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November 4, 2015

***VIA ELECTRONIC FILING***

Public Utility Commission of Oregon  
201 High Street SE, Suite 100  
Salem, OR 97301-1166

Attn: Filing Center

**RE: UM 1742 —PacifiCorp's Response to Motion to Compel**

PacifiCorp d/b/a Pacific Power encloses for filing in the above-referenced docket its Response to Surprise Valley Electric Corporation's Motion to Compel.

If you have questions about this filing, please contact Erin Apperson, Manager of Regulatory Affairs, at (503) 813-6642.

Sincerely,

R. Bryce Dalley  
Vice President, Regulation

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

UM 1742

SURPRISE VALLEY  
ELECTRIFICATION CORP.,

Complainant

v.

PACIFICORP, d/b/a PACIFIC POWER,

Respondent.

PACIFICORP'S RESPONSE TO  
MOTION TO COMPEL

PacifiCorp d/b/a/ Pacific Power (PacifiCorp or Company) files this response to Surprise Valley Electrification Corporation's (Surprise Valley) Motion to Compel. PacifiCorp has agreed to file this response by Wednesday, November 4, 2015, to expedite the resolution of this discovery dispute.

After conferring with Surprise Valley on the parties' discovery dispute, but before Surprise Valley filed its motion to compel, PacifiCorp provided supplemental discovery responses to SVEC Data Requests 1.9, 1.28, and 1.35. The supplemental responses are not reflected in Surprise Valley's Motion to Compel, but are attached hereto. In addition, PacifiCorp has agreed to provide responses to SVEC Data Requests 1.24, 1.26, and 1.31. PacifiCorp continues to maintain that these data requests seek information unrelated to Surprise Valley's right to an Oregon Qualifying Facility (QF) power purchase agreement (PPA), but has provided additional responses in the interest of narrowing this discovery dispute.

## I. BACKGROUND

Surprise Valley seeks to sell the net output of the Paisley Project, a 3.6 MW geothermal QF,<sup>1</sup> to PacifiCorp through execution of an Oregon QF PPA with PacifiCorp. The Paisley Project is owned by Surprise Valley and is interconnected to Surprise Valley's system.<sup>2</sup> The Public Utility Commission of Oregon has approved standard PPAs for QFs like the Paisley Project. These agreements require a QF to provide firm transmission arrangements for delivery of QF power from the QF generator to PacifiCorp's system, at which point PacifiCorp is obligated to purchase the QF power.<sup>3</sup>

To date, Surprise Valley has declined to provide the transmission arrangements required by the Company's Commission-approved Oregon off-system QF PPA (Off-System PPA). Instead of making the firm transmission arrangements required by the Commission, Surprise Valley explains that it intends to "deliver power through displacement of electricity (i.e., where delivery flows in the opposite direction of electricity on the grid)."<sup>4</sup> Surprise Valley also explained this theory in its Complaint, when it stated that, "[m]ost of the Paisley Project's net output is expected to displace electricity Surprise Valley has purchased from BPA and that PacifiCorp would otherwise transmit to Surprise Valley."<sup>5</sup> Given this theory, it is not clear that Surprise Valley intends to make *any* arrangements to deliver the Paisley Project's output to PacifiCorp's system (despite its obligation to do so under the Public Utility Regulatory Policies Act of 1978) (PURPA)), let alone make the specific transmission arrangements required by the Company's Off-System PPA, which requires a QF to make firm transmission arrangements for

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<sup>1</sup> See Surprise Valley Complaint at ¶12. The Paisley Project is not interconnected to PacifiCorp's system.

<sup>2</sup> *Id.* at ¶ 14.

<sup>3</sup> *Kootenai Elec. Coop., Inc.*, 143 FERC ¶ 61,232 at P 33 (2013) ("A utility is obligated under PURPA to purchase the output of a QF as long as the QF can deliver its power to the utility.").

<sup>4</sup> Surprise Valley Motion to Compel at 5.

<sup>5</sup> Surprise Valley Complaint at ¶ 18.

delivery of QF power to a utility's system. Rather, it appears that Surprise Valley wants PacifiCorp to sign a PPA for firm QF power under which PacifiCorp takes BPA power, rather than QF power, at the Company's avoided cost, and to accept this power at some unspecified and "displaced" point "on the grid."

Consistent with this unorthodox approach, Surprise Valley has propounded data requests that seek information unrelated to Surprise Valley's right to a standard QF PPA in Oregon, such as information about PacifiCorp Transmission's balancing obligations in its Balancing Area (BA) and its non-QF transmission arrangements within that BA. Surprise Valley broadly seeks copies of all of PacifiCorp's confidential QF PPAs across PacifiCorp's system, including non-Oregon QF PPAs, which contain different terms and conditions than Oregon's QF PPAs. Surprise Valley also seeks information regarding every transmission delivery arrangement between PacifiCorp and *every generator* in PacifiCorp's entire BA (including non-QF generators), even though non-QF generators need not comply with PURPA and their transmission arrangements are not meant to effectuate PURPA transactions. Surprise Valley even seeks information regarding PacifiCorp Transmission's ability to transmit QF power once a QF delivers that power to PacifiCorp's system, a transaction between PacifiCorp Transmission and PacifiCorp's marketing function (PacifiCorp ESM) that in this case has nothing to do with Surprise Valley or its right to an Oregon QF PPA.

