

July 27, 2021

***VIA ELECTRONIC FILING***

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

**RE: UM\_\_\_—Application for Approval of Deferred Accounting for Costs Relating to a Renewable Resource Pursuant to ORS 469A.120**

PacifiCorp d/b/a Pacific Power submits for filing its application to defer costs associated with the renewable resource pursuant to ORS 469A.120.

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

Oregon Dockets  
PacifiCorp  
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

Informal inquiries may be directed to Cathie Allen, Manager, Regulatory Affairs, at (503) 813-5934.

Sincerely,



Shelley McCoy  
Director, Regulation

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM \_\_\_\_\_

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Approval of Deferred Accounting  
for Costs Relating to a Renewable Resource  
Pursuant to ORS 469A.120

**APPLICATION FOR DEFERRED  
ACCOUNTING**

**I. INTRODUCTION**

In accordance with ORS 469A.120(1) and (3), ORS 757.259(2)(e) and 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 authorizing the Company to defer the revenue requirement associated with the remaining portion (384.9 megawatts (MW)) of the TB Flats wind facility.<sup>1</sup> This portion of TB Flats was fully placed into service on July 26, 2021. PacifiCorp respectfully requests this deferral to allow the Company to match the costs and benefits of the TB Flats resource for later inclusion in rates.

**II. NOTICE**

Communications regarding this application should be addressed to:

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

Ajay Kumar  
Senior Attorney  
PacifiCorp  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
Email: [ajay.kumar@pacificorp.com](mailto:ajay.kumar@pacificorp.com)

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

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<sup>1</sup> 118.3 MW of the TB Flats wind resource was placed in service by December 21, 2020, and included in PacifiCorp's compliance filing in docket UE 374.

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. BACKGROUND

#### A. Statutory and Regulatory Framework

On June 6, 2007, the Oregon Legislature enacted SB 838, codified as ORS 469A.005 *et seq.*, to establish a renewable portfolio standard (RPS) applicable to certain Oregon utilities. As part of this law, ORS 469A.120(1) authorizes utilities to recover prudently incurred costs associated with RPS Compliance. The Commission has authorized use of deferred accounting as a method for cost recovery of prudently incurred costs relating to RPS Compliance.<sup>2</sup>

In docket UM 1330, the Commission approved the renewable adjustment clause (RAC) stipulation (RAC Stipulation)<sup>3</sup> that outlined the terms and conditions governing the RAC, the automatic adjustment clause established by the Commission as required by Senate Bill (SB) 838.<sup>4</sup> The parties to the RAC Stipulation agreed to support the use of deferred accounting to allow for an opportunity for recovery of the prudently incurred costs, net of

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<sup>2</sup> See *In the Matter of PacifiCorp Application for an Accounting Order Approving Deferral of Costs Relating to Renewable Resources Pursuant to Senate Bill 838*, Docket UM 1338(1), Order No. 08-508 (Oct. 22, 2008); *In the Matter of PacifiCorp Application for Deferral of Costs Relating to Renewable Resources Pursuant to Senate Bill 838*, Docket UM 1338, Order No. 07-457 (Oct. 25, 2007); *In the Matter of PacifiCorp dba Pacific Power, Application for Deferred Accounting*, Docket UM 1454, Order No. 10-032 (Feb. 3, 2010).

<sup>3</sup> *In the Matter of Investigation of Automatic Adjustment Clause Pursuant to SB 838*, Docket UM 1330, Order No. 07-572, Appendix A (Dec. 19, 2007) (hereinafter “RAC Stipulation”).

