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November 1, 2011

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Oregon Public Utility Commission
550 Capitol Street NE, Ste 215
Salem, OR 97301-2551

Attn: Filing Center

RE: UM 1182(1) – Pacific Power’s Comments on Straw Proposal

PacifiCorp d/b/a Pacific Power (“PacifiCorp or the Company”) encloses for filing its Comments on the Commission’s straw proposal for modification to the major resource definition in the above-referenced docket.

Please contact Joelle Steward, Regulatory Manager, at (503) 813-5542 for questions on this matter.

Sincerely,

Andrea L. Kelly
Vice President, Regulation

Enclosure

Cc: Service List – UM 1182

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1182(1)

In the Matter of:

PUBLIC UTILITY COMMISSION OF
OREGON,

Investigation Regarding Competitive
Bidding.

**COMMENTS OF
PACIFICORP**

1 Pursuant to the Memorandum issued by Administrative Law Judge (ALJ) Sarah K.
2 Wallace in this proceeding on September 28, 2011, PacifiCorp d/b/a Pacific Power (the
3 Company) hereby submits these Comments to the Public Utility Commission of Oregon
4 (Commission) on the straw proposal presented by the Commission in Order No. 11-340 in
5 this docket. Attached to these comments is a revised straw proposal for the Commission's
6 consideration as well as a recommended modification to the process for receiving a
7 Commission determination on whether or not multiple projects qualify as a major resource.

I. Comments on the Straw Proposal in Order No. 11-340

9 In Order No. 11-340, the Commission resolved to modify its competitive bidding
10 guidelines to include criteria for when multiple small projects should be considered a major
11 resource. The Commission included a straw proposal for such criteria and requested parties
12 to comment on the straw proposal. In general, the Company agrees with the Commission's
13 straw proposal and provides suggested edits. As a principle, the criteria should apply to all
14 relevant parties, including utilities, bidders, and qualifying facilities (QF) under the Public
15 Utility Regulatory Policies Act (PURPA). One concern for PacifiCorp is the process for
16 requesting and receiving a Commission finding regarding particular projects. With customer

1 interest in mind, the Company’s proposed revisions include adding a targeted timeline for a
2 Commission decision on a utility’s request.

3 **A. Physical Proximity Criteria**

4 One of the criteria included in the straw proposal in Order No. 11-340 is the
5 following physical proximity requirement: (1) the generating plants are located on one or
6 more adjacent parcels of land or on parcels within a five-mile radius. The Company
7 suggests replacing the term “adjacent” with the term “contiguous.” The term contiguous is
8 already defined in the Oregon Administrative Rules as:

9 “Contiguous” means a single area of land that is considered to be
10 contiguous even if there is an intervening public or railroad right of
11 way, provided that rights of way land on which municipal
12 infrastructure facilities exist (such as street lighting, sewerage
13 transmission, and roadway controls) are not considered contiguous.
14 (OAR 860-039-0005(3)(d).)

15 The Company proposes adopting this term to maintain consistency and
16 because this proposed definition is straightforward and addresses the issue of
17 intervening rights-of-way.

18 In addition, the Company proposes modifying the criteria to clarify the
19 distinction between “generating plants” and “projects” in the criteria related to
20 physical proximity. In the straw proposal, both the term “projects” and “plants”
21 appear to be used to describe generating resources. However, generating plants are
22 actually a subset of generating projects. Therefore, the Company proposes adding
23 clarifying language as shown in the attached straw proposal. The Company does not
24 believe that this change is substantive in nature.

25 One other consideration is consistency of criteria with other Commission
26 decisions. In Docket UM 1129, which was a Commission-opened investigation

1 related to electric utility purchases from QFs, the Commission considered adopting
2 criteria for determining whether multiple energy projects are in fact a single QF.¹ In
3 that docket, the parties agreed in a partial stipulation to define certain terms and
4 criteria to provide more clarity regarding QF eligibility. The Commission approved
5 the partial stipulation, which considered generating facilities to be located at the same
6 site if they are located within a five-mile radius of any generating facilities or
7 equipment providing fuel or motive force associated with the QF.² The Company is
8 not proposing that the Commission adopt the definition applicable to QFs; however,
9 the definition of major resource adopted as part of this proceeding should not conflict
10 with the criteria applied to QFs.

11 **B. Process for Commission Determination**

12 The Company recommends that a sentence be added to the criteria to better define the
13 process for receiving a Commission determination on whether or not projects will qualify as
14 a major resource. Due to what is often a time-sensitive situation, it is important for utilities
15 to have some certainty with regard to the timing for receiving this decision. A timely
16 Commission decision is necessary for the utility to act as expeditiously as possible in making
17 the decision to move forward with a resource decision that benefits customers, or to start a
18 formal request for proposals (RFP) process, or to file a request for waiver of the RFP
19 requirement. The Company therefore recommends a targeted date for a Commission
20 decision thirty days after the date of filing of the request.

¹ See Order No. 06-538 at p. 10 (Sept. 20, 2006).

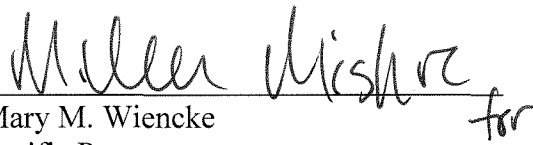
² Order No. 06-586 at Exh. A at p. 1 (Oct. 19, 2006) (Order No. 06-586 was an errata order; the partial stipulation was erroneously not attached to Order No. 06-538).

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II. CONCLUSION

The Company appreciates the Commission's interest in modifying the definition of major resource to clarify when multiple small projects should be considered a major resource. The Company requests that the Commission take these comments into account in establishing these criteria.

DATED: November 1, 2011



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Counsel for PacifiCorp

ATTACHMENT A

PACIFICORP'S STRAW PROPOSAL

If multiple small generating projects totaling **more than** 100 MW meet the following criteria, then there is a rebuttable presumption that the multiple projects are a "major resource" and the competitive bidding guidelines apply:

- (1) The generating plants **in the projects** are located on one or more **contiguous** parcels of land or on parcels within a five-mile radius **from the generators**; and
- (2) Construction of the plants is performed by the same contractor, or under the same contract, or under multiple **construction** contracts entered into within two years of each other.

The utility bears the burden of rebutting this presumption. If multiple small projects meet these criteria, but the utility believes that other factors show that each **project** is separate and distinct, then the utility may request that the Commission find that the projects do not qualify as a major resource. **The Commission will target a decision within 30 days after the filing of a request.** If the utility proceeds without making this request and without following the competitive bidding guidelines, then the utility may attempt to rebut the presumption that it should have followed the guidelines when the utility seeks recovery of the costs of the project in rates.

CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document, in Dockets UM 1182, on the date indicated below by email and/or US Mail, addressed to said parties at his or her last-known address(es) indicated below.

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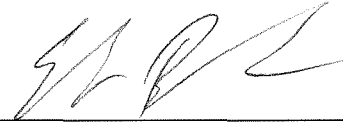
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DATED: November 1, 2011



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