



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

September 9, 2016

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, Oregon 97301

Attn: Filing Center

**RE: Docket UM _____
PacifiCorp's Application for Authorization of Deferred Accounting for a Balancing
Account Related to the Purchase of Renewable Energy Certificates.**

PacifiCorp d/b/a Pacific Power (Company) submits for filing its Application for Authorization of Deferred Accounting for a Balancing Account Related to the Purchase of Renewable Energy Certificates.

It is respectfully requested that all formal data requests to the Company regarding this filing be addressed to the following:

By e-mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232

Please direct any informal inquiries to Natasha Siores at (503) 813-6583.

Sincerely,

R. Bryce Dalley
Vice President, Regulation

Enclosures
cc: Service List UE 263

CERTIFICATE OF SERVICE

I certify that I served a true and correct copy of PacifiCorp's Application for Authorization of Deferred Accounting for a Balancing Account Related to the Purchase of Renewable Energy Certificates on the parties listed below via electronic mail in compliance with OAR 860-001-0180.

UE 263

OPUC Dockets
Citizens' Utility Board of Oregon
610 SW Broadway, Suite 400
Portland, OR 97205
dockets@oregoncub.org

Robert Jenks
Citizens' Utility Board of Oregon
610 SW Broadway, Suite 400
Portland, OR 97205
Bob@oregoncub.org

Michael Goetz
Citizens' Utility Board of Oregon
610 SW Broadway, Suite 400
Portland, OR 97205
michael@oregoncub.org

Irion A. Sanger
Sanger Law PC
1117 SE 53rd Ave
Portland, OR 97215
irion@sanger-law.com

Michael T. Weirich
Department of Justice
Business Activities Section
1162 Court St. NE
Salem, OR 97301-4096
Michael.weirich@state.or.us

Kevin Higgins
Energy Strategies
215 State St., Suite 200
Salt Lake City, UT 84111-2322
Khiggins@energystrat.com

Etta Lockey
Pacific Power
825 NE Multnomah St., Ste. 1800
Portland, OR 97232
etta.lockey@pacificcorp.com

Oregon Dockets
Pacific Power
825 NE Multnomah St., Suite 2000
Portland, OR 97232
oregondockets@pacificcorp.com

Marianne Gardner
Oregon Public Utility Commission
PO Box 1088
Salem, OR 97308-1088
Marianne.gardner@state.or.us

Katherine A. McDowell
McDowell Rackner & Gibson PC
419 SW 11th Avenue, Suite 400
Portland, OR 97205
Katherine@mcd-law.com

Douglas C. Tingey
Portland General Electric
121 SW Salmon 1WTC13
Portland, OR 97204
Doug.tingey@pgn.com

Greg Bass
Noble Americas Energy Solutions, LLC
401 West A Street, Suite 500
San Diego, CA 92101
gbass@noblesolutions.com

Kurt J. Boehm
Jody Kyler Cohn
Boehm Kurtz & Lowry
36 E. Seventh Street, Suite 1510
Cincinnati, OH 45202
kboehm@bkllawfirm.com
jkyler@bkllawfirm.com

Gregory M. Adams
Richardson & O'Leary
PO Box 7218
Boise, ID 83702
greg@richardsonadams.com

Samuel L. Roberts
Hutchinson, Cox, Coons, Orr & Sherlock, P.C.
PO Box 10886
Eugene, OR 97440
sroberts@eugenelaw.com

Maja K. Haium
Tracy Rutten
League of Oregon Cities
1201 Court Street NE, Suite 200
Salem, OR 97301
mhaium@orcities.org
trutten@orcities.org

Jay Tinker
Portland General Electric
121 SW Salmon 1WTC-0702
Portland, OR 97204
Pge.opuc.filings@pgn.com

Nona Soltero
Fred Meyer Stores/Kroger
3800 SE 22nd Avenue
Portland, OR 97202
Non.soltero@fredmeyer.com

Steve W. Chriss
Wal-Mart Stores, Inc.
2001 SE 10th Street
Bentonville, AR 72716
stephen.chriss@wal-mart.com

Dated this 9th of September, 2016.



Lauren Haney
Coordinator, Regulatory Operations

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM _____

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Approval of Deferred Accounting
for a Balancing Account Related to the Purchase
of Renewable Energy Certificates.

**APPLICATION FOR DEFERRED
ACCOUNTING**

1

I. INTRODUCTION

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

In accordance with Oregon Revised Statutes (ORS) 757.259(2)(e) and Oregon Administrative Rules (OAR) 860-027-0300, PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) submits this application to the Public Utility Commission of Oregon (Commission) for an order authorizing the Company to establish and maintain a balancing account to record the deferral of costs related to contracts to purchase renewable energy certificates (REC), the actual collections through the Company's Schedule 203, along with related interest.

