

825 NE Multnomah, Suite 2000 Portland, Oregon 97232

December 22, 2017

VIA ELECTRONIC FILING

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

Attn: Filing Center

RE: UM 1845 – PacifiCorp's Response

PacifiCorp d/b/a Pacific Power encloses for filing its response to Caithness Beaver Creek, LLC's Request to Modify Conditions in Order No. 17-345.

Please contact me with any questions regarding this filing at (503) 813-6583.

Sincerely,

Natasha Siores Manager, Regulatory Affais

I certify that I electronically filed a true and correct copy of PacifiCorp's **Response** on the parties listed below via electronic mail in compliance with OAR 860-001-0180.

COALTION LC 67	
NANCY ESTEB PO BOX 490 CARLSBORG, WA 98324 esteb44@centurylink.net	JOHN LOWE RENEWABLE ENERGY COALITION 12050 SW TREMONT ST PORTLAND, OR 97225-5430 jravenesanmarcos@yahoo.com
IRION A SANGER (C) SANGER LAW PC 1117 SE 53RD AVE PORTLAND OR 97215 irion@sanger-law.com	
ICNU LC 67	
TYLER C PEPPLE (C) DAVISON VAN CLEVE 333 SW TAYLOR ST., SUITE 400 PORTLAND, OR 97204 tcp@dvclaw.com	BRADLEY MULLINS (C) MOUNTAIN WEST ANALYTICS 333 SW TAYLOR STE 400 PORTLAND, OR 97204 <u>brmullins@mwanalytics.com</u>
PATRICK J OSHIE (C) DAVISON VAN CLEVE PC 507 BALLARD RD. ZILLAH, WA 98953 <u>pjo@dvclaw.com</u>	
NATIONAL GRID	
NATHAN SANDVIG NATIONAL GRID USA 205 SE SPOKANE ST, STE 300 PORTLAND, OR 97202 nathan.sandvig@nationalgrid.com	JACK STODDARD MORGAN LEWIS & BOCKIUS ONE MARKET SPEAR STREET TOWER SAN FRANCISCO CA 94105 <u>fjackson.stoddard@morganlewis.com</u>
NIPPC LC 67	
ROBERT D KAHN NORTHWEST & INTERMOUTAIN POWER PRODUCERS COALITION PO BOX 504 MERCER ISLAND, WA 98040 <u>rkahn@nippc.org</u>	STEVE KNUDSEN NIPPC 2015 SE SALMON ST PORTLAND OR 97214 <u>sknudsen@nippc.org</u>

Service List LC 67

SIDNEY VILLANUEVA (C)	
SANGER LAW, PC	
1117 SE 53RD AVE	
PORTLAND, OR 97215	
sidney@sanger-law.com	
NW ENERGY COALITION	
WENDY GERLITZ (C)	FRED HEUTTE (C)
NW ENERGY COALITION	NW ENERGY COALITION
1205 SE FLAVEL	PO BOX 40308
PORTLAND, OR 97202	PORTLAND, OR 97240-0308
wendy@nwenergy.org	fred@nwenergy.org
ODOE LC 67	
DIANE BROAD (C)	JESSE D. RATCLIFFE (C)
OREGON DEPARTMENT OF ENERGY	OREGON DEPARTMENT OF ENERGY
625 MARION ST NE	1162 COURT ST NE
SALEM OR 97301-3737	SALEM, OR 97301-4096
diane.broad@state.or.us	jesse.d.ratcliffe@doj.state.or.us
WENDY SIMONS (C)	
OREGON DEPARTMENT OF ENERGY	
625 MARION ST NE	
SALEM, OR 97301	
wendy.simons@oregon.gov	
OREGON CITIZENS' UTILITY BOARD	MICHAEL GOETZ (C)
610 SW BROADWAY, STE 400	OREGON CITIZENS' UTILITY BOARD
PORTLAND, OR 97205	610 SW BROADWAY STE 400
dockets@oregoncub.org	PORTLAND, OR 97205
	mike@oregoncub.org
ROBERT JENKS (C)	
OREGON CITIZENS' UTILITY BOARD	
610 SW BROADWAY STE 400	
PORTLAND, OR 97205	
bob@oregoncub.org	
bbb@blegblicdb.blg	
PACIFICORP LC 67	<u> </u>
PACIFICORP, DBA PACIFIC POWER	ERIN APPERSON (C)
825 NE MULTNOMAH ST, STE 2000	PACIFIC POWER
PORTLAND, OR 97232	825 NE MULTNOMAH STE 1800
oregondockets@pacificorp.com	PORTLAND, OR 97232
	erin.apperson@pacificorp.com
ETTA LOCKEY	
PACIFIC POWER	
825 NE MULTNOMAH ST., STE 2000	
PORTLAND, OR 97232	
etta.lockey@pacificorp.com	
ottanoono paointo proonn	