PacifiCorp is willing to provide Surprise Valley with information that is related to Surprise Valley's right to an Oregon QF PPA, but it is burdensome and inappropriate for Surprise Valley to seek broad swaths of information and copies of confidential agreements across PacifiCorp's service territory that have nothing to do with Surprise Valley's right to an Oregon QF PPA. PacifiCorp respectfully asks for a ruling limiting the scope of discovery to

information tending to show whether Surprise Valley is entitled to an Oregon QF PPA with PacifiCorp.

**A. A QF's Right to a Power Purchase Agreement in Oregon.**

PacifiCorp is required by PURPA to purchase power from a QF, including a QF like the Paisley Project,<sup>6</sup> so long as the QF arranges for delivery of its power to PacifiCorp's system in accordance with PURPA and Oregon law.<sup>7</sup> Once PacifiCorp receives that QF power, PacifiCorp must arrange any additional delivery arrangements for that QF power.<sup>8</sup> The first step of this transaction (delivery of QF power from the generator to the utility's system) is the QF's obligation, and it is appropriately at issue in this docket. The second step of the transaction (receipt of QF power by the utility and subsequent delivery) is the utility's obligation, and it is unrelated to a QF's right to a PPA. References to the "transmission" or "delivery" of QF power can refer to either of these distinctly different delivery obligations.

The Paisley Project is an off-system QF because it is not directly interconnected with PacifiCorp's system.<sup>9</sup> To obtain an Oregon Off-System PPA with PacifiCorp, a QF must agree to make the firm transmission arrangements outlined in Addendum W of that PPA.<sup>10</sup> Under the Off-System PPA, Surprise Valley, as the utility between the Paisley Plant and PacifiCorp's system, could take on these transmission arrangements itself, or it could contract with another

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<sup>6</sup> A utility must purchase the amount of QF power delivered to the utility's system, up to the output of the plant minus station service and line losses.

<sup>7</sup> See, e.g., *Kootenai Elec. Coop., Inc.*, 143 FERC ¶ 61,232 at P 33.

<sup>8</sup> See, e.g., *Pioneer Wind Park I, LLC*, 145 FERC ¶ 61,215 at P 37 (2013) (QF's obligation to the purchasing utility "is limited to delivering energy to the point of interconnection by the QF with that purchasing utility," at which point the purchasing utility must handle additional transmission service).

<sup>9</sup> Under FERC's PURPA regulations, an electric utility must purchase any QF power that is made available to the utility either directly, through a direct interconnection, or indirectly, through transmission to the utility's system by another electric utility. 18 C.F.R. § 292.303. These delivery methods are generally reflected in PacifiCorp's Oregon standard on- and off-system QF PPAs. The Company's standard Oregon off-system PPA describes the transmission arrangements a QF must obtain in order to be entitled to payment for firm power for QF energy and capacity.

<sup>10</sup> In its Motion to Compel, Surprise Valley expresses surprise that it must make firm transmission arrangements for delivery of its power to PacifiCorp's system, even though this requirement is found in PacifiCorp's Off-System PPA and has been included in the form PPA since the Company's standard PPAs were approved in docket UM 1129 in 2007. Surprise Valley Motion to Compel at 7.

transmission provider to make the point-to-point delivery arrangements. The transmission arrangements must, however, comply with the terms and conditions of the Off-System PPA. For example, the Off-System PPA requires a QF to obtain generation reserves (and ancillary services, where needed), and requires a QF to provide PacifiCorp with the next day's hourly scheduled deliveries from the QF at least 24 hours in advance.<sup>11</sup> As Commission Staff testified in docket UM 1129, when the Company's standard QF PPAs were approved:

- Q. IS IT REASONABLE FOR A UTILITY TO REQUIRE AN OFF-SYSTEM QF TO USE FIRM TRANSMISSION FOR DELIVERY OF POWER UNDER A STANDARD CONTRACT FOR OFF-SYSTEM QFS?
- A. Yes. The utilities have proposed that their standard off-system QF contracts specify the use of firm transmission. *If a QF wants to use non-firm transmission to deliver its output to the purchasing utility it may do so, but it would not receive capacity payments and would have to execute a non-standard contract.*<sup>12</sup>

In this case, Surprise Valley has been unwilling or unable to either provide transmission arrangements that comply with the Off-System PPA or make such arrangements with another party.<sup>13</sup>

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<sup>11</sup> See, e.g., Addendum W, PacifiCorp's Standard Power Purchase Agreement for Off-System QFs 10 MW or less, found at: [https://www.pacificpower.net/content/dam/pacific\\_power/doc/Efficiency\\_Environment/Net\\_Metering\\_Customer\\_Generation/PacifiCorp\\_Schedule37\\_OR\\_Off-System\\_New\\_QF\\_PPA\\_Aug\\_20\\_2014.pdf](https://www.pacificpower.net/content/dam/pacific_power/doc/Efficiency_Environment/Net_Metering_Customer_Generation/PacifiCorp_Schedule37_OR_Off-System_New_QF_PPA_Aug_20_2014.pdf).

<sup>12</sup> Direct Testimony of Stefan Brown, *In Re Public Util. Comm'n of Oregon Staff Investigation Relating to Elec. Util. Purchases from QFs*, Docket No. UM 1129 (Mar. 24, 2006).