<sup>4</sup> *Id.* at 6.

dispatch benefits as appropriate, of an eligible resource for the period between when the resource is placed in service and when the resource enters rates on January 1.<sup>5</sup> Additionally, the deferral of the revenue requirement for this facility is consistent with the Commission’s authority under ORS 757.259(2)(e) which “empowers the Commission to authorize the deferral of capital project costs, including depreciation expense and financing costs.”<sup>6</sup>

In PacifiCorp’s most recent general rate case (docket UE 374), the Commission examined the TB Flats project as part of PacifiCorp’s Energy Vision 2020 projects and determined it was “prudent and in the public interest.”<sup>7</sup> On December 28, 2020, PacifiCorp made a compliance filing in this proceeding to reflect that 118.3 MW (35 wind turbine generators) of the TB Flats wind project had been placed online and in-service.<sup>8</sup> However, the remaining 384.9 MW (97 wind turbine generators) of the TB Flats wind project had not yet come online, but was anticipated to be in-service by June 30, 2021. In addition to the general rate case order, the parties to the 2021 Transition Adjustment Mechanism had agreed that the full value of the production tax credit (PTC) and net power cost (NPC) benefits from the online date of these projects will be provided to customers coincident with rate recovery for the new wind projects.<sup>9</sup>

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<sup>5</sup> *Id.*

<sup>6</sup> *In the Matter of Public Utility Commission of Oregon, Investigation of the Scope of the Commission’s Authority to Defer Capital Costs*, Docket UM 1909, Order No. 20-147 (Apr. 30, 2020).

<sup>7</sup> *In the Matter of PacifiCorp dba Pacific Power, Request for a General Rate Revision*, Docket No. UE 374, Order No. 20-473 at 50 (Dec. 18, 2020).

<sup>8</sup> *In the Matter of PacifiCorp dba Pacific Power, Request for a General Rate Revision*, Docket No. UE 374, Advice No. 20-017 (Dec. 28, 2020).

<sup>9</sup> *In the Matter of PacifiCorp dba Pacific Power, 2021 Transition Adjustment Mechanism*, Docket UE 375, Order 20-392 at Appendix A, ¶18 (Oct. 30, 2020).

**B. The final portion of TB Flats will be recovered through a Renewable Adjustment Clause filing**

Consistent with the requirements of Order No. 20-493, PacifiCorp met with stakeholders on June 23, 2021 to discuss next steps because the remaining 384.9 MW of TB Flats would not be coming online by June 30, 2021. After those discussions, PacifiCorp determined it would be necessary to make a RAC filing to include the remaining portion of TB Flats in Oregon rates. The deferral of the revenue requirement and PTC and NPC benefits associated with TB Flats is consistent with the matching principle as outlined in the RAC Stipulation which requires the costs and benefits of the renewable resource to be matched in rates.<sup>10</sup>

**IV. DEFERRAL OF COSTS**

PacifiCorp respectfully requests approval authorizing the deferral for future ratemaking of the costs and benefits related to TB Flats. The deferrals will allow the Company to match the customer costs and benefits and recover the prudently incurred costs of renewable resources for later inclusion in rates, as provided by ORS 469A.120.

**A. Description of Utility Expense**

TB Flats is a nominal 500 MW resource consisting of 132 wind turbine generators with a total nameplate capacity of 503.2 MW. By December 21, 2020, 35 wind turbine generators were placed in service and included in customer rates on January 1, 2021. The remaining 97 wind turbine generators were fully placed into service, producing power, and connected to transmission facilities on July 26, 2021. The requested deferral is for the costs

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<sup>10</sup> RAC Stipulation at 5. (“The Parties agree that if the fixed costs of an eligible resource are not included in RAC charges, or otherwise included in rates, then the variable costs and cost offsets of the eligible resource likewise should not be included in the annual power cost update filings or power cost adjustment mechanisms.”)

and benefits of the 97 remaining wind turbine generators at the TB Flats wind facility that are not yet included in customer rates.

### **B. Reasons for Deferral**

As described above, TB Flats is currently in commercial operation and is used and useful, but the costs and benefits associated with the resource are not currently reflected in rates. The Commission has examined the TB Flats wind project as part of PacifiCorp's most recent general rate case and determined that it was "prudent and in the public interest".<sup>11</sup> However, since all of the remaining wind turbine generators were not be in service by June 30, 2021, PacifiCorp conferred with the parties to the general rate case. After those discussions PacifiCorp determined it was necessary to file a RAC. This deferral accounts for the costs and benefits of the TB Flats project until it is recovered through rates at the conclusion of the RAC proceeding.