PGE LC 67	
FRANCO ALBI PORTLAND GENERAL ELECTRIC 121 SW SALMON ST, 1WTC0702 PORTLAND, OR 97204 <u>franco.albi@pgn.com</u>	PATRICK G HAGER PORTLAND GENERAL ELECTRIC 121 SW SALMON ST 1WTC0306 PORTLAND, OR 97204 pge.opuc.filings@pgn.com patrick.hager@pgn.com
V. DENISE SAUNDERS PORTLAND GENERAL ELECTRIC 121 SW SALMON ST 1WTC1301 PORTLAND, OR 97204 denise.saunders@pgn.com	
RENEWABLE NW LC 67 RENEWABLE NORTHWEST 421 SW 6TH AVE., STE. 1125 PORTLAND, OR 97204 dockets@renewablenw.org	MICHAEL O'BRIEN (C) RENEWABLE NORTHWEST 421 SW 6TH AVENUE #975 PORTLAND, OR 97204 <u>michael@renewablenw.org</u>
SILVIA TANNER RENEWABLE NORTHWEST 421 SW 6TH AVE, STE 975 PORTLAND, OR 97204 silvia@renewablenw.org	
ROBERT J. PROCTER BOB PROCTER PROCTOR ECONOMICS proctereconomics@gmail.com	
SIERRA CLUB AMY HOJNOWSKI SENIOR CAMPAIGN REPRESENTATIVE SIERRA CLUB (503) 347-3752 amy.hojnowski@sierraclub.org	GLORIA D SMITH (C) SIERRA CLUB LAW PROGRAM 2101 WEBSTER ST STE 1300 OAKLAND, CA 94612 gloria.smith@sierraclub.org
ANA BOYD (C) SIERRA CLUB 2101 WEBSTER ST STE 1300 OAKLAND, CA 94612 <u>ana.boyd@sierraclub.org</u>	
STAFF LC 67 LISA GORSUCH (C) PUBLIC UTILITY COMMISSION OF OREGON PO BOX 1088 SALEM OR 97308-1088 <u>lisa.gorsuch@state.or.us</u>	GEOFFREY IHLE (C) PUBLIC UTILITY COMMISSION OF OREGON PO BOX 1088 SALEM, OR 97308 geoffrey.ihle@state.or.us
3	1]

SOMMER MOSER **(C)** PUC STAFF - DEPARTMENT OF JUSTICE 1162 COURT ST NE SALEM, OR 97301 <u>sommer.moser@doj.state.or.us</u>

Katil Savar

Katie Savarin Coordinator, Regulatory Operations

I certify that I electronically filed a true and correct copy of PacifiCorp's **Response** on the parties listed below via electronic mail delivery in compliance with OAR 860-001-0180.

