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February 22, 2024

VIA EMAIL - puc.filingcenter@puc.oregon.gov

Public Utility Commission of Oregon
ATTN: Filing Center
201 High Street SE, Suite 100
P.O. Box 1088
Salem, OR 97308-1088

Re: UE 425 –STAFF ERRATA FOR STAFF/100 and STAFF/200

Dear Filing Center:

Enclosed please find errata for Docket No. UE 425 for Staff 100 and Staff 200 to correct a proposed adjustment. The adjustment in the original testimony was based on an incorrect calculation. The adjustments in both the original testimony and the errata are based on the same underlying information available to Staff after the Company's October filing and may be subject to change after the Company files its March update.

Thank you for your attention.

Sincerely,

/s/ Stephanie Andrus

Stephanie Andrus
Sr. Assistant Attorney General
Business Activities Section

SSA:pjr
Enclosure

- 1 • Staff witness Julie Dyck discusses the Western Energy Imbalance Market
2 (WEIM), natural gas costs, and Aurora modeling in Staff/200.
- 3 • Staff witness Dean Ratliff discusses new resources, Public Utility
4 Regulatory Policy Act (PURPA), and demand response in Staff/300.
- 5 • Staff witness Rose Pileggi discusses Bridger Unit 1 Unit and 2
6 conversions in Staff/400.
- 7 • Staff witnesses David Abraham and Bret Stevens discuss net power
8 supply expense (NPSE), revenue requirements, system load, rate spread,
9 and the jurisdictional allocation of net power costs in Staff/500.

10 **Q. Are there adjustments that Staff is recommending?**

11 A. Yes. While Staff's review is ongoing, Staff's initial recommendations include
12 applying a 61 percent growth factor to EIM benefits in the March Forecast and
13 future APCUs that would result in a system-wide ~~downward~~ upward adjustment
14 of ~~\$2,740,735~~ \$29,546,653 as outlined in Staff/200 and a downward system-
15 level adjustment of **[BEGIN CONFIDENTIAL]** [REDACTED] **[END**
16 **CONFIDENTIAL]** in PURPA expenses as outlined in Staff/300.

1 **Q. Does Staff propose an adjustment to EIM benefits?**

2 A. Yes, Staff proposes a change to the EIM benefit calculation model, which in
3 turn produces a monetary increase to EIM benefits, which are an offset to total
4 Net Power Supply Expenses (NPSE). Staff proposes to include a growth
5 factor¹³ to the final forecast of EIM benefits included in the March forecast and
6 in subsequent APCUs. Staff proposes to update this value with the newest
7 data available in each filing year for future growth factor values. Using the most
8 recently available data, the growth factor for this year's APCU is 61 percent.
9 This results in a ~~\$2,740,735~~ \$29,546,653 upward adjustment to the Test Year
10 EIM benefits at the system level using the figures reviewed so far from the
11 October update.

12 **Q. Why should the EIM include a growth factor?**

13 A. The EIM should include a growth factor for four main reasons.

- 14 1. The APCU is a forward-looking forecast and IPC's current model is
15 backward-looking.
- 16 2. EIM benefits have tended to grow every year for all participants in the
17 EIM even if that growth has not been monotonically increasing.
- 18 3. In theory, growth in EIM benefits is expected to continue in future years
19 as more members join.
- 20 4. While there is volatility in EIM benefits and power costs, utilities should
21 share risk between shareholders and ratepayers.

¹³ Also known as a percentage change, escalation, or adjustment factor that is applied to the test year forecast by multiplying the two values.