

HARDY MYERS
Attorney General



PETER D. SHEPHERD
Deputy Attorney General

DEPARTMENT OF JUSTICE
GENERAL COUNSEL DIVISION

October 25, 2006

Filing Center
Public Utility Commission of Oregon
550 Capitol Street NE - Suite 215
Salem Oregon 97301-2551

Re: UM 1208 – Staff's Additional Comments
DOJ File No. 860115-GP0065-06

Dear Filing Center:

Enclosed for filing are updates on two related issues in Staff's Reply Comments filed on October 13, 2006.

Sincerely,

Neoma Lane
Legal Secretary
Regulated Utility & Business Section

NAL:nal/GENR7363

Enclosures

cc: Service list w/enclosures (Excel spreadsheets by email only)

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1208

In the Matter of PacifiCorp Draft 2012
Request for Proposals

STAFF'S ADDITIONAL COMMENTS

This filing is to provide updates on two related issues in Staff's Reply Comments filed October 13, 2006.

1. On page 5, under the heading "Improvements to the Initial 2012 RFP Filing," staff stated the following:

"PacifiCorp amended the RFP in response to comments from staff and the Oregon Department of Energy that the initial filing did not account for the 1,400 MW of wind resources in the company's acknowledged IRP. PacifiCorp now proposes to reserve 1,400 MW for renewable resources in the 2012 RFP evaluation modeling, as staff recommended. Staff notes, however, that the company so far has incorporated in its updated load-resource balances only 1,114 MW of renewable resources in 2015 toward its 1,400 MW commitment. See PacifiCorp's response to Staff Data Request No. 48. This should be corrected and reflected in the load-resource balance used for the 2012 RFP."

At staff's request, PacifiCorp filed a supplemental response to Staff Data Request No. 48 on October 23, 2006 (attached). The supplemental response corrects the issue noted above.

2. Adding to PacifiCorp's load and resource balance the remaining renewable resources to achieve its 1,400 MW commitment by 2015 reduces the company's capacity and energy deficits on the east side of its system, as well as system-wide.

The company filed Supplemental Comments on October 25, 2006. The company states, "As redesigned, the RFP no longer implies a change in approach to front-office transactions (FOTs) from that used in the 2004 IRP, and the RFP treats FOTs consistent with the IRP assumptions. PacifiCorp is reviewing its approach to FOTs and the proper planning reserve margin in PacifiCorp's 2006 IRP. As redesigned, the RFP avoids prejudging the outcome of this review, while permitting PacifiCorp to move forward now with an approved RFP to meet its undisputed resource needs." See PacifiCorp's Supplemental Comments at 1-2.

The company's Supplemental Comments specify several other significant changes to the Draft 2012 RFP. Staff anticipates that the Commission will direct staff and parties to provide another round of comments to address these changes.

Staff intends to further address the company's capacity and energy needs at that time. In doing so, staff will take into account the 1,400 MW of renewable resources and 1,200 MW of front office transactions acknowledged by the Commission and that the company is now including in its 2012 RFP modeling. Staff also will take into account the company's previously assumed 15 percent planning reserve margin, as well as a lower planning margin such as 12 percent.



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

October 23, 2006

**VIA EMAIL
AND OVERNIGHT DELIVERY**

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

RE: OR Docket No. UM-1208
OPUC Staff Data Requests 48-53

Please find enclosed an original and one copy of Pacific Power's 1st Supplemental response to OPUC Staff Data Request Number 48. Provided on the enclosed CD is Attachment OPUC 48 a-1 and a-2.

If you have any questions, please call Laura Beane at (503) 813-5542.

Sincerely,

for Laura Beane, Manager
Regulation

Enclosures

cc: Lisa Schwartz/OPUC
Michael Weirich/ODOJ
Jason Eisdorfer/CUB
Melinda Davison/ICNU
Randall J. Falkenberg/ICNU
Phil Carver/ODOE
Katherine McDowell/McDowell & Associates PC

OPUC Data Request 48

Please refer to PacifiCorp's response to Staff Data Request 29. Please provide annual *system-wide* MW and MWa load-resource balance tables for 2007-2016 for each of the following scenarios. Describe all new resources added.

