

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1728, UM 1729 & UM 1730**

In the Matter of	)	
	)	RENEWABLE ENERGY
PORTLAND GENERAL ELECTRIC	)	COALITION AND COMMUNITY
COMPANY,	)	RENEWABLE ENERGY
	)	ASSOCIATION'S COMMENTS
Application to Update Schedule 201	)	ON STAFF REPORTS
Qualifying Facility Information	)	
	)	
In the Matter of	)	
	)	
PACIFICORP, dba PACIFIC POWER,	)	
	)	
Application to Update Schedule 37	)	
Qualifying Facility Information	)	
	)	
In the Matter of	)	
	)	
IDAHO POWER COMPANY,	)	
	)	
Application to Update Schedule 85	)	
Qualifying Facility Information	)	
_____	)	

**I. INTRODUCTION**

The Renewable Energy Coalition (“Coalition”) and the Community Renewable Energy Association (“CREA”) (“Joint QF Parties”) file this response to the three separate reports filed on May 17, 2017 from Oregon Public Utility Commission (“OPUC” or “Commission”) Staff (the “Staff Reports”). Staff’s Reports and the Joint QF Parties prior comments address the parties’ positions on the substantive issues, which should each be resolved by the Commission at the public meeting scheduled for May 22, 2018. These

comments are made only to address the narrow issue of Staff's proposed May 23, 2018 effective date, which is Staff's recommendation for each utility's avoided cost update.

It is likely there will be substantive changes to the rates as filed by the utilities. Staff recommends changes to PacifiCorp's avoided cost update (to add new transmission costs), but supports Portland General Electric Company's ("PGE's") renewable sufficiency period and the use of Idaho Power Company's ("Idaho Power's") new gas price forecast. The Joint QF Parties, however, recommend a PGE sufficiency/deficiency demarcation of 2021 that matches PGE's actual planned date for acquisition of a new renewable resource, including the renewable energy certificates, and the Coalition opposes Idaho Power's new gas price forecast. The adoption of any of these changes would warrant additional time to allow meaningful stakeholder review following the Commission's ruling because the utility would need to make a substantive filing implementing the change after the public meeting on May 22, 2018. Because May 23, 2018 does not provide sufficient time for review, the Joint QF Parties respectfully request the Commission adopt a May 30, 2018 effective date instead. Allowing an additional week to review these avoided cost updates will minimize errors and espouse the reasonable expectations of qualifying facilities ("QFs") currently negotiation contracts.

Next, because PGE has (again) refused to execute or provide executable power purchase agreements ("PPAs") due to uncertainty over its applicable Schedule 201, the Joint QF Parties respectfully request the Commission direct PGE to continue its Schedule 201 process and enter into contracts with the currently approved Schedule 201. The Joint QF Parties believe that this direction, along with the May 30, 2018 effective date, should allow QFs affected by PGE's delays adequate time to finish their Schedule 201 process.

Finally, PacifiCorp requested an effective date of May 26, 2018, but Staff has recommended a date of May 23, 2018. The Staff Report does not discuss why it requested an earlier date. Any QFs negotiating contracts with PacifiCorp would have been under the reasonable expectation that rates for PacifiCorp would change no earlier than May 26, 2018 and, regardless of the Commission's decision on the merits, PacifiCorp's rate change should change no earlier than May 26, 2018.

## II. ARGUMENT

Staff proposed a May 23, 2018 effective date for all three utility avoided cost update filings, which is not appropriate because it does not allow for reasonable review of the changes recommended by Staff or those proposed by stakeholders. Because avoided cost rates go into effect without a suspension period, there is reason to be more cautious in implementing avoided cost updates, and especially those that have not yet been fully vetted.

Unfortunately, utilities can make mistakes in their filings that warrant stakeholder review. For example, PGE recently filed two errata filings correcting mistakes made in its Schedule 201. On September 14, 2017, PGE made an avoided cost update filing that included changes required in this docket (UM 1728), but failed to incorporate changes required in a separate docket (UM 1805).<sup>1</sup> A few business days later, PGE discovered the mistake and made an errata compliance filing.<sup>2</sup> Incidentally, PGE's changes required in UM 1805 were separately challenged by the UM 1805 parties for incorrectly

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<sup>1</sup> Docket No. UM 1728, PGE's First Errata Filing at 1 (Sept. 19, 2017) (including changes to the deficiency periods directed by the Commission at the September 12, 2017 public meeting).

<sup>2</sup> Id.

implementing the Commission’s directive in that proceeding.<sup>3</sup> Just a few weeks ago, corrected a second set of errors in the first errata filing.<sup>4</sup> PGE filed the second errata filing months after it initially discovered the error.<sup>5</sup> These kinds of missteps are emblematic of the problem with rushing to implement avoided cost updates.