### **C. Proposed Accounting**

Beginning on July 27, 2021, PacifiCorp proposes to account for the revenue requirement and NPC and PTC benefits of TB Flats by recording the deferral in Account 182.3 (Regulatory Assets).

### **D. Estimate of Amounts**

PacifiCorp estimates that approximately \$12.4 million plus interest may be deferred for the revenue requirement and NPC and PTC Benefits of TB Flats for the 12 months beginning July 27, 2021.

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<sup>11</sup> *In the Matter of PacifiCorp dba Pacific Power, Request for a General Rate Revision*, Docket No. UE 374, Order No. 20-473 at 50 (Dec. 18, 2020).

**E. Notice**

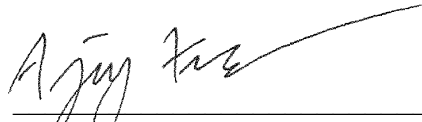
A Notice of PacifiCorp's Application for Approval of Deferred Accounting for Costs relating to a renewable resource pursuant to ORS 469A.120 is included as Exhibit A, along with the list of persons served.

**V. CONCLUSION**

PacifiCorp respectfully requests that, in accordance with ORS 469A.120 (1) and (3), the Commission authorize the Company to defer the costs described in this Application.

Respectfully submitted this 27th day of July, 2021.

By:



\_\_\_\_\_  
Ajay Kumar,  
Senior Attorney, OSB# 183903  
PacifiCorp d/b/a Pacific Power  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232

*Attorney for PacifiCorp*

# **Exhibit A**



**EXHIBIT A**

**NOTICE**

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM \_\_\_\_\_

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Approval of Deferred Accounting  
for Costs Relating to a Renewable Resource  
Pursuant to ORS 469A.120

**NOTICE OF  
APPLICATION FOR DEFERRED  
ACCOUNTING**

On July 27, 2021, PacifiCorp d/b/a Pacific Power filed an application with the Public Utility Commission of Oregon (Commission) for an order authorizing the company to defer the revenue requirement associated with the remaining portion of the TB Flats wind facility. The granting of this application 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 who wishes to submit written comments to the Commission must do so within 25 days of the date of PacifiCorp's application.

Respectfully submitted on July 27, 2021.

By: \_\_\_\_\_

Ajay Kumar  
Senior Attorney

**CERTIFICATE OF SERVICE**

I certify that I delivered a true and correct copy of PacifiCorp’s **NOTICE OF APPLICATION FOR DEFERRED ACCOUNTING** on the parties listed below via electronic mail and/or or overnight delivery in compliance with OAR 860-001-0180.

**Service List  
UE 374**

<p>BILL EHRLICH (C) (HC) TESLA 3500 DEER CREEK RD PALO ALTO CA 94304 <a href="mailto:wehrlich@tesla.com">wehrlich@tesla.com</a></p>	<p>STEVE ELZINGA (C) CHARGEPOINT INC 693 CHEMEKETA ST NE SALEM OR 97301 <a href="mailto:steve@shermlaw.com">steve@shermlaw.com</a></p>
<p>FRANCESCA WAHL (C) (HC) TESLA 6800 DUMBARTON CIRCLE FREMONT CA 94555 <a href="mailto:fwahl@tesla.com">fwahl@tesla.com</a></p>	<p>LLOYD REED (C) (HC) REED CONSULTING 10025 HEATHERWOOD LANE HIGHLANDS RANCH CO 80126 <a href="mailto:lloyd.reed@lloydreedconsulting.com">lloyd.reed@lloydreedconsulting.com</a></p>
<p>CRYTAL RIVERA (C) (HC) SOMACH SIMMONS &amp; DUNN 500 CAPITOL MALL STE 1000 SACRAMENTO CA 95814 <a href="mailto:crivera@somachlaw.com">crivera@somachlaw.com</a></p>	
<p><b>AWEC</b></p>	
<p>TYLER C PEPPLER (C) (HC) DAVISON VAN CLEVE, PC 1750 SW HARBOR WAY STE 450 PORTLAND OR 97201 <a href="mailto:tcp@dvclaw.com">tcp@dvclaw.com</a></p>	<p>BRENT COLEMAN (C) (HC) DAVISON VAN CLEVE, PC 1750 SW HARBOR WAY STE 450 PORTLAND OR 97201 <a href="mailto:blc@dvclaw.com">blc@dvclaw.com</a></p>
<p><b>CALPINE SOLUTIONS</b></p>	
<p>GREGORY M. ADAMS (C) RICHARDSON ADAMS, PLLC PO BOX 7218 BOISE ID 83702 <a href="mailto:greg@richardsonadams.com">greg@richardsonadams.com</a></p>	<p>GREG BASS CALPINE ENERGY SOLUTIONS, LLC 401 WEST A ST, STE 500 SAN DIEGO CA 92101 <a href="mailto:greg.bass@calpinesolutions.com">greg.bass@calpinesolutions.com</a></p>
<p>KEVIN HIGGINS (C) ENERGY STRATEGIES LLC 215 STATE ST - STE 200 SALT LAKE CITY UT 84111-2322 <a href="mailto:khiggins@energystrat.com">khiggins@energystrat.com</a></p>	

