments relied upon in PacifiCorp's December 22, 2017 response ("PacifiCorp Response") fail to address this fundamental point.<sup>1</sup>

**1. A wind project that includes an on-site storage component is a "wind energy resource."**

To be clear: Bidders submitted proposals for delivery of solely wind-generated energy. All of the energy Bidders offer would come from wind generation, as requested in RFP and quoted in the PacifiCorp Response. By integrating proven storage technology, Bidders simply seek to reduce the intermittency of the wind energy resource, passing on the economic and operational benefits to PacifiCorp's ratepayers.

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<sup>1</sup> On December 22, 2017, the Northwest and Intermountain Power Producers Coalition ("NIPPC") also filed a response generally supporting the relief sought by Bidders, while noting that NIPPC did not have access to the specifics of Bidders' projects. Bidders emphasize that the request for relief they make to the Commission is not project-specific. Bidders seek an order that would apply to any and all project proposals having similar characteristics.

PacifiCorp now asserts an “RFP requirement that only wind *technology* is deemed to be in compliance.” PacifiCorp Response at 3 (emphasis added). However, PacifiCorp’s own quotations from the actual RFP tell a different story: the RFP is “seeking . . . wind *energy* interconnecting with or delivering to PacifiCorp’s Wyoming system and any additional wind *energy* located outside of Wyoming that will reduce system costs and provide net benefits for customers.” *Id.* at 2 (quoting introduction 2017R RFP; emphasis added). Similarly, as PacifiCorp notes, under “Resource Types Eligible to Bid,” the RFP says PacifiCorp is “seeking new wind *energy* resources or repowered existing wind resources capable of directly interconnecting and/or delivering *energy*” to PacifiCorp. *Id.* (quoting 2017R RFP Section 5, Sub-Section D; emphasis added).

In short, PacifiCorp points to nothing in the RFP or its related communications that would require, or even suggest, disqualification of a wind project with integrated storage that produces solely wind-generated energy. To the contrary, Bidders’ integrated storage solutions respond directly to PacifiCorp’s statement of “interest[] in creative proposal options that add value to customers.” 2017R RFP at 4. Whether or not PacifiCorp “contemplated” integration of storage, PacifiCorp Response at 2, is beside the point. The RFP did not limit the use of storage to improve the deliverability—and benefit to ratepayers—of the wind power PacifiCorp seeks.

**2. No technology risk justifies disqualification of wind integrated with storage.**

PacifiCorp’s response confirms that PacifiCorp no longer relies upon its earlier indications that it disqualified Bidders due to supposed technology risks of storage integration. PacifiCorp states that “the technological risks that Caithness raises in its motion were not dispositive to a determination of eligibility, which PacifiCorp explained to Caithness on a December 2, 2017 call.” PacifiCorp Response at 3.<sup>2</sup> Instead, PacifiCorp now states that “the reference to technology risk [in the notification of Bidders’ disqualification] is related to the 2017R RFP requirement that only wind technology is deemed to be in compliance.” *Id.*

Bidders take this statement to be an acknowledgment from PacifiCorp that there is no actual *technology risk* with storage integration—which would be consistent with the history recounted in NIPPC’s filing as well. *See* NIPPC Response at 4-5. As for any other *risk to ratepayers*: a third-party generation project that relies upon proven technology and has firm transmission rights presents less risk than projects that require interconnection or transmission to be built in the future.

**3. Bidders’ projects meet the timeline concerns and secure the benefits of the federal PTC for Oregon ratepayers.**

Bidders agree with PacifiCorp (and NIPPC) that time is essence if the RFP is to maximize the benefit to Oregon ratepayers of the federal PTC. That is why the Request was

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<sup>2</sup> Bidders assume PacifiCorp is referencing the call on December 5, 2017 discussed in the Request. Bidders are not aware of a December 2, 2017 call.

filed as quickly as possible, rather than waiting to challenge the RFP at a later date (though Bidders reserve the right to do so). Request at 1.

To that end, Bidders note that their proposals qualify for the PTC that drives this expedited RFP. If allowed to compete on a level playing field, Bidders believe that projects such as theirs will pass those PTC benefits on to Oregon ratepayers, as desired by all parties.

**4. PacifiCorp does not address Bidders' transmission analysis concern.**

Bidders' Request included a second issue for the Commission to include as a condition of approval of the RFP: that a bidder's transmission delivery arrangement, through a third party with firm transmission rights for delivery to PacifiCorp's system, satisfied the RFP's Minimum Eligibility Requirement H.13. PacifiCorp's response offers no substantive argument on this issue, instead stating that it ultimately "did not discuss any transmission issues with Caithness." PacifiCorp Response at 3. Bidders accordingly stand by the arguments in their initial Request.

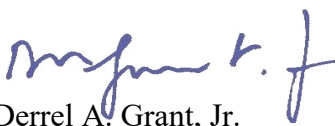
**The Commission should grant the Request.**

Bidders request that the Commission modify its conditional approval in Order 17-345 of the 2017R RFP to include as conditions that:

(1) the inclusion of a storage component within a wind project proposal does not, on its own, disqualify the project from consideration under the RFP, and

(2) a bidder's transmission delivery arrangement, through a third party with firm transmission rights for delivery to PacifiCorp's system, is sufficient to satisfy the RFP's Minimum Eligibility Requirement H.13.

Respectfully submitted,

  
Derrel A. Grant, Jr.  
Senior Vice President

cc: UM 1845 Service List (through electronic filing with Filing Center)