- a. The company acquires the 1,200 MW of Front Office Transactions system-wide that were included as "Planned Resources" in the 2004 IRP, and does not acquire in 2013 the 750 MW super-critical pulverized coal plant as a "comparable" resource that would replace Front Office Transactions.
- b. The company does not acquire the 1,200 MW of Front Office Transactions system-wide included as "Planned Resources" in the 2004 IRP and does acquire in 2013 the 750 MW super-critical pulverized coal plant.
- c. The company does not acquire the 700 MW of Front Office Transactions for the east side of its system that were included as "Planned Resources" in the 2004 IRP, but does acquire the 500 MW of Front Office Transactions on the west side of its system that were included in the 2004 IRP as well as the 750 MW super-critical pulverized coal plant in 2013.

1st Supplemental Response to OPUC Data Request 48

- a. The supplemented requested information is provided in 1st Supplemental Attachment OPUC 48 a-1 (MW tables) and 1st Supplemental Attachment OPUC 48 a-2 (MWa tables) on the enclosed CD.
- b. Please refer to 1st Supplemental Data Response OPUC 48 a on the enclosed CD.
- c. Please refer to 1st Supplemental Data Response OPUC 48 a on the enclosed CD.

OREGON

RFP 2012

UM-1208

PACIFIC POWER

OPUC STAFF DATA REQUEST

ATTACHMENT

OPUC 48a-1 and a-2 1st SUPPLEMENTAL

ON THE ENCLOSED CD

1 **CERTIFICATE OF SERVICE**

2
3 I certify that on October 25, 2006, I served the foregoing upon all parties of record in this
4 proceeding by delivering a copy by electronic mail and by mailing a copy by postage prepaid
5 first class mail or by hand delivery/shuttle mail to the parties accepting paper service.

6 SUSAN K ACKERMAN
7 ATTORNEY
8 PO BOX 10207
9 PORTLAND OR 97296-0207
10 susan.k.ackerman@comcast.net

11 **W / CITIZENS' UTILITY BOARD OF OREGON**
12 OPUC DOCKETS
13 610 SW BROADWAY STE 308
14 PORTLAND OR 97205
15 dockets@oregoncub.org

16 **CITIZENS' UTILITY BOARD OF OREGON**
17 JASON EISDORFER – **HIGHLY CONFIDENTIAL**
18 ENERGY PROGRAM DIRECTOR
19 610 SW BROADWAY STE 308
20 PORTLAND OR 97205
21 jason@oregoncub.org

22 **DAVISON VAN CLEVE PC**
23 MELINDA J DAVISON – **CONFIDENTIAL**
24 333 SW TAYLOR - STE 400
25 PORTLAND OR 97204
26 mail@dvclaw.com

W / DEPARTMENT OF JUSTICE
JANET L PREWITT
ASST AG
1162 COURT ST NE
SALEM OR 97301-4096
janet.prewitt@doj.state.or.us

ESLER, STEPHENS & BUCKLEY
JOHN W STEPHENS
888 SW FIFTH, SUITE 700
PORTLAND OR 97204-2021
stephens@eslerstephens.com

W / NORTHWEST ENERGY COALITION
STEVEN WEISS
SR POLICY ASSOCIATE
4422 OREGON TRAIL CT NE
SALEM OR 97305
steve@nwenergy.org

NW INDEPENDENT POWER PRODUCERS
ROBERT D KAHN **HIGHLY CONFIDENTIAL**
EXECUTIVE DIRECTOR
7900 SE 28TH ST STE 200
MERCER ISLAND WA 98040
rkahn@nippc.org

W / OREGON DEPARTMENT OF ENERGY
PHILIP H CARVER **CONFIDENTIAL**
SENIOR POLICY ANALYST
625 MARION ST NE STE 1
SALEM OR 97301-3742
philip.h.carver@state.or.us

W / OREGON INTERFAITH GLOBAL WARMING CAMPAIGN
JAMES EDELSON **HIGHLY CONFIDENTIAL**
415 NE MIRIMAR PL
PORTLAND OR 97232
edelson8@comcast.net