<sup>13</sup> PacifiCorp is mindful that Surprise Valley may have difficulty making adequate transmission arrangements for delivery of the Paisley Project's power to PacifiCorp's system. To that end, PacifiCorp is ready and willing to execute an on-system PPA with Surprise Valley in order to simplify Surprise Valley's delivery obligation. PacifiCorp's current on-system Oregon PPA incorporates the terms for this very situation. The Paisley Project is directly interconnected to Surprise Valley's distribution system, and Surprise Valley's distribution system is, in turn, directly interconnected to PacifiCorp's system. PacifiCorp is willing to treat Surprise Valley's intervening distribution system as essentially a long tie-line, which would allow PacifiCorp to simply meter the power that flows from Surprise Valley's system to PacifiCorp's system. Should Surprise Valley elect such a power purchase agreement, PacifiCorp would work with Surprise Valley to ensure appropriate metering is in place to enable this agreement. PacifiCorp would purchase the amount of power physically flowing onto PacifiCorp's system from Surprise Valley's, up to the net output of the plant and in accordance with its Commission-approved on-system PPA.

**B. Surprise Valley Must Make Arrangements for Firm Delivery of the Paisley Project's Power to PacifiCorp's System; It Should Not Be Permitted to Conduct a Fishing Expedition Into Other Types of Transmission Arrangements Between PacifiCorp and Other Parties.**

The issue in this docket is straightforward: Surprise Valley must agree to the terms and conditions of the Company's Off-System PPA in order to obtain rights under that agreement, including the requirement to obtain firm transmission service for delivery of the Paisley Project's power to PacifiCorp's system. Despite the clear and well established delivery requirements in the Off-System PPA, Surprise Valley has propounded broad data requests that seek information about PacifiCorp's transmission arrangements with other parties. These requests, particularly those seeking information about transmission arrangements between PacifiCorp and non-Oregon QFs, and those between PacifiCorp and non-QF generators, are unrelated to Surprise Valley's obligations under PURPA and Oregon law. Surprise Valley should not be permitted comb through confidential or irrelevant transmission agreements between PacifiCorp and other generators when a QF's delivery requirements for an Oregon standard PPA are clear, well established, and available by reference to the Company's standard Off-System PPA.

**II. LEGAL STANDARD**

Under the Oregon Rules of Civil Procedure (ORCP), "parties may inquire regarding any matter, not privileged, which is relevant to the claim or defense of the party seeking discovery or to the claim or defense of any other party."<sup>14</sup> Relevant evidence must tend to make the existence of any fact at issue in the proceedings more or less probable than it would be without the evidence; and be of the type commonly relied upon by reasonably prudent persons in the

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<sup>14</sup> ORCP 36(B). The Oregon Rules of Civil Procedure apply in Commission contested case and declaratory ruling proceedings unless inconsistent with Commission rules, a Commission order, or an Administrative Law Judge ruling. See OAR § 860-001-0000(1).

conduct of their serious affairs.<sup>15</sup> The Oregon courts and the Commission have affirmed that the information sought in discovery must be reasonably calculated to lead to the discovery of admissible evidence.<sup>16</sup>

### III. ARGUMENT

#### A. PacifiCorp's Non-Oregon QF Power Purchase Agreements Are Irrelevant to Surprise Valley's Assertion that It Is Entitled to an Oregon QF Power Purchase Agreement (SVEC Data Request 1.7, 1.8, and 1.9<sup>17</sup>).

Surprise Valley has asked for copies of all of PacifiCorp's power purchase agreements with QFs, including power purchase agreements in PacifiCorp's other states. (SVEC Data Request 1.7) It also seeks "all QF power purchase agreements in which a portion or all of the [QF's] net output is transmitted across a third-party's distribution or transmission system," (SVEC Data Request 1.8) and additional details about certain of those same power purchase agreements (SVEC Data Request 1.9).

Without conceding that this information is relevant, PacifiCorp has given Surprise Valley copies of its confidential PPAs with *Oregon* QFs. Non-Oregon QF agreements, however, are irrelevant to Surprise Valley's right to an Oregon QF PPA. To obtain a standard Oregon QF PPA, Surprise Valley must comply with the terms and conditions of a standard Oregon QF PPA, including its delivery requirements, not the terms and conditions established by a different state. Under PURPA, each state regulatory authority has authority to establish the terms and conditions its own state-jurisdictional QF PPAs.<sup>18</sup> Surprise Valley's request for non-Oregon QF PPAs is

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<sup>15</sup> OAR § 860-001-0450.

<sup>16</sup> See *Baker v. English*, 324 Or. 585, 588 n.3 (1997); *In re Portland Extended Area Service Region*, Docket No. UM 261, Order No. 91-958 at 5 (Jul. 31, 1991).

<sup>17</sup> A supplemental response to SVEC Data Request 1.9 was provided to Surprise Valley on October 31, 2015.

<sup>18</sup> See, e.g., *Metropolitan Edison Co.*, 72 FERC ¶ 61,015, 61,050 (1995) ("It is up to the States, not [FERC], to determine the specific parameters of individual QF power purchase agreements"); *West Penn Power Co.*, 71 FERC ¶ 61,153 (1995) (same). See *In re Public Util. Comm'n of Oregon Staff Investigation Relating to Elec. Util.* Docket No. UM 1129 (establishing standard QF PPAs for Oregon's regulated electric utilities).



overly broad, unduly burdensome, outside the scope of these proceedings, and unlikely to lead to the discovery of admissible evidence.

Surprise Valley's arguments to the contrary are unavailing. Surprise Valley argues that non-Oregon PPAs "are relevant to PacifiCorp's arguments that it cannot accept Surprise Valley's output through displacement of other electricity flowing towards the QF on the grid."<sup>19</sup> Surprise Valley's "displacement of electricity" theory has nothing to do with PacifiCorp's Commission-approved off-system QF PPA. Surprise Valley should not be permitted to engage in widespread, multi-state scouring of confidential, non-Oregon PPAs the hope of finding a QF PPA that relies on a "displacement of electricity" theory. Discovery should be limited to issues that may lead to the discovery of admissible evidence, which in this case, relate to the rights and obligations of PacifiCorp and Surprise Valley under the Company's standard Oregon QF PPAs and Oregon law.

