

BEFORE THE
PUBLIC UTILITY COMMISSION OF OREGON

In the Matter of PACIFICORP) UE 307
)
 PacifiCorp 2017 Transition Adjustment) MOTION TO ADMIT TESTIMONY
 Mechanism) AND EXHIBITS OF NOBLE
) AMERICAS ENERGY SOLUTIONS
) LLC

Noble Americas Energy Solutions LLC (“Noble Solutions”) hereby respectfully moves for admission of the following testimony and exhibits into the record in this proceeding:

Pre-Filed Testimony And Exhibits

Testimony/Exhibit	Description	Date Filed or Submitted
Noble Solutions/100	Opening Testimony of Kevin C. Higgins	July 8, 2016
Noble Solutions/101	OPUC Status Report – Oregon Electric Industry Restructuring (July 2015)	July 8, 2016
Noble Solutions/102	PacifiCorp Responses to Noble Solutions’ Data Requests 1.4, 1.1, 2.14, and Excerpt of TAM Support Set 3, Sample Calculation for Schedule 294 One-Year Option	July 8, 2016
Redacted and Confidential Noble Solutions/103	Excerpt of PacifiCorp Response to Noble Solutions’ Data Request 1.6, Confidential Attachment 1.6-1 Average Schedule 200 Generation Costs, and Excerpt of Confidential TAM Support Set 3, Calculation of Market Price of Freed-Up Energy	July 8, 2016
Noble Solutions/104	Sample Calculation of PacifiCorp’s Proposed Five-Year Opt-Out Rates for Schedules 30-S and 47/48-P (Non-Confidential Excerpt of PacifiCorp’s Confidential Attachment 1.6-1 in Response to Noble Solutions	July 8, 2016

	Data Request 1.6)	
Noble Solutions/105	Sample Calculation of Noble Solutions' Proposed Five-Year Opt-Out Rates With Adjustment for Accumulated Depreciation	July 8, 2016
Noble Solutions/200	Rebuttal Testimony of Kevin C. Higgins	August 12, 2016

Hearing Exhibits

Testimony/Exhibit	Description	Date Filed or Submitted
Noble Solutions/300	Staff's Response to Noble Solutions' Data Request Nos. 1.1, 1.2, 1.3, 1.4, & 1.5	August 25, 2016
Highly Confidential Noble Solutions/301	Highly Confidential PacifiCorp Response to Noble Solutions Data Request No. 5.2	August 25, 2016
Noble Solutions/302	PacifiCorp's Schedule 203	August 25, 2016
Redacted and Highly Confidential Noble Solutions/303	Redacted and Highly Confidential PacifiCorp's 1 st Supplemental Response to Noble Solutions' Data Request 5.3	Provided at Hearing on August 29, 2016

The Affidavit of Kevin C. Higgins is attached in support of the truth and veracity of the pre-filed testimony and exhibits, and the parties stipulated to admit the hearing exhibits. Noble Solutions has also provided complete copies of the hearing exhibits with this filing.

RESPECTFULLY SUBMITTED on August 31, 2016.

RICHARDSON ADAMS, PLLC

/s/ Gregory M. Adams

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Of Attorneys for the Noble Americas
Energy Solutions LLC

BEFORE THE
PUBLIC UTILITY COMMISSION OF OREGON

In the Matter of PACIFICORP)	UE 307
)	
PacifiCorp 2017 Transition Adjustment Mechanism)	AFFIDAVIT OF KEVIN C. HIGGINS
)	IN SUPPORT OF TESTIMONY AND
)	EXHIBITS

STATE OF Utah)
) ss.
County of Salt Lake)

I, Kevin C. Higgins, being first duly sworn on oath, depose and say:

1. My name is Kevin C. Higgins. I testified on behalf of Noble Americas Energy Solutions LLC (“Noble Solutions”) in this case.

2. I am the same Kevin C. Higgins that previously caused to be filed following testimony and exhibits in this docket:

- Noble Solutions/100 to 105 (filed July 8, 2016)
- Noble Solutions/200 (filed August 12, 2016)

3. My pre-filed testimony is true and accurate based on my information and belief, and my responses to the questions therein would be the same today.

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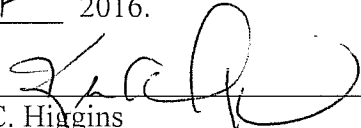
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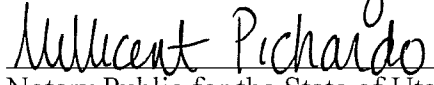
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I declare under penalty of perjury under the laws of the state of Utah that the foregoing is true and correct based on my information and belief.

I signed this the 30th day of August 2016.

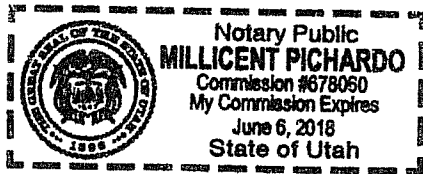

Kevin C. Higgins

SUBSCRIBED AND SWORN to before me this 30th day of August 2016.