OREGON PUBLIC UTILITY COMMISSION
LISA C SCHWARTZ – **HIGHLY CONFIDENTIAL**
SENIOR ANALYST
PO BOX 2148
SALEM OR 97308-2148
lisa.c.schwartz@state.or.us


W / OREGON STATE PUBLIC INTEREST RESEARCH GROUP
JEREMIAH BAUMANN
CLEAN ENERGY ADVOCATE
1536 SE 11TH AVE
PORTLAND OR 97214
jeremiah@ospirg.org

PACIFICORP
LAURA BEANE
MANAGER - REGULATORY
825 MULTNOMAH STE 2000
PORTLAND OR 97232
laura.beane@pacificorp.com

PACIFICORP
NATALIE HOCKEN **HIGHLY CONFIDENTIAL**
ASSISTANT GENERAL COUNSEL
825 NE MULTNOMAH #1800
PORTLAND OR 97232
natalie.hocken@pacificorp.com

RENEWABLE NORTHWEST PROJECT
ANN ENGLISH GRAVATT – **CONFIDENTIAL**
917 SW OAK STE 303
PORTLAND OR 97205
ann@rnp.org

1 **RFI CONSULTING INC**
RANDALL J FALKENBERG
2 PMB 362
8351 ROSWELL RD
SANDY SPRINGS GA 30350
3 consultrfi@aol.com

4 
5 Neoma Lane
6 Legal Secretary/Department of Justice
7 Regulated Utility & Business Section

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OF OREGON**

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2006 IRP L&R Balance with FOT (Draft)

Planning Reserve Margin Target = 15%

MW										
Calendar Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
East										
Thermal	6,134	5,941	5,941	5,941	5,941	5,941	5,941	5,941	5,941	5,941
Hydro	135	135	135	135	135	135	135	135	135	135
DSM	153	163	163	163	163	163	163	163	163	163
Renewable	65	109	109	141	141	141	141	141	137	137
Purchase	904	679	778	548	543	343	343	343	343	322
QF	200	200	200	200	200	200	200	200	200	200
Interruptible	233	233	308	308	308	308	308	308	308	308
Transfers	454	515	515	815	815	815	815	815	815	815
East Existing Resources	8,278	7,975	8,149	8,251	8,246	8,046	8,046	8,046	8,042	8,021
2013 coal resource	0	0	0	0	0	0	0	0	0	0
Wind	16	54	54	88	88	108	108	108	108	108
Front Office Transactions	0	175	325	500	500	700	700	700	700	700
East Planned Resources	16	229	379	588	588	808	808	808	808	808
East Resources	8,294	8,204	8,528	8,839	8,834	8,854	8,854	8,854	8,850	8,829
Load	6,460	6,778	6,972	7,253	7,352	7,549	7,708	7,872	7,976	8,203
Sale	849	811	702	666	631	595	595	595	595	595
Non-owned reserves	71	71	71	71	71	71	71	71	71	71
East Obligation	7,309	7,589	7,674	7,919	7,983	8,144	8,303	8,467	8,571	8,798
PM	973	1,021	986	1,031	1,041	1,065	1,089	1,113	1,129	1,166
East Obligation + PM	8,283	8,611	8,660	8,950	9,024	9,209	9,392	9,581	9,700	9,964
East Position	12	(407)	(131)	(111)	(190)	(355)	(538)	(727)	(850)	(1,136)
West										
Thermal	2,046	2,046	2,046	2,046	2,046	2,046	2,046	2,046	2,046	2,046
Hydro	1,421	1,421	1,439	1,378	1,407	1,318	1,249	1,243	1,244	1,242
DSM	0	0	0	0	0	0	0	0	0	0
Renewable	45	110	110	110	110	86	86	86	86	86
Purchase	786	800	800	799	749	112	141	107	107	107
QF	40	40	40	40	40	40	38	38	38	38
Transfers	(454)	(515)	(515)	(815)	(815)	(815)	(815)	(815)	(815)	(815)
West Existing Resources	3,884	3,902	3,920	3,558	3,537	2,787	2,745	2,706	2,706	2,705
Other Planned Resources	0	0	0	0	0	0	0	0	0	0
Wind	0	0	32	32	72	72	72	72	72	72
Front Office Transactions	0	100	400	400	500	500	500	500	500	500
West Planned Resources	0	100	432	432	572	572	572	572	572	572
West Resources	3,884	4,002	4,351	3,990	4,109	3,359	3,317	3,278	3,278	3,277
Load	2,965	3,000	3,054	2,991	3,152	3,074	3,112	3,146	3,239	3,310
Sale	299	299	299	290	290	258	258	258	158	108
Non-owned reserves	7	7	7	7	7	7	7	7	7	7
West Obligation	3,264	3,299	3,353	3,281	3,442	3,332	3,370	3,404	3,397	3,418
PM	378	366	329	319	335	415	416	426	425	428
West Obligation + PM	3,642	3,665	3,682	3,599	3,777	3,747	3,786	3,830	3,822	3,846
West Position	242	336	669	390	332	(388)	(469)	(552)	(544)	(569)
System										
Existing Resources	12,162	11,876	12,069	11,809	11,783	10,833	10,791	10,752	10,748	10,726
Planned Resources	16	329	811	1,020	1,160	1,380	1,380	1,380	1,380	1,380
Total Resources	12,178	12,206	12,880	12,828	12,943	12,213	12,170	12,131	12,128	12,105
Obligation	10,573	10,888	11,027	11,200	11,425	11,476	11,673	11,871	11,968	12,216
PM	1,352	1,388	1,315	1,349	1,376	1,480	1,505	1,539	1,554	1,594
Obligation + PM	11,925	12,276	12,342	12,549	12,801	12,956	13,178	13,410	13,522	13,810
System Position	253	(70)	538	280	142	(743)	(1,008)	(1,279)	(1,394)	(1,705)