Nor does Surprise Valley's stated interest in "understanding PacifiCorp's technical capabilities" bring Surprise Valley's requests within the conceivable scope of this proceeding.<sup>20</sup> PacifiCorp's unwillingness to accept QF power under Surprise Valley's "displacement theory" is not, as Surprise Valley paints it, driven by a lack of "technical capabilities," but instead reflects PacifiCorp unwillingness to execute a standard QF PPA with Surprise Valley unless Surprise Valley agrees to the terms and conditions of that agreement, including its obligation to provide firm delivery of QF power to PacifiCorp's system.

Finally, Surprise Valley states that it is entitled to all of PacifiCorp's confidential QF power purchase agreements across six states because it is "entitled to verify the manner by which

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<sup>19</sup> Surprise Valley Motion to Compel at 6.

<sup>20</sup> *Id.* at 7.

PacifiCorp accepts power deliveries from all QFs, not just those in Oregon.”<sup>21</sup> In fact, PacifiCorp is the party required to verify that *Surprise Valley* provides firm delivery of power to PacifiCorp’s system in accordance with Company’s Commission-approved Off-System PPA.<sup>22</sup> Surprise Valley should not be permitted to engage in a fishing expedition for novel generator delivery arrangements that it might employ to deliver power to PacifiCorp. The required terms and conditions of QF power delivery are stated clearly in the Company’s Commission-approved, standard QF PPAs on file with the Oregon Commission.

**B. Surprise Valley’s Request for Detailed Information on Power Delivery Arrangements for Generators Within the Company’s BA (Even if the Generator Is Not a QF) Is Far Outside the Scope of Surprise Valley’s Right to an Oregon QF PPA. (SVEC Data Requests 1.28,<sup>23</sup> 1.29, 1.48).<sup>24</sup>**

In these data requests, Surprise Valley seeks detailed information regarding transmission arrangements for every generator (QF or Non-QF) within PacifiCorp’s BA. These requests are overly broad, unduly burdensome, and not reasonably calculated to lead to the discovery of admissible evidence. As noted in the table below, only transmission arrangements relevant to Surprise Valley’s right to an Oregon QF PPA are the requirements in PacifiCorp’s Off-System PPA.<sup>25</sup>

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<sup>21</sup> *Id.*

<sup>22</sup> It is telling that Surprise Valley has avoided asking the direct question, has PacifiCorp ever accepted displacement as a form of delivery from a QF. PacifiCorp’s response would be very clear, and the parties would address the legal issues.

<sup>23</sup> A supplemental response to SVEC Data Request 1.28 was provided to Surprise Valley on October 31, 2015.

<sup>24</sup> Surprise Valley includes SVEC Data Request 1.28 in Attachment A to its Motion to Compel, but does not otherwise reference the Data Request in its Motion to Compel. It also references 1.29 in the introduction but fails to discuss it further. To the extent Surprise Valley is seeking to compel a response to these Data Requests, PacifiCorp’s response in this section applies.

<sup>25</sup> See Table 1, Column 1.

**Table 1**

<b>Key PURPA Regulatory Obligations</b>			
	<b>(I) Power Purchase</b>	<b>(II) Interconnection</b>	<b>(III) Transmission Arrangements to Load</b>
<b>Primary Jurisdiction</b>	State	State	FERC
<b>Governing Documents</b>	Oregon QF PPA	Interconnection Agreement	NITSA <sup>26</sup>
<b>Parties</b>	QF and Utility Merchant Function (PacifiCorp ESM)	QF and Utility Transmission Function (PacifiCorp Transmission)	Utility Merchant Function (PacifiCorp ESM – Network Customer) and Utility Transmission Function (PacifiCorp Transmission)
<b>Relevance</b>	The only relevant agreement. It requires SVEC to make firm transmission arrangements for delivery of QF power to PacifiCorp’s system.	Not relevant here. There is no interconnection agreement because the Paisley Project is not interconnected to PacifiCorp’s system.	Not relevant here. SVEC is not a party to this agreement. SVEC’s right to a PPA is not contingent on any arrangements between ESM and PacifiCorp Transmission regarding delivery of QF power from the point of delivery on the utility’s system to other points on the utility’s system .

If Surprise Valley is willing to make transmission arrangements that comply with the requirements of the Company’s Off-System PPA, PacifiCorp is ready and willing to enter into an Off-System PPA with Surprise Valley. Transmission arrangements between PacifiCorp and non-QF generators in PacifiCorp’s BA, however, are irrelevant to Surprise Valley’s entitlement to an Oregon QF PPA.<sup>27</sup>

<sup>26</sup> The Network Integration Transmission Services Agreement between PacifiCorp ESM and PacifiCorp Transmission.

<sup>27</sup> There are any number of transmission arrangements available that provide for different types of transmission rights, many of which are incompatible with PURPA obligations. For example, some generators in PacifiCorp’s BA arrange for non-firm transmission to PacifiCorp’s system. A QF, by contrast, is required to arrange for firm transmission in order to be entitled to an Oregon QF PPA.

