

June 14, 2023

***VIA ELECTRONIC FILING***

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

**Re: UM 2027(4)—Application for Reauthorization of Deferred Accounting for Energy Storage Projects**

PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) submits for filing its Application for Approval of Deferred Accounting for Energy Storage Projects. With this application, the Company seeks to defer for later ratemaking treatment the costs associated with PacifiCorp's energy storage pilot programs, which were approved in Order No. 18-327.

PacifiCorp respectfully requests that all communications related to this filing be addressed to:

Oregon Dockets  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
[oregondockets@pacificorp.com](mailto:oregondockets@pacificorp.com)

Joseph Dallas  
Senior Attorney  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
[joseph.dallas@pacificorp.com](mailto:joseph.dallas@pacificorp.com)

Additionally, PacifiCorp requests that all formal information requests regarding this matter be addressed to:

By email (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com).

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

If you have any questions, please contact Jennifer Angell, Regulatory Project Manager, at (503) 331-4414.

Sincerely,



Matthew McVee  
Vice President, Regulatory Policy and Operations

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 2027(4)**

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Authorization of Deferred  
Accounting for Energy Storage Projects.

**APPLICATION FOR  
REAUTHORIZATION OF DEFERRED  
ACCOUNTING**

**I. INTRODUCTION**

In accordance with Oregon Revised Statutes (ORS) 757.259 and Oregon Administrative Rules (OAR) 860-027-0300, PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) applies to the Public Utility Commission of Oregon (Commission) for an order reauthorizing deferral of the costs associated with PacifiCorp’s energy storage pilot programs (Deferred Amount), which were approved in Order No. 18-327. PacifiCorp’s requests for authorization to defer the Deferred Amount for the 12 months beginning June 17, 2019, the 12 months beginning June 17, 2020, the 12 months beginning June 17, 2021, and the 12 months beginning June 17, 2022, are currently pending before the Commission. In this application, PacifiCorp respectfully requests reauthorization to defer the Deferred Amount for 12 months beginning June 17, 2023. PacifiCorp will seek amortization of the deferred amount in a future Commission proceeding.

**II. CONTACT INFORMATION**

Communications regarding this application should be addressed to:

Oregon Dockets  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
[oregondockets@pacificorp.com](mailto:oregondockets@pacificorp.com)

Joseph Dallas  
Senior Attorney  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
[joseph.dallas@pacificorp.com](mailto:joseph.dallas@pacificorp.com)

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

By email (preferred): [datarequest@pacificorp.com](mailto: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 Jennifer, Regulatory Project Manager, at (503) 331-4414.

### III. BACKGROUND

House Bill (HB) 2193<sup>1</sup> required PacifiCorp to submit to the Commission a proposal to develop energy storage systems and procure any authorized projects by January 1, 2020. On April 2, 2018, PacifiCorp filed its final Energy Storage System Project Proposals and Energy Storage Potential Evaluation. In July of 2018, PacifiCorp reached a stipulation with the Staff of the Commission and the Oregon Citizen's Utilities Board on the project proposals and evaluation plan.

This stipulation was approved by the Commission on September 3, 2018, through Order No. 18-327. PacifiCorp sought approval for two pilot projects. Pilot Project #1 involved building a 2 megawatt/6 megawatt-hour battery to meet the requirements of the HB 2193.<sup>2</sup> PacifiCorp also proposed Pilot Project #2, where PacifiCorp would provide financial assistance for up to four energy storage installation projects that will seek to support community resiliency while also providing benefits to the utility as identified through

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<sup>1</sup> *An Act Relating to Energy Storage; and declaring an Emergency*, HB 2193, 78<sup>th</sup> Leg., Reg. Sess. (2015).

<sup>2</sup> *In the Matter of PacifiCorp d/b/a Pacific Power, Draft Storage Potential Evaluation*, Docket No. UM 1857, Order No. 18-327 at 3 (Sept. 4, 2018).

technical assistance.<sup>3</sup> Under the stipulation, PacifiCorp was permitted to select a technical assistance concept consultant and complete a limited amount of initial studies.

PacifiCorp was required under Oregon law to pursue these energy storage projects and has proposed projects that it considers prudent and that provide benefits for its customers. Consistent with the Commission’s guidance in Order No. 18-423 issued on October 29, 2018, on June 17, 2019, PacifiCorp filed an application for deferral of the non-capital costs associated with the energy storage pilot projects approved in Order No. 18-327, which is currently pending before the Commission. On June 16, 2020, the Company filed an application for reauthorization to defer all costs associated with the energy storage projects for the 12 months beginning June 17, 2020, which is currently pending before the Commission. On June 16, 2021, the Company filed an application for reauthorization to defer all costs associated with the energy storage projects for the 12 months beginning June 17, 2021, which is currently pending before the Commission. On June 16, 2022, the Company filed an application for reauthorization to defer all costs associated with the energy storage projects for the 12 months beginning June 17, 2022, which is currently pending before the Commission. In this application, the Company is requesting reauthorization to defer all costs associated with the energy storage projects for the 12 months beginning June 17, 2023.

#### **IV. OAR 860-027-0300(3) REQUIREMENTS**

PacifiCorp provides the following information required by OAR 860-027-0300(3):

##### **A. Description of Utility Expense**

PacifiCorp proposes to continue maintaining a balancing account to defer, for future

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<sup>3</sup> *Id.* at 4.

amortization, the costs associated with implementing the energy storage pilot projects approved in Order No. 18-327.