OREGON CITIZENS' UTILITY BOARD 610 SW BROADWAY, STE 400 PORTLAND, OR 97205 dockets@oregoncub.org	GREGORY M. ADAMS RICHARDSON ADAMS, PLLC PO BOX 7218 BOISE, ID 83702 greg@richardsonadams.com
GREG BASS NOBLE AMERICAS ENERGY SOLUTIONS, LLC 401 WEST A ST., STE. 500 SAN DIEGO, CA 92101 gbass@noblesolutions.com	KURT J BOEHM BOEHM KURTZ & LOWRY 36 E SEVENTH ST - STE 1510 CINCINNATI, OH 45202 <u>kboehm@bkllawfirm.com</u>
STEVE W CHRISS (C) WAL-MART STORES, INC. 2001 SE 10TH ST BENTONVILLE, AR 72716-0550 <u>stephen.chriss@wal-mart.com</u>	MARIANNE GARDNER (C) PUBLIC UTILITY COMMISSION OF OREGON PO BOX 1088 SALEM, OR 97308-1088 <u>marianne.gardner@state.or.us</u>
KEVIN HIGGINS ENERGY STRATEGIES LLC 215 STATE ST - STE 200 SALT LAKE CITY, UT 84111-2322 <u>khiggins@energystrat.com</u>	ROBERT JENKS (C) OREGON CITIZENS' UTILITY BOARD 610 SW BROADWAY, STE 400 PORTLAND, OR 97205 <u>bob@oregoncub.org</u>
SARAH E KAMMAN (C) PACIFIC POWER 825 NE MULTNOMAH ST STE 1800 PORTLAND, OR 97232 <u>sarah.kamman@pacificorp.com</u>	JODY KYLER COHN BOEHM, KURTZ & LOWRY 36 E SEVENTH ST STE 1510 CINCINNATI, OH 45202 <u>ikyler@bkllawfirm.com</u>
KATHERINE A MCDOWELL (C) MCDOWELL RACKNER & GIBSON PC 419 SW 11TH AVE., SUITE 400 PORTLAND, OR 97205 <u>katherine@mcd-law.com</u>	SAMUEL L ROBERTS (C) HUTCHINSON COX COONS ORR & SHERLOCK 777 HIGH ST STE 200 PO BOX 10886 EUGENE, OR 97440 <u>sroberts@eugenelaw.com</u>

Service List UE 263

TRACY RUTTEN LEAGUE OF OREGON CITIES 1201 COURT STREET NE SUITE 200 SALEM, OR 97301 trutten@orcities.org	IRION A SANGER (C) SANGER LAW PC 1117 SE 53RD AVE PORTLAND, OR 97215 <u>irion@sanger-law.com</u>
DONALD W SCHOENBECK (C) REGULATORY & COGENERATION SERVICES INC 900 WASHINGTON ST STE 780 VANCOUVER, WA 98660-3455 <u>dws@r-c-s-inc.com</u>	NONA SOLTERO FRED MEYER STORES/KROGER 3800 SE 22ND AVE PORTLAND, OR 97202 nona.soltero@fredmeyer.com
DOUGLAS C TINGEY PORTLAND GENERAL ELECTRIC 121 SW SALMON 1WTC1301 PORTLAND, OR 97204 doug.tingey@pgn.com	JAY TINKER PORTLAND GENERAL ELECTRIC 121 SW SALMON ST 1WTC-0306 PORTLAND, OR 97204 pge.opuc.filings@pgn.com
MICHAEL T WEIRICH (C) PUC STAFFDEPARTMENT OF JUSTICE BUSINESS ACTIVITIES SECTION 1162 COURT ST NE SALEM OR 97301-4096 <u>michael.weirich@state.or.us</u>	