Surprise Valley does not explain why these data requests are within the scope of this proceeding, or how they might possibly lead to the discovery of admissible evidence. Surprise Valley simply states:

[I]nformation regarding generators that are not Oregon QFs is relevant to whether PacifiCorp has accepted power deliveries through displacement and what transmission arrangements the company finds acceptable. In addition, both past and current contracts are also relevant because PacifiCorp may have accepted power displacements or accepted different transmission arrangements in the past from other off-system generators within either of PacifiCorp's BAs.<sup>28</sup>

This response makes clear that Surprise Valley's requests have nothing to do with the issues in this proceeding, a dispute over a QF PPA, or the firm delivery arrangements required for an Off-System PPA under Oregon law. PacifiCorp's view about what types of transmission arrangements might be "acceptable" for various types of generators has nothing to do with the commercial arrangements required by the PPAs available to QFs in Oregon, or with Surprise Valley's power delivery obligations under the Company's Off-System PPA.<sup>29</sup> If Surprise Valley wishes to execute an Off-System PPA with PacifiCorp, Surprise Valley must make the firm transmission arrangements required by that agreement and by the Oregon Commission. These conditions are clear in PacifiCorp's standard Off-System PPA.

Finally, Surprise Valley's asserts that PacifiCorp should provide copies of its transmission arrangements with all generators in PacifiCorp's BA because PacifiCorp's BA "is responsible for ensuring that generation and loads will balance within the metered boundaries of the BA."<sup>30</sup> This statement is baffling, and like Surprise Valley's other assertions regarding these data requests, has no connection to Surprise Valley's obligation to make firm transmission arrangements to deliver QF power to PacifiCorp's system under PURPA and under PacifiCorp's

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<sup>28</sup> Surprise Valley Motion to Compel at 8.

<sup>29</sup> Some generators, for example, sell electricity as-available; others sell under non-firm delivery arrangements, which would disqualify a generator from obtaining a standard Oregon off-system QF PPA.

<sup>30</sup> Surprise Valley Motion to Compel at 8.

Off-System PPA. A balancing authority balances total generation, total load and net energy imports and exports, it does not provide transmission service or inquire into the commercial arrangements between entities.

PacifiCorp asks the Commission to deny Surprise Valley's motion to compel responses to these data requests.

**C. The Information Requested by Surprise Valley Regarding "PacifiCorp's Ability to Accept Deliveries of the Paisley Project's Entire Net Output" Is Irrelevant to Surprise Valley's Right to an Oregon QF PPA (SVEC Data Requests 1.24, 1.26, 1.31, 1.35,<sup>31</sup> and 1.47).**

SVEC Data Request 1.47 seeks information about Section 30.6 of PacifiCorp's Open Access Transmission Tariff (OATT), including information regarding whether PacifiCorp Transmission has assisted PacifiCorp Merchant in making arrangements to deliver the Paisley Project's power "to PacifiCorp's system," and whether "PacifiCorp Transmission" believes Surprise Valley must provide "scheduling," "imbalance," or "eTags" in order for a QF to be designated a network resource. This data request is outside the scope of this proceeding and unlikely to lead to the discovery of admissible evidence.

The relevance of PacifiCorp's FERC-jurisdictional OATT to Surprise Valley's complaint is unclear. Section 30.6 of the OATT addresses network transmission service between PacifiCorp Transmission and its network transmission customers, including PacifiCorp ESM (*see* Table 1, Column III, below). It does not address the firm transmission arrangements that a QF (*not* a "Network Customer") is required to make to deliver power to PacifiCorp's system under an Off-System QF PPA. Nor does it relate to the claims in the Complaint or PacifiCorp's

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<sup>31</sup> A supplemental response to SVEC Data Request 1.35 was provided to Surprise Valley on October 31, 2015. In addition, PacifiCorp has agreed to provide Surprise Valley with supplemental responses to SVEC Data Requests 1.24 and 1.26.

defense of those claims. For that reason, this data request is unlikely to lead to the discovery of admissible evidence.

Aside from the fact that Section 30.6 of the OATT does not address the type of transmission arrangement Surprise Valley must provide for delivery of power to PacifiCorp's system, the data request contains other fundamental misunderstandings. PacifiCorp Transmission is not a party to a QF PPA, and thus does not itself impose any particular requirements on a QF for delivery of QF power to PacifiCorp's system (*see* Table 1, Column III). Consequently, PacifiCorp Transmission's views about the propriety of any QF transmission arrangement required by an Oregon Commission-jurisdictional agreement between PacifiCorp ESM and a QF regarding a QF's delivery of QF power to a utility's system (Table 1, Column I) have no bearing on these proceedings.

Finally, Surprise Valley argues broadly that PacifiCorp's Transmission's capabilities are at issue because "PacifiCorp raised its inability to accept the output as its defense." According to Surprise Valley, "PacifiCorp argues it will only accept and purchase QF output that includes "scheduling," "imbalance," and "e-tags." [\*\*\*] Without such clarification, Surprise Valley cannot respond to PacifiCorp's defense because Surprise Valley cannot ascertain whether it is a defense that implicates matters within FERC's exclusive jurisdiction over acceptance of a transmission delivery from a QF, or this Commission's jurisdiction over the commercial terms of."<sup>32</sup>

While this argument is not entirely clear, Surprise Valley appears to believe PacifiCorp's insistence on a "schedule" is being imposed on Surprise Valley because PacifiCorp somehow lacks the capability to receive QF power without schedules or other elements of required

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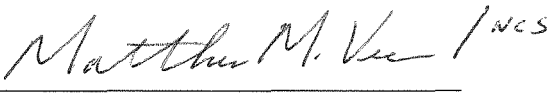
<sup>32</sup> Surprise Valley Motion to Compel at 8.

transmission arrangements. However, as PacifiCorp has repeatedly told Surprise Valley, these are commercial requirements in the PPA. A schedule is a critical element of PacifiCorp's off-system PPA because it ensures that the delivery of QF power is firm, and that PacifiCorp ESM can rely on its availability and schedule it to serve load. For this reason, a schedule is a critical prerequisite for a QF's entitlement to a capacity payment and payment for firm delivery. This requirement, along with the other requirements for firm delivery in the Off-System PPA, have nothing to do with PacifiCorp's transmission capabilities.

