

ISSUED: January 6, 2010

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1396

In the Matter of

THE PUBLIC UTILITY COMMISSION OF
OREGON

Investigation into Determination of Resource
Sufficiency, pursuant to Order No. 06-538.

RULING

DISPOSITION: DATE SET FOR FINAL COMMENTS

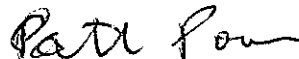
By ruling dated September 29, 2009, I reopened this matter to receive comments from the parties regarding a proposed decision outline. Initial comments were filed by Pacific Power, dba PacifiCorp (Pacific Power)/Idaho Power (filed jointly), Commission Staff, PGE, Biomass One, Renewable Energy Coalition (REC), and ICNU. Reply Comments were filed by Pacific Power/Idaho Power, REC, ICNU, PGE, and the Community Renewable Energy Coalition. Having reviewed those comments, the Commission has modified the proposed decision framework, as shown in the attached appendix.

The Commission now would like to receive comments on the revised decision framework. Without limiting the scope of comments in any respect, parties are asked to address a recommendation made by ICNU at page 10 of its opening ("initial") comments:

Eligible renewable QFs should not be limited to only the Oregon RPS. If a utility is acquiring renewable resources that would meet an RPS requirement in another state in which it provides service or a Federal RPS, then the renewable QF should be able sell power based on the costs of the renewable resource.

Comments shall be filed not later than February 3, 2010.

Dated at Salem, Oregon, this 6th day of January, 2010.



Patrick Power
Administrative Law Judge

APPENDIX
UM 1396 Decision Outline

- Utilities shall file their avoided costs every two years and, also, 30 days after an IRP order is issued (same as today).
 - The Commission will allow updates at other times if the proponent can show that significant changes in avoided costs have occurred. Changes in factors affecting avoided costs (such as new market price forecasts or revised new resource dates) are not significant just because they are included in a new IRP filing.
- For both two-year and post-IRP filings, the start date for a “major resource acquisition” in an action plan of the most recent acknowledged IRP demarcates the resource “sufficiency” and “deficiency” periods.
 - A “major resource” is defined as it is in the competitive bidding rules.
For two-year filings, the utility may seek acknowledgement of updated action plans.
 - Renewable resource acquisitions may be major resource acquisitions for purposes of determining the avoided costs for a renewable resource QF eligible under the RPS.
 - For partially acknowledged plans or acknowledged plans with a range of on-line years for the next major resource acquisition, the Commission will indicate how the utility shall determine avoided costs.
- For resource sufficiency periods, avoided costs will be based on appropriate wholesale market price forecasts.
- For resource deficiency periods, avoided costs will be based on one of the following:
 - For a proposed renewable QF (eligible under the RPS) in which the developer will cede RECs over to the utility, the proposed QF may choose an avoided cost stream based on the avoided cost of the major renewable acquisition.

- When the major avoidable resource is a Gas CCCT, all QFs may choose an avoided cost stream based on the cost of the Gas CCCT.
- If a renewable QF chooses avoided costs based on the utility's next major renewable resource acquisition, the deficiency date and resource costs used in the calculation must be based on that major renewable resource acquisition; conversely, if the renewable QF chooses avoided costs based on an avoidable Gas CCCT, the deficiency date and resource costs used must be based on that Gas CCCT.

For two-year filings, market prices and generation costs may be updated. The start date for the resource deficiency period shall not be updated unless the utility receives acknowledgement of an updated action plan.