Savan tio

Katie Savarin Coordinator, Regulatory Operations

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GREGORY M. ADAMS (C) RICHARDSON ADAMS, PLLC PO BOX 7218 BOISE, ID 83702 greg@richardsonadams.com	PATRICK G HAGER PORTLAND GENERAL ELECTRIC 121 SW SALMON ST 1WTC0306 PORTLAND, OR 97204 pge.opuc.filings@pgn.com; patrick.hager@pgn.com
ROBERT JENKS (C) OREGON CITIZENS' UTILITY BOARD 610 SW BROADWAY, STE 400 PORTLAND, OR 97205 <u>bob@oregoncub.org</u>	JASON W JONES (C) PUC STAFFDEPARTMENT OF JUSTICE BUSINESS ACTIVITIES SECTION 1162 COURT ST NE SALEM, OR 97301-4096 jason.w.jones@state.or.us
ROBERT D KAHN NORTHWEST & INTERMOUTAIN POWER PRODUCERS COALITION PO BOX 504 MERCER ISLAND, WA 98040 rkahn@nippc.org	JIMMY LINDSAY RENEWABLE NORTHWEST PROJECT 421 SW 6TH AVE #1125 PORTLAND, OR 97204-1629 jimmy@rnp.org
DARRINGTON OUTAMA PORTLAND GENERAL ELECTRIC 121 SW SALMON ST, 3WTC0306 PORTLAND, OR 97204 darrington.outama@pgn.com	PETER J RICHARDSON (C) RICHARDSON ADAMS, PLLC PO BOX 7218 BOISE, ID 83707 <u>peter@richardsonadams.com</u>
IRION A SANGER (C) SANGER LAW PC 1117 SE 53RD AVE PORTLAND, OR 97215 <u>irion@sanger-law.com</u>	V. DENISE SAUNDERS PORTLAND GENERAL ELECTRIC 121 SW SALMON ST 1WTC1301 PORTLAND, OR 97204 denise.saunders@pgn.com
DONALD W SCHOENBECK (C) REGULATORY & COGENERATION SERVICES INC 900 WASHINGTON ST STE 780 VANCOUVER, WA 98660-3455 <u>dws@r-c-s-inc.com</u>	JOHN W STEPHENS ESLER STEPHENS & BUCKLEY 121 SW MORRISON ST STE 700 PORTLAND, OR 97204-3183 <u>stephens@eslerstephens.com</u> ; <u>mec@eslerstephens.com</u>

Service List UM 1540

MARY WIENCKE PACIFIC POWER 825 NE MULTNOMAH ST, STE 1800 PORTLAND, OR 97232-2149 mary.wiencke@pacificorp.com PACIFICORP, DBA PACIFIC POWER 825 NE MULTNOMAH ST, STE 2000 PORTLAND, OR 97232 oregondockets@pacificorp.com