#### IV. CONCLUSION

For the foregoing reasons, PacifiCorp respectfully asks the Commission to deny Surprise Valley's Motion to Compel.

Respectfully submitted this 4th day of November, 2015.

By:  /WCS  
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Matthew McVee  
Assistant General Counsel  
PacifiCorp d/b/a Pacific Power

## **SVEC Data Request 1.9**

For all third parties other than BPA referenced in the last data response, please provide a copy of or a summary of the open access transmission tariff that the QFs' net output is transmitted over. If there is no open access transmission tariff, please provide the third parties' transmission tariffs, wholesale distribution tariffs, or other method of tracking and transferring energy across its own distribution or transmission system, and an explanation of how PacifiCorp determines the actual amount of QF energy received from the off-system QF.

### **1<sup>st</sup> Supplemental Response to SVEC Data Request 1.9**

After conferring with Surprise Valley's counsel, and without waiving its prior objection, PacifiCorp provides the following supplement to SVEC Data Request 1.9:

PacifiCorp currently receives eTagged hourly schedules for energy delivered to PacifiCorp's system from qualifying facilities identified in the response to SVEC Data Request 1.8 where the PPA has been designated as a network resource. Two qualifying facilities, Mariah Wind and Orem Family Wind, have requested that PacifiCorp accept either delivery under a dynamic schedule or by 15-minute schedules when those facilities go into commercial operation in December 2015. PacifiCorp rejected the request for delivery via dynamic schedule, but indicated a willingness to accept 15-minute schedules. PacifiCorp requested that both projects provide the transmission arrangements with BPA showing that deliveries to PacifiCorp's system will be scheduled on a 15-minute basis.

All of the off-system qualifying facilities identified in PacifiCorp's response to SVEC Data Request 1.8 cross the Bonneville Power Administration's (BPA) system. BPA's open access transmission tariff is publically available on BPA's website, [www.bpa.gov](http://www.bpa.gov).



### **SVEC Data Request 1.28**

Provide a map of PacifiCorp's west BA Area within which Surprise Valley exists, and mark on the map and separately identify and list:

- (a) All generators in the BA.
- (b) All electric utilities with service territory within the BA, and for each such utility list all generators that are interconnected to the utility within PacifiCorp's BA or is transferred to a neighboring BA to ensure such load-resource balance.
- (c) For each generator listed in response to subparts (a) and (b) of this request, please identify the party that is responsible for metering the output of the generator and ensuring that the output will balance with loads with the BA.
- (d) For each generator listed in response to subparts (a) and (b) of this request, please explain whether PacifiCorp possesses the capability to (i) serve load with the PacifiCorp BA with an amount of electrical energy (kWh) equal to the generator's output, and (ii) transfer the output through an interchange transaction to a neighboring BA.

### **1<sup>st</sup> Supplemental Response to SVEC Data Request 1.28**

After conferring with Surprise Valley's counsel, PacifiCorp provides the following supplemental response:

PacifiCorp continues to object to this request as not reasonably calculated to lead to the discovery of admissible evidence, and as requiring information not maintained in the ordinary course of business or development of a special study. Without waiving these objections, PacifiCorp responds as follows:

- (a) Please refer to Attachment SVEC 1.28 1<sup>st</sup> Supplemental for a list of generators within the PacifiCorp West (PACW) balancing authority area (BAA).
- (b) PacifiCorp also has some utilities that are connected to the PacifiCorp Transmission system and are located within the metered boundaries of the PACW BAA which include, all or parts of: City of Ashland, Oregon, Emerald People's Utility District (EPUD), Yakama Power, Columbia Basin Electric Cooperative, Public Utility District No. 1 of Clark County (Chelatchie Tap Load), and Surprise Valley Electrification Corp (SVEC). There are several other entities that may be connected at the distribution level depending upon system conditions, as an example, Pacific Gas & Electric (PG&E) has the capability of switching some of their load into the PacifiCorp system in the Northern California area or on the opposite, PacifiCorp load can be switched into PG&E's area. Some of these

smaller distribution level customers are not metered on an hourly basis and are considered within the metered boundaries of the BAA.

- (c) PacifiCorp does not have the requested information. The party responsible for metering the output of the generator is based on each interconnecting utility's interconnection procedures, or, in the case of legacy interconnections, agreement between the parties based on commercial arrangements. For all new generator interconnections, PacifiCorp designs, procures, constructs, installs and owns any system upgrades to its transmission or distribution system. Metering of generator output is generally directly assigned to the generator requesting interconnection, but owned and installed by PacifiCorp. Additionally, metering may be required under commercial arrangement for ownership, operation or power purchase agreements.
- (d) PacifiCorp does not have the requested information in that it calls for speculation regarding load service, transmission service, and system conditions. PacifiCorp, as the Balancing Authority, is required to balance in real time, area loads, resources and interchange. As a Balancing Authority, PacifiCorp does not "serve" load. Loads are served by load serving entities, generally retail electric utilities. PacifiCorp, as a transmission provider will transfer energy for transmission customers to provide for service to the customers' loads.