The Company requests to begin deferral of costs associated with the purchase of RECs from the date of this filing until the payments for these RECs are completed in 2036.¹

II. NOTICE

Communications regarding this application should be addressed to:

Oregon Dockets
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
Email: oregondockets@pacificorp.com

Etta Lockey
Senior Counsel
PacifiCorp
825 NE Multnomah Street, Suite 1800
Portland, OR 97232
Email: etta.lockey@pacificorp.com

¹ In accordance with OAR 860-027-0300, PacifiCorp will file for reauthorization of the deferral, as necessary.

1 In addition, the Company requests that all data requests regarding this application be
2 sent to the following:

3 By email (preferred): datarequest@pacificorp.com

4 By regular mail: Data Request Response Center
5 PacifiCorp
6 825 NE Multnomah Street, Suite 2000
7 Portland, OR 97232

8 Informal questions may be directed to Natasha Siores, Regulatory Affairs Manager, at
9 503-813-6583.

10 **III. BACKGROUND**

11 The Company's purchase of RECs was the result of a request for proposal (RFP)
12 process initiated April 11, 2016 that included a RFP for renewable resources and a RFP for
13 RECs. The RFPs were issued to explore whether federal tax incentives and reduced resource
14 costs might provide a near-term procurement opportunity that could reduce RPS compliance
15 costs over the long-term.

16 Bids submitted in response to both RFPs were received May 20, 2016, and a final
17 shortlist was identified July 25, 2016. Final review and analysis of the RFP bids supports the
18 Company's purchase of RECs from seven renewable energy projects. The Company is
19 purchasing 2014 and 2015 vintage RECs from one existing wind facility located in Colorado
20 and additional current and forward vintage RECs from six solar facilities located in Oregon
21 and Utah. The six solar projects that will deliver current and forward vintage RECs have an
22 aggregate capacity of 168.5 megawatts and are expected to generate nearly six million RECs
23 that can be applied to the Company's Oregon RPS requirements over the period 2016
24 through 2036.

1 **C. Proposed Accounting**

2 If this application is approved, PacifiCorp will record deferred REC purchase cost
3 amounts by crediting REC purchases in FERC Account 555, Purchased power, and debiting
4 the REC balancing account, in FERC Account 182.3, Other regulatory assets. The deferral
5 balance will be reduced monthly by the amount collected under proposed Schedule 203,
6 Renewable Resource Deferral Supply Service Adjustment. A carrying charge calculated at
7 the current Modified Blended Treasury (MBT) rate will be recorded each month on the
8 deferral balance. If this application is denied, the cost of REC purchases will remain in
9 Purchased power, FERC Account 555.

10 **D. Estimate of Amounts**

11 PacifiCorp has filed Advice 16-011 for approval to recover the costs associated with
12 REC purchases through proposed Schedule 203, Renewable Resource Deferral Supply
13 Service Adjustment. The rates reflected in the proposed Schedule 203 are designed to collect
14 \$662,000 over the 12 months beginning October 12, 2016. As mentioned above, deferred
15 REC purchase cost amounts will be recorded in the proposed balancing account and will be
16 offset monthly by the amount collected under proposed Schedule 203. Thus, the difference
17 between REC purchase costs and Schedule 203 collections will be reflected in the proposed
18 balancing account along with interest calculated at the MBT. Generally, it is expected that
19 the balancing account will zero out over time.

20 **E. Notice**


21 A copy of the Notice of Application and a list of persons served with the notice are
22 attached as Exhibit A to this application.

1
2
3
4

V. CONCLUSION

PacifiCorp respectfully requests that, in accordance with ORS 757.259(2)(e), the Commission authorize the Company to establish and maintain a balancing account to record costs, Schedule 203 recovery and interest related to the Company's 2016 REC purchases.

Respectfully submitted this 9th day of September, 2016.

By: 
Etta Lockey
Senior Counsel
PacifiCorp d/b/a Pacific Power

ATTACHMENT A

NOTICE

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM _____

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Approval of Deferred Accounting
for a Balancing Account Related to the Purchase of
Renewable Energy Certificates


**NOTICE OF
APPLICATION FOR
AUTHORIZATION OF DEFERRED
ACCOUNTING**

On September 9, 2016, PacifiCorp d/b/a Pacific Power (Company) filed an application with the Public Utility Commission of Oregon (Commission) for an order authorizing the Company to establish and maintain a balancing account to record the deferral of costs related to contracts to purchase renewable energy certificates (REC), the actual collections through the Company's Schedule 203, and related interest. The granting of this application will not authorize a change in rates. To obtain a copy of the application, contact the following:

Oregon Dockets
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232
E-mail: oregondockets@pacificorp.com

Any person may submit to the Commission written comment on the Application, in accordance with the procedures prescribed by the Commission. The deadline for comments on the application is 25 days from the date of this application.

Respectfully submitted on September 9, 2016.

By: 
Etta Lockey
Senior Counsel
PacifiCorp d/b/a Pacific Power