Katie Savar

Katie Savarin Coordinator, Regulatory Operations

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

Service List UM 1845

CAITHNESS BEAVER CREEK, LLC	
ROSS AIN	DERREL GRANT
CAITHNESS BEAVER CREEK, LLC	CAITHNESS BEAVER CREEK, LLC
565 5TH AVE 29TH FL	565 5TH AVE 29TH FL
NEW YORK NY 10017	NEW YORK NY 10017
rain@caithnessenergy.com	dgrant@caithnessenergy.com
GAIL CONBOY	
CAITHNESS BEAVER CREEK, LLC	
565 5TH AVE 29TH FL	
NEW YORK NY 10017	
gconboy@caithnessenergy.com	
<u></u>	
ICNU UM 1845	
TYLER C PEPPLE (C)	BRADLEY MULLINS (C)
DAVISON VAN CLEVE	MOUNTAIN WEST ANALYTICS
333 SW TAYLOR ST., SUITE 400	333 SW TAYLOR STE 400
PORTLAND OR 97204	PORTLAND OR 97204
tcp@dvclaw.com	brmullins@mwanalytics.com
RILEY G PECK (C)	
DAVISON VAN CLEVE, PC	
333 SW TAYLOR, STE 400	
PORTLAND OR 97204	
rgp@dvclaw.com	
<u>- gp C artolathoonn</u>	
NIPPC UM 1845	
GREGORY M. ADAMS (C)	ROBERT D KAHN
RICHARDSON ADAMS, PLLC	NORTHWEST & INTERMOUTAIN POWER
PO BOX 7218	PRODUCERS COALITION
BOISE ID 83702	PO BOX 504
greg@richardsonadams.com	MERCER ISLAND WA 98040
<u>g. cg e nona acconación do en </u>	rkahn@nippc.org
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IRION A SANGER (C)	
SANGER LAW PC	
1117 SE 53RD AVE	
PORTLAND OR 97215	
irion@sanger-law.com	
PACIFICORP UM 1845	
PACIFICORP, DBA PACIFIC POWER	ERIN APPERSON (C)
825 NE MULTNOMAH ST, STE 2000	PACIFIC POWER
PORTLAND OR 97232	825 NE MULTNOMAH STE 800
	PORTLAND OR 97232
oregondockets@pacificorp.com	
	erin.apperson@pacificorp.com
OREGON CITIZENS UTILITY BOARD	
OREGON CITIZENS' UTILITY BOARD	MICHAEL GOETZ (C)
610 SW BROADWAY, STE 400	OREGON CITIZENS' UTILITY BOARD
PORTLAND OR 97205	610 SW BROADWAY STE 400
dockets@oregoncub.org	PORTLAND OR 97205
	mike@oregoncub.org
ROBERT JENKS (C)	
OREGON CITIZENS' UTILITY BOARD	
610 SW BROADWAY, STE 400	
PORTLAND OR 97205	
bob@oregoncub.org	
RENEWABLE NW UM 1845	
MICHAEL O'BRIEN	SILVIA TANNER
RENEWABLE NORTHWEST	RENEWABLE NORTHWEST
421 SW 6TH AVENUE #975	421 SW 6TH AVE, STE 975
PORTLAND OR 97204	PORTLAND OR 97204
michael@renewablenw.org	silvia@renewablenw.org
mender@renewdolenw.org	<u>enna eronomabionmorg</u>
STAFF UM 1845	1
BENJAMIN FITCH-FLEISCHMANN (C)	GEOFFREY IHLE (C)
PUBLIC UTILITY COMMISSION OF	PUBLIC UTILITY COMMISSION OF
OREGON	OREGON
PO BOX 1088	PO BOX 1088
SALEM OR 97308	SALEM OR 97308
ben.fitch@state.or.us	geoffrey.ihle@state.or.us

JOHANNA RIEMENSCHNEIDER (C) PUC STAFF - DEPARTMENT OF
JUSTICE
BUSINESS ACTIVITIES SECTION
1162 COURT ST NE SALEM OR 97301-4796
johanna.riemenschneider@doj.state.or.us

~ atil Savan

Katie Savarin Coordinator, Regulatory Operations

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1845

In the Matter of

PACIFICORP d/b/a PACIFIC POWER,

Request for Proposals of an Independent Evaluator to Oversee the Request for Proposals Process.

PACIFICORP'S RESPONSE TO CAITHNESS BEAVER CREEK, LLC's REQUEST TO MODIFY CONDITIONS IN ORDER NO. 17-345

PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) respectfully requests that the Public Utility Commission of Oregon (Commission) deny Caithness Beaver Creek LLC's (Caithness) motion to modify the conditions in Order No. 17-345 (Request). Caithness's motion should be denied because: (1) the 2017R RFP clearly states that it is limited to wind resources; and (2) PacifiCorp explained this point to Caithness, and the IE agreed with PacifiCorp's decision to deem Caithness's bids ineligible and return its bid fee.

The Commission issued Order No. 17-345 on September 14, 2017, conditionally approving PacifiCorp's 2017 renewable request for proposals (2017R RFP) contingent upon subsequent acknowledgment of PacifiCorp's 2017 Integrated Resource Plan (2017 IRP) and several modifications requested by the independent evaluator (IE) or parties. The Commission issued Order No. 17-367 on September 27, 2017,which amended Order No. 17-345 by: (1) adding a condition requiring the IE to confirm that it resolved with PacifiCorp how to fairly score bids with different transmission requirements; (2) allowing bids by non-Wyoming wind resources that can deliver to PacifiCorp; (3) adding an additional power purchase agreement (PPA) bid option; (4) clarifying that bidders may provide comments on

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the pro forma agreements; and (5) clarifying that the litigation clause excludes state commission complaints.