Notary Public for the State of Utah

Residing at Salt Lake City, Utah

My Commission expires June 6, 2018



Noble Solutions' Hearing Exhibits

Date: August 22, 2016

Gregory M. Adams
Richardson Adams, PLLC
P.O. Box 7218
Boise, Idaho 93702
greg@richardsonadams.com

FROM: Scott Gibbens
Senior Utility Analyst

OREGON PUBLIC UTILITY COMMISSION

Docket No. UE 307

Noble Americas Energy Solutions LLC's's First Set of Data Requests to Staff

Dated August 17, 2016 – Due August 24, 2016

Data Request No. 1.1-1.5

Data Request No. 1.1:

Reference Staff/500, Gibbens/3:4-7, stating: "Noble also argues that the idea that RECs that are eventually sold and fairly spread between customers is false."

- a. Does Mr. Gibbens dispute Mr. Higgins' conclusion in Noble Solutions/200, Higgins/6-7, that for each \$1 value of RECs freed up by direct access customer, the direct access customer would receive a credit of only 1.6 cents through the referenced sharing mechanism? If not, please provide Mr. Gibbens estimate of the credit the direct access customer would receive and supporting work papers.
- b. Does Mr. Gibbens believe that the direct access customer's receipt of 1.6 cents for every dollar in value that they free up is a fair credit to the direct access customer? Please explain why.

Response to Data Request No. 1.1:

Staff objects to this request as it requires the development of information not maintained in the ordinary course of business or development of a special study. Without waiving this objection, Staff responds as follows:

- a. The above-referenced statement is Staff's summary of Noble's position. Staff's position on this issue is set forth in Staff/500, Gibbens/3, lines 15-19. Furthermore, Staff has not performed any analysis on the hypothetical example presented in Mr. Higgins' cross-answering testimony. As such Staff is not in a position to offer an opinion on the validity of the resulting estimation. Staff notes that in Noble Solutions/200, Higgins/7 Mr. Higgins assumes "PacifiCorp sold the 31,200 freed-up RECs at this value, it would produce revenues of \$31,200." The Commission already addressed a similar hypothetical argument in its rejection of Noble Solutions' proposed changes in Order No. 15-394 as follows: "Noble Solutions' formula for valuing freed-up RECs assumes PacifiCorp will sell its RECs. As PacifiCorp points out, today and for the foreseeable future, PacifiCorp will be banking RECs."
- b. Staff has not performed any analysis on the hypothetical example presented in Mr. Higgins' cross-answering testimony. As such Staff is not in a position to offer an opinion on the fairness of the resulting estimation.

Data Request No. 1.2:

Reference Staff/500, Gibbens/3:4-7, stating: "Noble also argues that the idea that RECs that are eventually sold and fairly spread between customers is false. Noble believes that the RECs were available to sell as the direct result of a customer opt-out and the customer should receive 100% of the benefit."

- a. Does Mr. Gibbens agree that the direct access customers are paying PacifiCorp for the generation resources that produce the RECs in question, as asserted by Mr. Higgins in Noble Solutions/200, Higgins/3-4?
- b. If Mr. Gibbens disagrees with Mr. Higgins, please explain why.

Response to Data Request No. 1.2:

Staff objects to this request as it requires the development of information not maintained in the ordinary course of business or development of a special study. Without waiving this objection, Staff responds as follows:

- a. The above-referenced statement is Staff's summary of Noble's position. Staff's position on this issue is set forth in Staff/500, Gibbens/3, lines 15-19. Staff does not dispute the statement from Mr. Higgins in Noble Solutions/200, Higgins/4, " Direct access customers are charged directly

for Schedule 200 and also pay for the difference between Schedule 201 costs and the value of the freed-up power, as calculated through the transition adjustment calculation.”

b. Please see response to part a, above.

Data Request No. 1.3:

Does Mr. Gibbens agree with Mr. Higgins statement that, “the direct access customer is paying PacifiCorp for a generation portfolio that contains 15% RPS-compliant energy but is only being credited back the freed-up value of the lower-cost ‘brown power’ calculated through the transition adjustment, which assumes that the only value freed-up is the revenue from market sales, and other reduced fuel costs calculated through GRID.” Noble Solutions/100, Higgins/20. If Mr. Gibbens disagrees, please explain how the current transition adjustment credits the direct access customer for the costs of RPS-compliant energy.

Response to Data Request No. 1.3:

The Commission concluded in its Order No. 15-394, “At best, the net present value of the value of any freed-up RECS is *de minimis*.” Staff interprets this Commission finding to mean that the difference between the net present value of compensation for RPS-compliant energy and ‘brown power’ is also *de minimis*. As such, Staff cannot distinguish between the two in any substantial sense.

Data Request No. 1.4:

Reference Staff/500, Gibbens/2-3. Does Mr. Gibbens agree that the price PacifiCorp is paying at this time and in the near future for acquisition of RECs through a REC RFP would be a reasonable estimate of the value of a REC that is freed up by a direct access customer’s election to leave cost of service rates at this time? If not, please explain why the price PacifiCorp is currently paying for RECs is not a reasonable estimate of the value of RECs freed up as a result of direct access.