Even absent mistakes, stakeholders need time to review, if the Commission orders any changes to the utilities’ filings. Although many of the utilities’ updates are consistent with their integrated resource plan (“IRP”) and post-IPR processes, and therefore expected and/or uncontested, some changes are not expected. Unexpected changes warrant time and careful consideration. All three utilities may ultimately be making unexpected, substantive changes to their current filings. Staff has properly recommended that PacifiCorp include additional transmission costs in its renewable avoided cost rates.<sup>6</sup> PGE’s sufficiency/deficiency demarcation for renewable resources is again at issue.<sup>7</sup> And Idaho Power’s changes to its gas index are inaccurate and have not been clearly acknowledged.<sup>8</sup> Additional time is needed to consider these issues if the Commission

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<sup>3</sup> NIPPC, CREA and Coalition v. PGE, Docket No UM 1805, Complainants’ Letter re PGE’s Compliance Filing (Sept. 25, 2017) (explaining how PGE did not comply with Commission Order No. 17-256’s direction to “promptly file revisions to Schedule 201 ... consistent with our requirement that the 15-year term of fixed prices commences when the QF transmits power to the utility”).

<sup>4</sup> Docket No. UM 1728, PGE’s Second Errata Filing at 1 (Apr. 12, 2018) (explaining it had previously made changes to the deficiency period with respect to rate calculation, but neglected to make changes to the deficiency period definitions).

<sup>5</sup> NIPPC, Coalition and CREA v. PGE, Docket No. UM 1940, Complaint at 2, 5 (Apr. 23, 2018).

<sup>6</sup> Docket No. UM 1729, Staff Report at 5 (May 17, 2018) (transmission costs).

<sup>7</sup> Docket No. UM 1728, Staff Report at 5 (May 17, 2018) (deficiency period).

<sup>8</sup> Docket No. UM 1730, Staff Report at 3 (May 17, 2018) (gas forecast).

directs the utilities to make any additional changes to their proposed avoided cost calculations.

Traditionally, the Commission has granted at least a couple days to review any such changes, but more time should be allowed to decrease the likelihood of mistakes. PGE recently pointed to the Commission’s tight two-day timeline when explaining mistakes made to its beleaguered Schedule 201 update.<sup>9</sup> PGE also seems to argue that because stakeholders did not have time to scrutinize, those errors were the lawful Schedule 201 until PGE’s next errata filing was made a few weeks ago.<sup>10</sup> Worth noting, contracts appear to have been executed with this mistaken language.<sup>11</sup> To avoid these kinds of problems, the Commission should simply allow more than a couple days to review these kinds of filings.

The proposed effective date for PacifiCorp has an additional problem: it is earlier than PacifiCorp’s requested date. When QFs are negotiating with utilities, they are keenly aware of that utility’s next avoided cost update, when the utility requests new rates, and should be given *at least* that much time to finish their negotiations. The Joint QF Parties are unaware of any example where the Commission adopted an avoided cost rate reduction earlier than the utility’s requested date. Because PacifiCorp asked for a

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<sup>9</sup> NIPPC, Coalition and CREA v. PGE, Docket No. UM 1940, PGE’s Response at 8, 11 (May 2, 2018) (“PGE inadvertently failed to incorporate the approved changes ... because of the short turnaround time”).

<sup>10</sup> See id. at 11 (“No party responded to that errata filing, the Commission took no action, and PGE simply began including the revised language in its standard contracts—just as it did here. Complainants did not complain then, nor do they complain now, that PGE’s errata filing on September 19 required Commission approval or was ineffective because the Commission did not approve it.”).

<sup>11</sup> See PGE Information Filing of QF Contracts, Docket No. RE 143 (identifying contacts executed between September 2017 and April 2018).

May 26, 2018 date, any QFs negotiating with PacifiCorp are counting on that date as their target to conclude negotiations. Staff should not upset the reasonable expectation in the market by recommending a date earlier than May 26, 2018. Pulling the proverbial rug out from under QFs would conflict with the Commission's statutory directive to provide a uniform institutional climate for QFs.<sup>12</sup>

Finally, the Joint QF Parties understand that PGE is again refusing to execute or provide executable power purchase agreements ("PPAs") until the updated Schedule 201 is approved. PGE initially asked for an earlier effective date, and is now claiming that it is unable to move forward with negotiations due to a lack of clarity over which Schedule 201 is applicable. We believe PGE's actions are illegal, but can be resolved without burdening the Commission's docket or requiring any QFs to incur unnecessary costs with clear direction in this case. Thus, the Commission should confirm that avoided cost updates are applied prospectively and that PGE must move forward with its current negotiations.

### **III. CONCLUSION**

For the reasons stated above, although the Joint QF Parties agree with some of the substantive points in Staff's Report, the Joint QF Parties request that the Commission not adopt Staff's proposed May 23, 2018 effective dates in each of the instant proceedings. Instead, we respectfully recommend a May 30, 2018 effective date. Allowing an additional week should provide sufficient time for meaningful stakeholder review of any changes necessitated by the Commission's orders in these matters and permit QFs

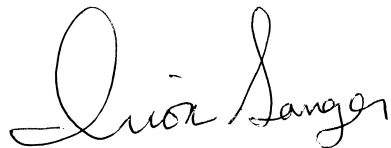
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<sup>12</sup> ORS 758.515.

delayed by the confusion over PGE's currently effective Schedule 201 adequate time to finish their negotiations.

Dated this 18th day of May 2018.

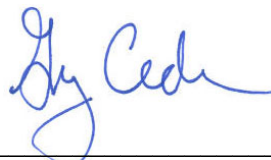
Respectfully submitted,



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