The 2017R RFP approval process included numerous opportunities for stakeholders to provide comments and also included two bidders' conferences, which occurred both before and after PacifiCorp issued the 2017R RFP.

I. ARGUMENT

The 2017R RFP clearly outlines the bidder requirements that Caithness now contests, and Caithness's wind and battery storage bid was appropriately deemed non-conforming based on the RFP requirements. The bidder-eligibility requirements limiting resources to wind technologies are contained in the 2017R RFP and were also discussed at both the August 2 and October 2, 2017 bidders' conferences. Contrary to Caithness's arguments, this limitation on eligible resources to wind is not new.

The introduction of the 2017R RFP states: "This [2017R RFP] is seeking costcompetitive bids for up to 1,270 MW of wind energy interconnecting with or delivering to PacifiCorp's Wyoming system and any additional wind energy located outside of Wyoming that will reduce system costs and provide net benefits for customers." Additionally, in Section 5–Resource Information, Sub-Section D–Resource Types Eligible to Bid, the RFP states: "PacifiCorp is seeking new wind energy resources or repowered existing wind resources capable of directly interconnecting and/or delivering energy to PacifiCorp's PACE and PACW network transmission system by December 31, 2020." Although Caithness's bid includes wind generation, the addition of battery storage was not contemplated in the 2017R RFP and renders Caithness's bid non-conforming. Caithness claims that PacifiCorp deemed its projects non-conforming as a technology risk, but as PacifiCorp repeatedly explained to

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Caithness, the projects are non-conforming because they include both wind and battery storage rather than just wind projects. Therefore, the technological risks that Caithness raises in its motion were not dispositive to a determination of eligibility, which PacifiCorp explained to Caithness on a December 2, 2017 call.

Caithness is correct that correspondence from PacifiCorp on November 17, 2017, stated: "We have completed our evaluation of bids for selection of the initial shortlist and unfortunately your Beaver Creek I and IV wind projects were deemed nonconforming under the eligibility requirements in the RFP per RFP H.13–technology risk and RFP H 11– evidence of third party transmission service to PacifiCorp's system." More specifically, RFP Section 3, Sub-Section H.13 states: "Proposal presents unacceptable level of development or technology risk." During the December 2 call with Caithness, PacifiCorp, and the IE, PacifiCorp explained that the reference to technology risk is related to the 2017R RFP requirement that only wind technology is deemed to be in compliance.

PacifiCorp discussed the eligibility of all bids associated with the 2017R RFP with both the Oregon and Utah IEs. Based on the criteria outlined in the 2017R RFP, both of the IEs agreed that Caithness's bid should be deemed ineligible and that PacifiCorp should return all bid fees. Caithness's bid was not the only bid that was deemed non-conforming due to failure to limit the bid to wind generation only.

Because Caithness' bids were deemed non-conforming, PacifiCorp did not discuss transmission issues with Caithness on the December 2, 2017 call. Since PacifiCorp appropriately deemed Caithness' bids non-conforming, it appropriately did not address any transmission service issues with Caithness. Instead, PacifiCorp returned Caithness' bid fee, and the Oregon IE agreed with that approach.

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II. CONCLUSION

PacifiCorp respectfully requests that the Commission deny Caithness Beaver Creek LLC's request to modify the conditions in Order No. 17-345 because: (1) the 2017R RFP is limited to wind resources; and (2) PacifiCorp explained this criteria to Caithness, and the IE agreed with PacifiCorp's decision to deem Caithness's bids ineligible and return its bid fee.

Respectfully submitted this 22nd day of December, 2017.

By:

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