<b>CHARGEPOINT</b>	
ALEXANDRA LEUMER (C) CHARGEPOINT <a href="mailto:alexandra.leumer@chargepoint.com">alexandra.leumer@chargepoint.com</a>	SCOTT DUNBAR (C) KEYES FOX & WIEDMAN LLP 1580 LINCOLN ST, STE 880 DENVER CO 80203 <a href="mailto:sdunbar@kfwlaw.com">sdunbar@kfwlaw.com</a>
<b>OREGON CITIZENS UTILITY BOARD</b>	
OREGON CITIZENS' UTILITY BOARD 610 SW BROADWAY, STE 400 PORTLAND, OR 97205 <a href="mailto:dockets@oregoncub.org">dockets@oregoncub.org</a>	MICHAEL GOETZ (C) (HC) OREGON CITIZENS' UTILITY BOARD 610 SW BROADWAY STE 400 PORTLAND, OR 97205 <a href="mailto:mike@oregoncub.org">mike@oregoncub.org</a>
ROBERT JENKS (C) (HC) OREGON CITIZENS' UTILITY BOARD 610 SW BROADWAY, STE 400 PORTLAND, OR 97205 <a href="mailto:bob@oregoncub.org">bob@oregoncub.org</a>	
<b>FRED MEYER</b>	
JUSTIN BIEBER (C) FRED MEYER/ENERGY STRATEGIES LLC 215 SOUTH STATE STREET, STE 200 SALT LAKE CITY UT 84111 <a href="mailto:jbieber@energystrat.com">jbieber@energystrat.com</a>	KURT J BOEHM (C) BOEHM KURTZ & LOWRY 36 E SEVENTH ST - STE 1510 CINCINNATI OH 45202 <a href="mailto:kboehm@bkllawfirm.com">kboehm@bkllawfirm.com</a>
JODY KYLER COHN (C) BOEHM, KURTZ & LOWRY 36 E SEVENTH ST STE 1510 CINCINNATI OH 45202 <a href="mailto:jkylerecohn@bkllawfirm.com">jkylerecohn@bkllawfirm.com</a>	
<b>KWUA</b>	
PAUL S SIMMONS (C) (HC) SOMACH SIMMONS & DUNN, PC 500 CAPITOL MALL, STE 1000 SACRAMENTO CA 95814 <a href="mailto:psimmons@somachlaw.com">psimmons@somachlaw.com</a>	
<b>PACIFICORP</b>	
PACIFICORP, DBA PACIFIC POWER 825 NE MULTNOMAH ST, STE 2000 PORTLAND, OR 97232 <a href="mailto:oregondockets@pacificorp.com">oregondockets@pacificorp.com</a>	MATTHEW MCVEE (C) PACIFICORP 825 NE MULTNOMAH ST STE 2000 PORTLAND, OR 97232 <a href="mailto:matthew.mcvee@pacificorp.com">matthew.mcvee@pacificorp.com</a>

