



# Oregon

Kate Brown, Governor

## Public Utility Commission

201 High St SE Suite 100

Salem, OR 97301

**Mailing Address:** PO Box 1088

Salem, OR 97308-1088

## Consumer Services

1-800-522-2404

Local: 503-378-6600

## Administrative Services

503-373-7394

August 12, 2015

### ***Via Electronic Filing***

OREGON PUBLIC UTILITY COMMISSION  
ATTENTION: FILING CENTER  
PO BOX 1088  
SALEM OR 97302-1088

**RE: Docket No. UE 296- In the Matter of PACIFICORP, dba  
PACIFIC POWER, 2016 Transition Adjustment Mechanism.**

Attached for errata filing are two pages that replace Staff- Cross  
Answering Redacted Testimony in UE 296 filed on August 3, 2015.

Dollar amount changes as follows:

Staff/200, Ordonez/2, line 9: "\$1.7 million" changed to "\$1.07 million"

Staff/200, Ordonez/10, line 11: "\$1.7 million" changed to "\$1.07 million"

/s/ Kay Barnes  
Utility Program  
(503) 378-5763  
Email: [kay.barnes@state.or.us](mailto:kay.barnes@state.or.us)

- 10) Modeling Avian Protection, and  
11) Direct access.

**Q. What are Staff's recommendations regarding the topics you have referenced above?**

- A. 1. BAA Nexus Modeling: Staff proposes an increased system-wide value of inter-regional benefits of \$12.60 million, which represents \$4.2 million in addition to the Company-proposed amount of \$8.4 million. The \$4.2 million is on a system-wide basis and it is \$1.07 million on an Oregon-allocated basis. The rationale for Staff's adjustment lies in the assumption that the increased "dynamic transfer capability" (DTC) between PacifiCorp's BAAs is needed to produce inter-regional exports to the CAISO.
2. EIM Within-Hour Benefits: Staff withdraws its adjustment presented in its Opening Testimony. Staff learned through additional discovery that the new performance paradigm featuring a 30-minute balancing market, on which the Staff adjustment relied, is not yet in operation.
3. Day-Ahead and Real-Time Modeling: Staff continues to recommend that the Commission not accept the Company-proposed change, which reduces the Company's Oregon-allocated NPC by approximately \$8 million, until Staff and other parties have had the opportunity to reasonably understand the mechanics of the Company-proposed modeling, as well as the opportunity to analyze GRID run variances and sensitivities to the Company-proposed change. However, Staff recommends that instead of addressing its issues through workshops before the next 2017 TAM, similar to the way in which

1 Therefore, Staff proposes an increased value of inter-regional benefits  
2 of \$12.6 million, which is \$4.2 million in addition to the Company-proposed  
3 amount of \$8.4 million.

4 **Q. Why is Staff proposing an upward adjustment of \$4.2 million instead of**  
5 **\$8.4 million?**

6 A. Staff is making a conservative assumption that only 50 percent of the  
7 increased DTC between PacifiCorp's BAAs will be used to produce exports to  
8 the CAISO, resulting in the \$12.6 Staff-proposed adjustment. The rationale for  
9 the 50 percent is based on Staff's judgment that the DTC between PacifiCorp's  
10 BAAs will not always result in transactions with the CAISO. The \$4.2 million of  
11 system-wide basis is expressed in an Oregon-allocated basis of \$1.07 million.

12 **2. EIM Within-Hour Benefits**  
13

14 **Q. What was Staff's position in the Opening Testimony regarding this**  
15 **issue?**

16 A. In its Opening Testimony, Staff recommended "the inclusion of \$1.43 million of  
17 Oregon-allocated benefits of reduced reserves due to the fact that EIM allows  
18 the Company to schedule wind [and load] resources on a within-hour basis."<sup>8</sup>

19 **Q. Has Staff changed its position regarding this issue?**

20 A. Yes. Staff has performed further discovery regarding this issue. In the  
21 Company's response to Staff DR 55, which is included as Exhibit Staff/201,  
22 Ordonez/7-11, the Company stated that the new performance paradigm  
23 featuring a 30-minute balancing market, on which the Staff adjustment relied, is

---

<sup>8</sup> See Exhibit Staff100, Ordonez/3, lines 1-3.