Average Annual Energy (MWa)

Data	Year										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Sum of East MWh	8,678,458	7,763,416	6,121,661	5,350,551	4,551,437	3,629,570	2,497,437	1,443,904	632,240	(462,324)	
Sum of West MWh	448,036	(575,162)	(930,548)	(1,417,107)	(1,908,554)	(2,392,933)	(2,866,138)	(3,121,792)	(3,122,101)	(3,306,237)	
Sum of System MWh	9,126,494	7,188,254	5,191,113	3,933,444	2,642,882	1,236,637	(368,701)	(1,677,888)	(2,489,861)	(3,768,560)	
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
East MWa	991	886	699	611	520	414	285	165	72	(53)	
West MWa	51	(66)	(106)	(162)	(218)	(273)	(327)	(356)	(356)	(377)	
System MWa	1,042	821	593	449	302	141	(42)	(192)	(284)	(430)	
East FOT MW	-	175	325	500	500	700	700	700	700	700	
Q3 HLHs	1,248	1,264	1,264	1,264	1,264	1,248	1,264	1,264	1,264	1,264	
East FOT MWh	-	221,200	410,800	632,000	632,000	873,600	884,800	884,800	884,800	884,800	
East FOT MWa	-	25	47	72	72	100	101	101	101	101	
West FOT MWa (flat)	-	100	400	400	500	500	500	500	500	500	
East wind * 34% CF	28	92	92	149	149	183	183	183	183	183	34%
West wind * 33% CF	-	-	52	52	118	118	118	118	118	118	33%
Coal plant nameplate	-	-	-	-	-	-	750	750	750	750	8.6%
Coal plant derated	-	-	-	-	-	-	686	686	686	686	
System MWa	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
L&R (wind)	1,070	913	737	651	569	443	260	110	17	(128)	
48a: L&R (wind) + System FOT	1,070	1,038	1,184	1,123	1,142	1,043	861	711	619	473	
48b: L&R (wind) + Coal	1,070	913	737	651	569	443	945	796	703	557	
48c: L&R (wind) + West FOT + Coal	1,070	1,013	1,137	1,051	1,069	943	1,445	1,296	1,203	1,057	