Response to Data Request No. 1.4:

As stated in Staff’s response to Noble DR 1.3, the Commission concluded that the net present value of any freed-up RECS is *de minimis* due to the nature of the circumstances surrounding the RECs. If Noble were attempting to compare the value of RECs it were purchasing and the value of RECs that it is selling, Staff agrees that as an estimation of accounting value, the purchase price is a reasonable starting point.

Data Request No. 1.5:

Reference Staff/500, Gibbens/3, testifying, “Staff does not believe Noble has presented compelling new evidence, or arguments, to merit overturning the Commission’s prior decision.”

- a. Is Mr. Gibbens aware that PacifiCorp is currently acquiring RECs for the purpose of complying Oregon’s RPS through an ongoing RFP?
- b. Please explain how Mr. Gibbens concludes that RECs freed up by direct access customers who leave cost of service rates after the shopping window this November will have no quantifiable value to PacifiCorp at a time when PacifiCorp is actively purchasing RECs from third parties.
- c. Please explain why the ongoing RFP for acquisition of RECs is not changed circumstance that warrants the Commission reconsidering its determination in UE 296?

Response to Data Request No. 1.5:

- a. Yes, Staff is aware of the PacifiCorp’s RFP.
- b. Staff’s conclusion that RECs freed up by direct access customers who leave cost of service rates have no quantifiable value to PacifiCorp is based on Commission Order No. 15-394, which states that:

Noble Solutions' formula for valuing freed-up RECs assumes PacifiCorp will sell its RECs. As PacifiCorp points out, today and for the foreseeable future, PacifiCorp will be banking RECs. Further, PacifiCorp states if the RECs are sold in the future, departing direct access customers will receive a share of the revenues from sales. At best, the net present value of the value of any freed-up RECs is *de minimis*.

- c. Please see Staff’s response to Noble DR 1.5(b).

Noble Solutions/301 Contains Highly Confidential Material
Subject to Protective Order No. 16-231

Redacted from this Non-Confidential Filing



**RENEWABLE RESOURCE DEFERRAL
SUPPLY SERVICE ADJUSTMENT**

**OREGON
SCHEDULE 203**

Page 1

Purpose

This schedule recovers the costs deferred for renewable resources as authorized by the Commission.

Applicable

To Residential consumers and Nonresidential consumers who take supply service under Schedule 201, 220, 230 and 247.

Energy Charge

The adjustment rate is listed below by Delivery Service Schedule.

<u>Schedule</u>	<u>Charge</u>
4	0.000 cents per kWh
5	0.000 cents per kWh
15	0.000 cents per kWh
23	0.000 cents per kWh
28	0.000 cents per kWh
30	0.000 cents per kWh
41	0.000 cents per kWh
47	0.000 cents per kWh
48	0.000 cents per kWh
50	0.000 cents per kWh
51	0.000 cents per kWh
52	0.000 cents per kWh
53	0.000 cents per kWh
54	0.000 cents per kWh

This schedule will terminate at such time as the renewable resource deferred balances have been fully collected.

UE 307 / PacifiCorp
August 25, 2016
Noble Solutions Data Request 5.3 – 1st Supplemental

Noble Solutions Data Request 5.3

Refer to PAC/400, Dickman/91: 11-13, stating: “There is no reliable way to determine the monetary value of freed-up RECs. Noble Solutions recommends using the average price of unstructured REC sales for 2015 to set the value of freed-up RECs for 2017”.

Please provide the final purchase prices for RECs paid by PacifiCorp under the terms of the 2016 REC RFP, including for each transaction:

- (i) number of RECs;
- (ii) bundled / unbundled;
- (iii) vintage; and
- (iv) price paid for RECs.

This is an ongoing request that remains in effect if the Company enters into a final contract to purchase RECs after the date of this request.

1st Supplemental Response to Noble Solutions Data Request 5.3

The Company continues to object to this request as overly broad, unduly burdensome, and not reasonably calculated to lead to the discovery of admissible evidence. Without waiving these objections, the Company responds as follows:

Please refer to Highly Confidential Attachment Noble Solutions 5.3 1st Supplemental which provides information regarding executed transactions from the 2016 Renewable Energy Credit (REC) Request for Proposals (RFP). Note: there are additional transactions, not yet executed, and pending negotiation of transaction terms. These transactions are not included in Highly Confidential Attachment Noble Solutions 5.3 1st Supplemental.

The Highly Confidential Attachment is designated as Highly Protected Information under Modified Protective Order No. 16-231 and may only be disclosed to qualified persons as defined in that order.

Noble Solutions/303 Page 2 Contains Highly Confidential
Material Subject to Protective Order No. 16-231

Redacted from this Non-Confidential Exhibit

CERTIFICATE OF SERVICE

I certify that on August 31, 2016, I served the non-confidential portions of Noble Americas Energy Solutions LLC's Motion to Admit Testimony and Exhibits on all parties to the service list for UE 307 via the Oregon Public Utility Commission's electronic filing system, and that I served the confidential portions of the filing on the following qualified individuals via Federal Express two-day delivery.

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By: /s/ *Gregory M. Adams*

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