

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 28, 2014

REGULAR _____ CONSENT X EFFECTIVE DATE October 28, 2014

DATE: October 17, 2014

TO: Public Utility Commission

FROM: John Crider *JC*

THROUGH: Jason Eisdorfer *J* and Aster Adams *AA*

SUBJECT: PACIFICORP: (Docket No. UM 1700) 2013 Renewable Portfolio Standard Compliance Report.

STAFF RECOMMENDATION:

Staff recommends that, based upon PacifiCorp's 2013 Renewable Portfolio Standard (RPS) Compliance Report, the Commission find PacifiCorp complied with the RPS for the 2013 compliance period. Staff recommends that PacifiCorp be directed to retire the Renewable Energy Credits (RECs) identified in Attachment C to its report, and to provide a Western Renewable Energy Generation Information System (WREGIS) retirement report to the Commission within 30 calendar days.

DISCUSSION:

PacifiCorp (Company) filed its 2013 RPS Compliance Report (Report) on May 30, 2014. The Report indicates that PacifiCorp complied with Oregon's RPS, which states that for the calendar year 2013, at least five percent of the electricity sold by a large utility to retail electricity consumers must come from qualifying resources. For 2013, PacifiCorp used unbundled RECs for 20 percent (the maximum amount permitted by ORS 469A.145 (1) of its compliance obligation. PacifiCorp used bundled RECs for the remaining 80 percent.

In its report PacifiCorp states that its cost of compliance for 2013 was 0.02 percent of annual revenue requirement, therefore not triggering the four percent cost limitation of ORS 469A.100.

PacifiCorp's total megawatt-hours (MWh) sales to retail customers in 2013 was 13,089,969 MWh. The RPS requires PacifiCorp to retire RECs equivalent to 5 percent

of this total, or 654,499 RECs. PacifiCorp chose to meet 20 percent of this requirement with the purchase of unbundled RECs, and the remaining 80 percent with bundled RECs. Staff has confirmed the validity of RECs used for compliance as reported by WREGIS and the Oregon Department of Energy.¹ Table 1 below shows the breakdown of RECs used for compliance.

Table 1. RECs Used by PacifiCorp for the 2013 RPS Compliance

BUNDLED	Location (States)	VINTAGE YEAR				TOTAL
		2008	2009	2010	2011	
Geothermal	UT		15,068			
Wind	ID, OR, WA, WY		501,694			
Hydro-Incremental	CA, ID, OR, MT, UT, WA		6,838			
SUBTOTAL			523,600			523,600
UNBUNDLED						
Biogas	OR				11,980	
Wind	OR, WA	43,554			51,989	
Hydro-Incremental	WA			8,356	15,020	
SUBTOTAL		43,554		8,356	78,989	130,899
TOTAL		43,554	523,600	8,356	78,989	654,499

There are two mechanisms that serve as cost protections for Oregon consumers -- an alternative compliance payment (ACP) mechanism and a cost cap on RPS expenditures equal to four percent of annual revenue requirement. In lieu of procuring renewable resources, utilities are allowed to pay an ACP and the funds are placed in a holding account to be spent on energy conservation programs or for procuring additional eligible resources.

According to the Company, the incremental cost of compliance was \$197,000 or about 0.02 percent of annual Oregon revenue requirements, well below the four percent cost cap.

¹ ODOE is granted legislative authority to administer and oversee the REC validation program through WREGIS. See ORS 469A.130

Conclusion

Staff finds that PacifiCorp's RPS Compliance Report demonstrates it complied with ORS 469A.052, which requires that for the calendar year 2013 at least five percent of the electricity sold by a large utility to retail electricity consumers must come from qualifying resources. PacifiCorp used unbundled RECs for 20 percent of its compliance obligation, and bundled RECs for the remaining 80 percent. In addition, Staff finds that PacifiCorp was well within the four percent incremental cost cap.

PROPOSED COMMISSION MOTION:

- (1) PacifiCorp be found to comply with Oregon's Renewable Portfolio Standard during the 2013 compliance period;
- (2) PacifiCorp be directed to retire the RECs identified in its Compliance Report, and to provide a WREGIS retirement report to the Commission within 30 calendar days of the date of this Order.