

June 16, 2020

***VIA ELECTRONIC FILING***

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

**RE: UM 2027(1)—Application for Reauthorization of Deferred Accounting for Energy Storage Projects**

PacifiCorp d/b/a Pacific Power 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)

Ajay Kumar  
Senior Attorney  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
[ajay.kumar@pacificorp.com](mailto:ajay.kumar@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 Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

Sincerely,



Michael Wilding  
Director, Net Power Costs & Regulatory Policy

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 2027(1)**

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 request for authorization to defer the Deferred Amount for the 12 months beginning June 17, 2019, is currently pending before the Commission. In this application, PacifiCorp respectfully requests reauthorization to defer the Deferred Amount for 12 months beginning June 17, 2020. PacifiCorp will seek amortization of the deferred amount in a future Commission proceeding.

**II. NOTICE**

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)

Ajay Kumar  
Senior Attorney  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
[ajay.kumar@pacificorp.com](mailto:ajay.kumar@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 Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

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

#### **A. Background Description**

House Bill (H.B.) 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 H.B. 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*, H.B. 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 provides 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; this application is currently pending before the Commission. However, on April 30, 2020, the Commission issued a revised guidance in Order 20-147 that reversed order 18-432.<sup>4</sup> In this application, the Company is requesting reauthorization to defer all costs associated with the energy storage projects, however PacifiCorp is not seeking any additional capital costs at this time.

**B. Reasons for Deferral**

As discussed above, PacifiCorp requests reauthorization to defer the costs associated with its energy storage pilot programs until a later date. 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.

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

<sup>4</sup> *In the Matter of Public Utility Commission of Oregon, Investigation into the Scope of the Commission’s Authority to Defer Capital Costs*, Docket No. UM 1909, Order No. 20-147 (Apr. 30, 2020).

**C. Proposed Accounting**

If this application is approved, PacifiCorp will record deferred amounts by debiting 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 #2 has been limited for cost recovery at \$200,000, and PacifiCorp seeks reauthorization to defer up to that amount. PacifiCorp is not seeking any additional capital costs at this time. PacifiCorp requests that, under Order No. 08-263 as modified by Order No. 10-279,<sup>5</sup> it be allowed to accrue interest on the 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.

**IV. CONCLUSION**

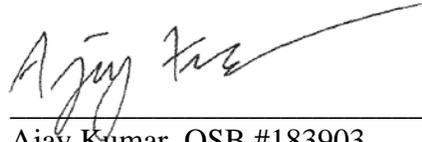
Reauthorization of deferred accounting treatment is an appropriate, just, and reasonable means of supporting PacifiCorp’s Energy Storage Pilot Programs. For the reasons stated above, PacifiCorp requests reauthorization to defer for later ratemaking treatment the costs associated with PacifiCorp energy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

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<sup>5</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).

Respectfully submitted June 16, 2020.

By:



Ajay Kumar, OSB #183903

Senior Attorney

PacifiCorp

825 NE Multnomah Street, Suite 2000

Portland, OR 97232

Phone: (503) 813-5161

Email: [ajay.kumar@pacificorp.com](mailto:ajay.kumar@pacificorp.com)

Attorney for PacifiCorp

**EXHIBIT A**

**NOTICE**

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 2027(1)**

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Authorization of Deferred  
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**NOTICE OF  
APPLICATION FOR  
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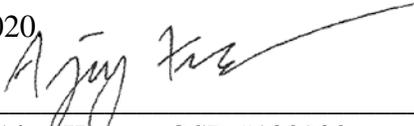
On June 16, 2020, PacifiCorp d/b/a Pacific Power filed an application with the Public Utility Commission of Oregon (Commission) for an order authorizing the use of deferred accounting for the costs associated with PacifiCorp's energy storage pilot programs, which were approved in Order No. 18-327. The authorization 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 16, 2020.

By:

  
Ajay Kumar, OSB #183903  
Senior Attorney  
PacifiCorp

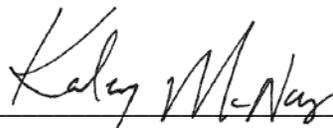
## CERTIFICATE OF SERVICE

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

### Service List UM 2027

PACIFICORP DBA PACIFIC POWER 825 NE MULTNOMAH ST STE 2000 PORTLAND OR 97232 <a href="mailto:oregondockets@pacificorp.com">oregondockets@pacificorp.com</a>	AJAY KUMAR PACIFICORP 825 NE MULTNOMAH STE 800 PORTLAND OR 97232 <a href="mailto:Ajay.kumar@pacificorp.com">Ajay.kumar@pacificorp.com</a>
SOMMER MOSER PUC STAFF – DEPT OF JUSTICE BUSINESS ACTIVITIES SECTION 1162 COURT ST NE SALEM OR 97301 <a href="mailto:Sommer.moser@state.or.us">Sommer.moser@state.or.us</a>	MITCH MOORE PUBLIC UTILITY COMMISSION OF OREGON PO BOX 1088 SALEM, OR 97308 <a href="mailto:Mitch.moore@state.or.us">Mitch.moore@state.or.us</a>

Dated June 16, 2020.



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Kaley McNay  
Coordinator, Regulatory Operations