Load within the PACW BAA may be less than the net generation in any one hour. In that event, PacifiCorp would not have sufficient load within PACW to absorb electric energy equal to the net output of all generators on its system. In such circumstances, the Balancing Authority or Transmission Provider may redispatch generating units, or adjust interchange with neighboring Balancing Authority Areas. Similarly, PacifiCorp may not have the current capability to transfer output from every generator to any neighboring BA. PacifiCorp, as a transmission provider, will review any transmission service request to determine the necessary upgrades required to effectuate any requested transfer of energy from a generator to a neighboring Balancing Authority, pursuant to the terms of PacifiCorp's Open Access Transmission Tariff.

Generators within PACW BAA



Generator Name	BA	Transmission Owner of Pseudo Tied Resources
Bear Creek Hydro	PACW	
Bend Hydro 1	PACW	
Bend Hydro 2	PACW	
Bend Hydro 3	PACW	
Big Top	PACW	
Biomass One	PACW	
Black Cap Solar	PACW	
Box Canyon	PACW	
Bridger	PACW	
Butter Creek Power	PACW	
Cal Forest Nurseries	PACW	
Camas Mill	PACW	
Cameron Curtiss Hydro	PACW	
Campbell Wind	PACW	
Chehalis	PACW	BPA
Clearwater 1	PACW	
Clearwater 2	PACW	
Combine Hills	PACW	
Copco 1 - 1	PACW	
Copco 1 - 2	PACW	
Copco 2 - 1	PACW	
Copco 2 - 2	PACW	
D R Johnson	PACW	
Dorena Lake	PACW	
Douglas County Forest Products	PACW	
Eagle Point	PACW	
East Side	PACW	
EBD/Apple	PACW	
Evergreen Bio	PACW	
Fall Creek	PACW	
Falls Creek		
Farmers Irr District	PACW	
Ferry Hydro	PACW	
Fish Creek	PACW	
Four Corners Windfarm	PACW	
Four Mile Canyon	PACW	
Goodnoe Hills	PACW	BPA
Hermiston	PACW	
Hermiston 1	PACW	BPA
Hermiston 2	PACW	BPA
Hinkle Wind	PACW	
Iron Gate	PACW	





**Transmission  
Owner of Pseudo  
Tied Resources**

<b>Generator Name</b>	<b>BA</b>
J BAR 9 RANCH QF	PACW
J. C. Boyle 1	PACW
J. C. Boyle 2	PACW
Juniper Ridge	PACW
Klamath Irr Distr Hydro	PACW
Lake Creek	PACW
Lake Siskiyou Hydro	PACW
Leaning Juniper	PACW
Lemolo 1	PACW
Lemolo 2	PACW
Marengo	PACW
Merwin	PACW
Merwin 1	PACW
Merwin 2	PACW
Merwin 3	PACW
Monroe Hydro	PACW
Odell Creek Hydro	PACW
OIT Geothermal	PACW
Opal Springs	PACW
Oregon Environmental Biogass	PACW
Oregon Trail Windfarm	PACW
OSU Gas Turbine	PACW
Pacific Canyon	PACW
Paisley	
Pelton Reg	PACW
Prospect 1	PACW
Prospect 2 - 1	PACW
Prospect 2 - 2	PACW
Prospect 3	PACW
Prospect 4	PACW
Roseburg Forest Products - Dillard	PACW
Roseburg Lumber -Weed	PACW
Roseburg Misc Purchase -LFG	PACW
Roseburg South Gate	PACW
Rough & Ready Cogen	PACW
Roush Hydro	PACW
Sand Ranch Windfarm	PACW
Siphon	PACW
Slate Creek	PACW
Slide Creek	PACW
Soda 1	PACW
Soda 2	PACW
Stahlbush Island	PACW
Stateline	PACW

BPA





<b>Generator Name</b>	<b>BA</b>	<b>Transmission Owner of Pseudo Tied Resources</b>
Swalley Irr Distr	PACW	
Swift 1	PACW	BPA
Swift 2	PACW	BPA
Three Mile Canyon Wind	PACW	
Three Mile Farm Bio	PACW	
Tieton	PACW	
Toketee 1	PACW	
Toketee 2	PACW	
Toketee 3	PACW	
Vernon Hydro	PACW	
Wagon Trail Windfarm	PACW	
Wallowa Falls	PACW	
Ward Butte Windfarm	PACW	
West Side	PACW	
Yakima	PACW	
Yale	PACW	



**SVEC Data Request 1.35**

Please provide a list of each individual employed or retained by PacifiCorp who has been involved in processing SVEC’s request for interconnected operations allowing the delivery of the QF power and the request for a PURPA PPA. For each individual, please identify the job title, role in the negotiations, and classification as a marketing or transmission function employee under FERC’s standards of conduct.

**1<sup>st</sup> Supplemental Response to SVEC Data Request 1.35**

After conferring with Surprise Valley’s counsel, PacifiCorp provides the following supplemental response:

Below is a list of PacifiCorp employees and individuals retained by PacifiCorp that participated in processing SVEC’s request for a power purchase agreement, including settlement discussions following receipt of Surprise Valley’s April 16, 2015 demand letter, to the best of PacifiCorp’s knowledge.