**B. Reasons for Deferral**

As discussed above, PacifiCorp requests reauthorization to defer the costs associated with its energy storage pilot programs. 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 benefits received by customers.

**C. Proposed Accounting**

If this application is approved, PacifiCorp will record deferred amounts by debiting Federal Energy Regulatory Commission (FERC) Account 182.3—Other Regulatory Assets and crediting the incremental operations and maintenance expense to various FERC Accounts on the income statement. If this application is denied, the costs will remain in the various FERC Accounts.

**D. Estimate of Amounts**

Pilot Project #1 is a capital project still in development. Costs will be booked to the deferral account once the project goes into service.

Pilot Project #2 has been limited for cost recovery at \$1,800,000, and PacifiCorp seeks reauthorization to defer up to that amount. The Company anticipates it will defer approximately \$350,000 over the next 12 months. PacifiCorp requests that, under Order No. 08-263 as modified by Order No. 10-279,<sup>4</sup> it be allowed to accrue interest on the

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<sup>4</sup> *In the Matter of Public Utility Commission of Oregon Staff Request to Open an Investigation Related to Deferred Accounting*, Docket No. UM 1147, Order No. 08-263 (May 22, 2008); modified by *In the Matter of Public Utility Commission of Oregon Staff Request to Open an Investigation Related to Deferred Accounting*, Docket No. UM 1147, Order No. 10-279 (July 23, 2010).

unamortized balance, consistent with the treatment of interest rates during accrual and amortization described in those orders.

**E. Notice**

A copy of the Notice of Application for Deferred Accounting and a list of persons served with the notice are included with this filing as Attachment A.

**V. OAR 860-027-0300(4) REQUIREMENTS**

**A. Entries in the Deferred Account to Date**

As discussed in the Description of Utility Expense section above, entries in the deferred account to date consist of non-capital costs associated with implementing the energy storage pilot projects which were approved in Order No. 18-327. The following table identifies the costs associated with Project #2 to date for each deferral period.

	<b>6/17/2019 - 6/16/2020</b>	<b>6/17/2020 - 6/16/2021</b>	<b>6/17/2021 - 6/16/2022</b>	<b>6/17/2022 - 6/16/2023</b>	<b>Total</b>
<b>Actual Costs</b>	\$113,015.44	\$60,935.94	\$36,352.09	\$102,031.16	\$312,334.63

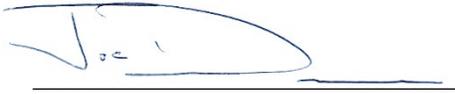
**B. Reason for Continuation of Deferred Accounting**

As discussed in this application, continuation of this deferral is necessary to track the ongoing costs and revenues related to PacifiCorp’s energy storage pilot programs.

**VI. CONCLUSION**

Reauthorization of deferred accounting treatment is an appropriate, just, and reasonable means of supporting PacifiCorp’s Energy Storage Pilot Programs. For the reasons stated above, PacifiCorp requests reauthorization to defer for later ratemaking treatment the costs associated with PacifiCorp’s energy storage pilot programs.

Respectfully submitted June 14, 2023.

By: 

Joseph Dallas  
Senior Attorney  
PacifiCorp  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
Phone: (503) 813-5701  
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Attorney for PacifiCorp

## **Exhibit A**

### Notice of Application

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON  
UM 2027(4)**

In the Matter of  
PACIFICORP d/b/a PACIFIC POWER  
Application for Authorization of Deferred  
Accounting for Energy Storage Projects.

**NOTICE OF  
APPLICATION FOR  
REAUTHORIZATION OF  
DEFERRED ACCOUNTING**

On June 14, 2023, PacifiCorp d/b/a Pacific Power filed an application with the Public Utility Commission of Oregon (Commission) for an order reauthorizing the use of deferred accounting for the costs associated with PacifiCorp’s energy storage pilot programs, which were approved in Order No. 18-327. The reauthorization will not authorize a change in rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding. To obtain a copy of the application, contact the following:

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

Any person may submit written comments to the Commission regarding the application with 25 days of the filing of the application.

Respectfully submitted on June 14, 2023.

By:



Joseph Dallas  
Senior Attorney  
PacifiCorp

## CERTIFICATE OF SERVICE

I certify that I delivered a true and correct copy of **PacifiCorp's Notice of Application for Reauthorization of Deferred Accounting** on the parties listed below via electronic mail in compliance with OAR 860-001-0180.

### Service List UE 399

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PACIFICORP, DBA PACIFIC POWER 825 NE MULTNOMAH ST, STE 2000 PORTLAND, OR 97232 <a href="mailto:oregondockets@pacificorp.com">oregondockets@pacificorp.com</a>	KATHERINE A MCDOWELL MCDOWELL RACKNER & GIBSON PC 419 SW 11TH AVE., SUITE 400 PORTLAND, OR 97205 <a href="mailto:katherine@mrg-law.com">katherine@mrg-law.com</a>
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Dated this 14<sup>th</sup> day of June 2023.

  
 \_\_\_\_\_  
 Santiago Gutierrez  
 Coordinator, Regulatory Operations