<p>ETTA LOCKEY (C)  PACIFIC POWER  825 NE MULTNOMAH ST., STE 2000  PORTLAND OR 97232  <a href="mailto:etta.lockey@pacificorp.com">etta.lockey@pacificorp.com</a></p>	
<p><b>SBUA</b></p>	
<p>WILLIAM STEELE (C)  BILL STEELE AND ASSOCIATES, LLC  PO BOX 631151  HIGHLANDS RANCH CO 80164  <a href="mailto:wa.steele@hotmail.com">wa.steele@hotmail.com</a></p>	<p>DIANE HENKELS (C)  SMALL BUSINESS UTILITY ADVOCATES  621 SW MORRISON ST. STE 1025  PORTLAND OR 97205  <a href="mailto:diane@utilityadvocates.org">diane@utilityadvocates.org</a></p>
<p><b>SIERRA CLUB</b></p>	
<p>ANA BOYD (C) (HC)  SIERRA CLUB  2101 WEBSTER ST STE 1300  OAKLAND CA 94612  <a href="mailto:ana.boyd@sierraclub.org">ana.boyd@sierraclub.org</a></p>	<p>GLORIA D SMITH (C) (HC)  SIERRA CLUB LAW PROGRAM  2101 WEBSTER ST STE 1300  OAKLAND CA 94612  <a href="mailto:gloria.smith@sierraclub.org">gloria.smith@sierraclub.org</a></p>
<p>CHRISTOPHER M BZDOK (C) (HC)  OLSON BZDOK &amp; HOWARD  420 EAST FRONT ST  TRAVERSE CITY MI 49686  <a href="mailto:chris@envlaw.com">chris@envlaw.com</a></p>	
<p><b>STAFF</b></p>	
<p>MARIANNE GARDNER (C)  PUBLIC UTILITY COMMISSION OF OREGON  PO BOX 1088  SALEM, OR 97308-1088  <a href="mailto:marianne.gardner@puc.oregon.gov">marianne.gardner@puc.oregon.gov</a></p>	<p>SOMMER MOSER (C)  PUC STAFF - DEPARTMENT OF JUSTICE  1162 COURT ST NE  SALEM, OR 97301  <a href="mailto:sommer.moser@doj.state.or.us">sommer.moser@doj.state.or.us</a></p>
<p><b>TESLA INC</b></p>	
<p>KEVIN AUERBACHER (C) (HC)  TESLA, INC.  601 13TH ST NW, 9TH FL NORTH  WASHINGTON DC 20005  <a href="mailto:kauerbacher@tesla.com">kauerbacher@tesla.com</a></p>	<p>JOHN DUNBAR (C) (HC)  DUNBAR LAW LLC  621 SW MORRISON STREET STE 1025  PORTLAND OR 97205  <a href="mailto:jdunbar@dunbarlawllc.com">jdunbar@dunbarlawllc.com</a></p>
<p><b>VITESSE LLC</b></p>	
<p>R BRYCE DALLEY (C)  FACEBOOK INC  2400 S BERTSINGER RD  RIDGEFIELD WA 98642  <a href="mailto:rbd@fb.com">rbd@fb.com</a></p>	<p>LIZ FERRELL (C)  FACEBOOK, INC.  1 HACKER WAY  MENLO PARK CA 94205  <a href="mailto:eferrell@fb.com">eferrell@fb.com</a></p>

IRION A SANGER (C) SANGER LAW PC 1041 SE 58TH PLACE PORTLAND OR 97215 <a href="mailto:irion@sanger-law.com">irion@sanger-law.com</a>	
<b>WALMART</b>	
VICKI M BALDWIN (C) PARSONS BEHLE & LATIMER 201 S MAIN ST STE 1800 SALT LAKE CITY UT 84111 <a href="mailto:vbaldwin@parsonsbehle.com">vbaldwin@parsonsbehle.com</a>	STEVE W CHRISS (C) WAL-MART STORES, INC. 2001 SE 10TH ST BENTONVILLE AR 72716-0550 <a href="mailto:stephen.chriss@wal-mart.com">stephen.chriss@wal-mart.com</a>

Dated this 27<sup>th</sup> day of July, 2021.




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Mary Penfield  
Adviser, Regulatory Operations