<b>Name</b>	<b>Title</b>	<b>Role</b>	<b>Function</b>
Bruce Griswold	Director, Short-term Origination and Qualifying Facility (QF) Contracts	Power purchase agreement (PPA) negotiations (commercial)	Marketing
John Younie	Contract Administrator (no longer employed at PacifiCorp)	PPA negotiations (commercial)	Marketing
Doug Meeuwesen	Energy Market Trader	Transmission service for ESM	Marketing
Jim Portouw	Energy Market Trader (no longer employed at PacifiCorp)	Transmission service for ESM	Marketing
Michael Reid	Attorney (no longer employed at PacifiCorp)	PPA negotiations (legal)	Legal
Nathalie Wessling	Credit Manager (no longer employed at PacifiCorp)	PPA negotiations (credit review)	Credit
Randolph Murgio	Credit Specialist	PPA negotiations (credit review)	Credit
Sarah Wallace	General Counsel	Settlement discussions following receipt of Surprise Valley’s April 16, 2015 demand letter.	Legal
Matthew McVee	Assistant General Counsel	Settlement discussions following receipt of Surprise Valley’s April 16, 2015 demand letter.	Legal
Jeff Erb	Assistant General Counsel and Corporate Secretary	Settlement discussions following receipt of Surprise Valley’s April 16, 2015 demand letter.	Legal
Lisa Hardie	Attorney, Troutman Sanders	Settlement discussions following receipt of Surprise Valley’s April 16, 2015 demand letter.	Legal
Karen Kruse	Attorney, Troutman Sanders	Settlement discussions	Legal

		following receipt of Surprise Valley's April 16, 2015 demand letter.	
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PacifiCorp has also agreed to expand the scope of Surprise Valley's request to include all individuals that, to the best of PacifiCorp's knowledge, have participated on PacifiCorp's behalf regarding Surprise Valley's notification that PacifiCorp is an affected system due to the interconnection of the Paisley Project to Surprise Valley's system and the request by PacifiCorp's merchant function, Energy Supply Management (ESM), to PacifiCorp Transmission to designate the Paisley Project power purchase agreement as a network resource. PacifiCorp agrees to provide this information even though ESM, not Surprise Valley, is the party required to deliver QF power to load once a QF delivers that power to PacifiCorp's system, making Surprise Valley irrelevant to this element of QF power delivery. In that regard, Surprise Valley has not submitted to PacifiCorp Transmission any transmission service request or any request related to delivery of energy other than its notice that PacifiCorp would be an affected system following the interconnection of the Paisley Project to Surprise Valley's system.

<b>Name</b>	<b>Title</b>	<b>Role</b>	<b>Function</b>
Eric Birch	Transmission Services (no longer employed at PacifiCorp)	Relay Setting Report following affected system study requested by Surprise Valley	Transmission
Phil Ricker	Protection & Control (no longer employed at PacifiCorp)	Relay Setting Report following affected system study requested by Surprise Valley	Transmission
Nitu Iyer	Contractor, Protection & Control	Relay Setting Report following affected system study requested by Surprise Valley	Transmission
Veronica Stofiel	Transmission Account Manager	Evaluate transmission request for new designated resource for ESM	Transmission
Paul Tien	Senior Business Analyst	Evaluate transmission request for new designated resource for ESM	Transmission
Howard Farris	Project Manager	Evaluate transmission request for new designated resource for ESM	Transmission
Glenn Fortner	Senior Area/Transmission Planner	Evaluate transmission request for new designated resource for ESM	Transmission
John Aniello	Project Manager	Evaluate transmission request for new designated resource for ESM	Transmission
Justin Krueger	Project Management	Evaluate transmission request for new designated resource for ESM	Transmission
John Mark	Principle Engineer, Metering	Evaluate transmission	Transmission

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	Engineering	request for new designated resource for ESM	
Tom Fishback	Project Manager	Evaluate transmission request for new designated resource for ESM	Transmission
Maggie Hodny	Manager, Property, RE Transmission	Evaluate property acquisition requirements for transmission request for new designated resource for ESM	Transmission
Brian King	Manager, Environmental, PP T&D Environmental	Evaluate environmental issues related to property acquisition requirements for transmission request for new designated resource for ESM	Transmission
Jana Mejdell	Director, Real Estate Management, Real Estate Management	Evaluate property acquisition requirements for transmission request for new designated resource for ESM	Property
Laura Raypush	Transmission Account Manager	Transmission Agreement Impacts of Settlement Proposal	Transmission
Brian Fritz	Director, Transmission Development	Evaluate transmission request for new designated resource for ESM	Transmission
Richard Vail	Vice President, Transmission, Transmission Services	Executive review of transmission contracts	Transmission
Patrick Cannon	Senior Counsel	Legal Support for Transmission	Legal



**SVEC Data Request 1.42**

Reference PacifiCorp’s Standard Off-System PPA at Addendum W, page 1, stating: “WHEREAS, Seller’s Facility is not located within the control area of PacifiCorp”. Please explain how this addendum could apply when the Paisley project is located in PacifiCorp’s BAA. Is it PacifiCorp’s position that any QF not directly connected to PacifiCorp’s system must provide PacifiCorp with imbalance service or other non-QF electricity as a precondition to selling its net output to PacifiCorp?

**1<sup>st</sup> Supplemental Response to SVEC Data Request 1.42**

After conferring with Surprise Valley’s counsel, PacifiCorp provides the following supplemental response:

PacifiCorp had not taken the position that a qualifying facility (QF) not directly connected to PacifiCorp’s system must provide PacifiCorp with imbalance service or other non-QF electricity as a precondition to selling its net output to PacifiCorp. It is PacifiCorp’s position that off-system QFs must provide firm delivery of the net output of the QF to PacifiCorp’s system, or agree to sell only that amount that actually and measurably flows into PacifiCorp’s system. Imbalance service is generally an ancillary service to ensure firm delivery, but such service is between the transmitting utility and QF.