

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

AR 614

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON,

Rulemaking related to a New Load Direct
Access Program.

SUPPLEMENTAL COMMENTS OF
VITESSE, LLC

Vitesse, LLC (Vitesse), a wholly-owned subsidiary of Facebook, Inc. (Facebook), owns and operates a large data center in Prineville, Oregon where it is a customer of Pacific Power & Light (Pacific Power).

As noted in its Initial Comments, Vitesse appreciates the opportunity to participate in this important rulemaking proceeding related to a New Load Direct Access Program. Vitesse thanks both the Public Utility Commission of Oregon (Commission) as well as Commission Staff for the time and effort committed to actively engage the many stakeholders in the rulemaking process.

In its Initial Comments, Vitesse addressed the program participation notice requirements and submitted a corresponding redlined version of proposed OAR 860-038-0730. During the July 17, 2018 Regular Public Meeting, on behalf of the Administrative Hearings Division (AHD), Administrative Law Judge Moser presented a revised draft of the New Load Direct Access proposed rules, in which the participation notice requirements contained in proposed OAR 860-038-0730 were unchanged. Accordingly, Vitesse relies upon its Initial Comments addressing the program participation notice requirements.

These Supplemental Comments address issues relating to possible New Load Direct Access Program caps as well as necessary application of the Commission's rules regarding non-

discriminatory transmission access appearing in OAR 860-038-0590.

1. Vitesse urges the Commission not to adopt caps on the New Load Direct Access Program.

The revised draft of the New Load Direct Access proposed rules presented by Administrative Law Judge Moser during the July 17, 2018 Regular Public Meeting include proposed caps of “6 percent of the electric company’s weather normalized annual load in calendar year 2017.” As addressed below, caps on truly large new load are unnecessary. In the event the Commission elects to adopt caps, Vitesse urges that the cap applicable to Pacific Power customers be set at 350 aMW.

A. The rationale for capping the total load eligible to participate in the existing load direct access program does not apply in the context of a New Load Direct Access Program.

Vitesse appreciates the possible effects upon cost-of-service customers in the event a significant portion of a company’s existing load opts out of cost-based supply service. The company previously planned to serve that load and acquired necessary generation resources.¹ The potential for some measure of stranded costs is apparent.

In the case of truly large new load, the company has not planned to serve that load and, therefore, has not procured corresponding generation resources. Clearly, stranded costs are not at issue and there is little, if any, need for a program cap.

In its June 18, 2018 Comments, Pacific Power urged the Commission to count participation in the New Load Direct Access Program toward Pacific Power’s five-year existing load direct access program cap of 175 aMW. In doing so, Pacific Power stated: “there is a risk that consumers will leave in a trickle, but return in a wave.” There has been very limited participation in Pacific Power’s existing load direct access program. Any return to cost-based supply service would best be characterized as something other than a “wave.”

Vitesse urges the Commission to reasonably balance the realistic potential impacts of a New Load Direct Access Program upon cost-of-service customers with the necessary means of reasonably removing barriers to the development of a competitive retail power market.

¹ As used in these Supplemental Comments, the term “generation resources” is intended to include all manner of meeting customer power demands including market purchases.

B. Any New Load Direct Access Program caps should be separate and distinct from existing load direct access program caps.

As set forth above, Vitesse believes caps on participation in a New Load Direct Access Program are unnecessary. In the event that caps are ultimately adopted, Vitesse urges that they be separate and distinct from the caps that apply to existing load direct access.

C. Any New Load Direct Access Program caps should be large enough to accommodate multiple large load customers.

Technology companies tend to congregate geographically. There are a number of large, well-recognized technology companies with significant operations in Pacific Power's Oregon service territory. Applying Pacific Power's current five-year direct access program cap of 175 aMW to both existing load opt-out and new load would create a *significant* barrier to participation in a New Load Direct Access Program. It is possible that a single customer could present with new load at or above the 175 aMW ceiling proposed by Pacific Power.

Again, Vitesse urges that caps are unnecessary for a New Large Load Direct Access Program. In the event participation in a New Large Load Direct Access Program available to Pacific Power customers is capped, Vitesse urges that the cap be set at 350 aMW, separate and distinct from Pacific Power's five-year existing load direct access program cap of 175 aMW.

2. The Commission's rules regarding non-discriminatory transmission access appearing in OAR 860-038-0590 should apply to any new large load already in the BPA LLISIS queue.

PacifiCorp and PGE argue that new large direct access loads should be exempted from the Commission's rules regarding non-discriminatory transmission access. In doing so, the utilities collectively argue that "[t]he issue is simply whether transmission capacity has been reserved in accordance with FERC requirements." More accurately, the issue is whether the utility and the BPA have already determined that the new large load can be integrated onto their respective transmission systems.

There may be circumstances in which a utility has not yet planned to provide cost-based supply service to a customer like Vitesse but has already secured the Bonneville Power Administration's (BPA) Line and Load Interconnection System Impact Study (LLISIS) Report

and, thereby, secured BPA's commitment to reserve the capacity upon the utility's submittal of a transmission service request. In those circumstances, the utility has already determined that the new large load can be served by its transmission system. The transmission capacity is readily available to the utility and can be transferred, on a pro rata basis, to an electric service supplier (ESS) to serve the customer electing to participate in the New Large Load Direct Access Program. Absent application of OAR 860-038-0590 in such circumstances, a utility could effectively discriminate and provide preferences to new large load taking the utility's cost-based supply service. Accordingly, Vitesse urges the Commission to apply the rules regarding non-discriminatory transmission access appearing in OAR 860-038-0590 to new large load that the utility and BPA have already determined can be integrated onto their respective systems.

Respectfully submitted,

Dated August 1, 2018.

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