

May 13, 2021

VIA ELECTRONIC FILING

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

RE: UM 2167—PacifiCorp’s Application for Approval of Deferred Accounting for Revenues Associated with RECs from Pryor Mountain.

PacifiCorp d/b/a Pacific Power submits for filing its Application for Approval of Deferred Accounting for the revenues associated with the renewable energy credits from the Pryor Mountain Wind Facility.

Confidential information in this application is provided in accordance with OAR 860-001-0070.

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

Ajay Kumar
Senior Attorney
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
ajay.kumar@pacificorp.com

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

By email (preferred): datarequest@pacificorp.com.

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

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

Sincerely,

A handwritten signature in cursive script that reads "Shelley McCoy". The signature is written in black ink and is positioned above the printed name and title.

Shelley McCoy
Director, Regulation

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2167

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Approval of Deferred Accounting
for Revenues Associated with RECs from Pryor
Mountain

**APPLICATION FOR DEFERRED
ACCOUNTING**

I. INTRODUCTION

In accordance with 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 revenues associated with the renewable energy credits (RECs) from the Pryor Mountain Wind Facility. PacifiCorp seeks deferral of these revenues to track and preserve them for later ratemaking treatment and the benefit of customers.

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

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

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

By email (preferred): 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

Pryor Mountain is a 240 megawatt wind facility located in Carbon County, Montana. In 2019, PacifiCorp purchased the development rights for the Pryor Mountain wind facility and contracted with Vitesse, LLC (Vitesse) to purchase all the RECs associated with the project under Oregon’s schedule 272. In December of 2020, the Commission found that PacifiCorp’s investment in the Pryor Mountain wind project to be prudent and in the public interest.¹ On April 1, 2021, the Pryor Mountain project was placed in service, and PacifiCorp filed on April 5, 2021 to recover the costs of the project and pass on the net power cost benefits to customers.² Under the schedule 272 agreement with Vitesse, PacifiCorp supplies and retires on behalf of Vitesse, all of the RECs generated by the resource for which PacifiCorp receives certain revenue. PacifiCorp will seek amortization of the Deferred Amount in a future commission proceeding.³

IV. DEFERRAL OF REVENUES

PacifiCorp respectfully requests approval authorizing the deferral for future ratemaking of the revenues related to this REC transfer under schedule 272. The deferrals

¹ *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).

² *In the Matter of PacifiCorp, dba Pacific Power, Request for a General Rate Revision*, Docket No. UE 374, Advice No. 21-009, Compliance Filing (Apr. 5, 2021).

³ In accordance with OAR 860-027-0300, PacifiCorp will file for reauthorization of the deferral, as necessary.

REDACTED

will allow the Company to pass these revenues back to customers during a later ratemaking proceeding.

A. Description of Utility Revenue

Under the individually negotiated agreement provisions in Schedule 272, PacifiCorp entered into an agreement to sell Vitesse all RECs generated from a specific renewable resource, in this case Pryor Mountain, and retire the RECs on their behalf. It is the revenue from these purchases that PacifiCorp is seeking to defer for the benefit of PacifiCorp's customers.

B. Reasons for Deferral

The sale of RECs from Pryor Mountain to Vitesse generates revenue that PacifiCorp seeks to defer so that it may be returned to customers in a future ratemaking proceeding. Consistent with PacifiCorp's testimony in the general rate case, this revenue is intended to provide a benefit for customers.⁴ Allowing PacifiCorp to create a regulatory liability will allow PacifiCorp to track and eventually provide this revenue to customers as a benefit.

C. Proposed Accounting

Beginning on the date that the Pryor Mountain Wind Facility was placed in service, PacifiCorp proposes to account for the revenue by recording the deferral in Account 254 (Other Regulatory Liabilities).

D. Estimate of Amounts

PacifiCorp estimates that approximately [REDACTED] plus interest may be deferred as revenue between May 01, 2021 and ending on April 30, 2022. This estimate was developed

⁴ *In the Matter of PacifiCorp, dba Pacific Power, Request for a General Rate Revision*, Docket No. UE 374, Exhibit PAC/2300, Link/72 (June 25, 2020).

REDACTED

by taking the total-company estimated revenue of [REDACTED] and applying the approved system generation allocation factor.

E. Notice

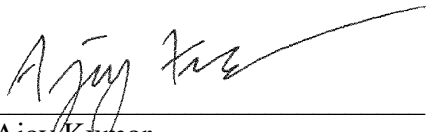
A Notice of PacifiCorp's Application for Approval of Deferred Accounting for Revenues relating to RECs is included as Exhibit A, along with the list of persons served.

V. CONCLUSION

PacifiCorp respectfully requests that the Commission authorize the Company to defer the revenues described in this Application.

Respectfully submitted this 13th day of May, 2021.

By:



Ajay Kumar
Senior Attorney, OSB# 183903
PacifiCorp
825 NE Multnomah St, Suite 2000
Portland, OR 97232

Attorney for PacifiCorp

EXHIBIT A
NOTICE
BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 2167

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Approval of Deferred
Accounting for Revenues Associated with RECs
from Pryor Mountain

**NOTICE OF
APPLICATION FOR DEFERRED
ACCOUNTING**

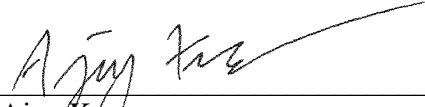
On May 13, 2021, PacifiCorp d/b/a Pacific Power (PacifiCorp) filed an application with the Public Utility Commission of Oregon (Commission) for an order authorizing deferral of the revenues associated with the renewable energy credits from the Pryor Mountain Wind Facility. The granting of this application 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

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 May 13, 2021.

By:



Ajay Kumar
Senior Attorney