

May 3, 2021

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Salem, OR 97301-3398

**Re: PacifiCorp Comments on Staff Report in Investigation into Schedule 272
Docket No. UM 2163**

PacifiCorp d/b/a Pacific Power submits the comments below in response to the April 26, 2021 Staff Report in Public Utility Commission of Oregon (Commission) docket UM 2163. PacifiCorp appreciates the collaborative discussions with Staff and other stakeholders that resulted in Staff's recommendation in the Staff Report. PacifiCorp supports Staff's primary recommendation, with the limited requests for clarification discussed below. PacifiCorp does not support the alternative soft cap approach identified by Staff as it would require filing information during ongoing negotiations, which raises concerns over the confidential nature of those negotiations and potential issues regarding the accuracy of any assumptions on final terms and conditions and the effects on customers.

In Order No. 20-473, the Commission concluded that the development of the Pryor Mountain wind project was prudent but found that it "raises new questions regarding appropriate use of Schedule 272."¹ The Commission indicated that Staff could bring a proposal for interim changes to Schedule 272 to a public meeting and could conduct an investigation alone or in combination with other current or planned customer choice investigations.² On January 29, 2021, PacifiCorp filed a motion for reconsideration and clarification related, among other things, to the Commission's findings on Schedule 272.

On March 29, 2021, the Commission issued Order No. 21-090 addressing the motions for reconsideration and clarification filed by PacifiCorp and Vitesse.³ The Commission found good cause to clarify and reconsider in part its directives related to Schedule 272 but declined to adopt specific limitations as part of its order. In Order No. 21-090, the Commission directed Staff to bring to a public meeting, within 45 days of the order, recommended Schedule 272 tariff revisions to implement appropriate limitations on an interim basis.⁴

¹ *In the Matter of PacifiCorp, dba Pac. Power, Request for a General Rate Revision*, Docket UE 374, Order No. 20-473, at 133 (Dec. 18, 2020).

² Order No. 20-473 at 134.

³ Vitesse filed an Application for Reconsideration and Clarification of Order No. 20-473 on February 12, 2021.

⁴ *In the Matter of PacifiCorp, dba Pac. Power, Request for a General Rate Revision*, Order No. 21-090, at 14 (Mar. 29, 2021).

In response to the Commission's directive, Staff and parties met to discuss the scope of proposed revisions that would address the Commission's concerns identified in Order No. 20-473, as clarified in Order No. 21-090. PacifiCorp appreciated the productive conversations and willingness of all participants to recognize the importance of maintaining renewable energy an option for PacifiCorp's customers.

Staff's recommendation provides an equitable balancing of interests in the interim during further investigation into PacifiCorp's Schedule 272. The availability of voluntary renewable program options is an increasingly crucial consideration for economic development. States and communities that do not offer these options are often less competitive for attracting new investment and local jobs. PacifiCorp is currently involved in negotiations with multiple customers interested in procuring renewable energy certificates under its Blue Sky program. Staff's proposal allows for the use of Schedule 272 during the pendency of the investigation.

Upon review of the Staff Report, however, PacifiCorp identified a couple of areas in the recommendation that require clarification. First, in the calculation of the cap, the Staff Report states that the cap will be "Calculated with resources situs-assigned to Oregon[.]"

PacifiCorp supports this concept, but given PacifiCorp's multi-state operations, the statement, as written, could be mistaken regarding its applicability to the PPA rather than the calculation of the cap. PacifiCorp requests that that language in the motion be modified to the following

"Calculated with resources as if the resource was situs-assigned to Oregon, for purposes of the cap only[.]"

The change does not change the amount of resources allowed under the cap and simply clarifies that the cap calculation is distinct from the resource cost and benefit allocation under PacifiCorp's currently applicable inter-jurisdictional allocation methodology.

Second, the motion states that no additional action (no written comments, no staff report and no commission decision) is necessary in docket UM 2163 after PacifiCorp files a notice of contract execution and holds a workshop to address questions and comments from Staff and stakeholders. The Staff recommendation, however, includes the option for Staff and other parties to file comments and requires that PacifiCorp answer discovery requests from Staff "outside of the TAM and PCAM as they pertain to Schedule 272 resources." PacifiCorp is concerned that there is no timeline or other protections to avoid unnecessary or burdensome discovery. PacifiCorp customers seeking service under Schedule 272 will want certainty regarding any challenge to agreements supporting their service under the tariff. Accordingly, PacifiCorp suggests that any discovery requests be submitted to PacifiCorp within 40 days following submittal of the notice to the Commission,⁵ and that any comments filed in response to the notice in UM 2163 be filed within 60 days. PacifiCorp proposes the following changes to the proposed Commission motion:

⁵ This provides, at a minimum, nearly two weeks to submit discovery following a workshop held on the 30th day after the notice in UM 2163.

No additional action is necessary in UM 2163 (i.e., no written comments, no staff report, no commission decision). However, Staff and other parties may file comments to the notice in UM 2163 no later than 60 calendar days following submittal of the notice in UM 2163. and PacifiCorp will answer discovery requests from Staff and other parties in relation to the notice in UM 2163 and related to the identified ~~outside of the TAM and PCAM as they pertain to~~ Schedule 272 resources submitted to PacifiCorp no later than 40 calendar days following submittal of the notice in UM 2163.

This provides Staff and parties ample time to review the submittal and identify any areas of concern, while providing customers and the utility the necessary certainty. Otherwise, PacifiCorp supports Staff's proposal.

Finally, PacifiCorp is unclear of the benefit of stand-alone prudence review of power purchase agreements outside of a general rate case or PacifiCorp's annual Transition Adjustment Mechanism. PacifiCorp is also unclear of the specifics of that stand-alone prudence review, for example, whether it would result in a stand-alone rate change. PacifiCorp is not necessarily opposed to a stand-alone prudence review but without additional clarification on the necessity and structure of such a process, is concerned about creating potentially un-needed and duplicative processes.

PacifiCorp appreciates the opportunity to comment on the Staff Report, and the progress of discussions following issuance of the Commission's order in docket UE 374. Please contact Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934 if you have any questions.

Sincerely,



Etta Lockey

Vice President, Regulation, Customer & Community Solutions