

**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

**UM 2163**

In the Matter of	)	
	)	
PACIFICORP, dba PACIFIC POWER,	)	COMMENTS OF THE
	)	OREGON CITIZENS' UTILITY
Investigation into Schedule 272,	)	BOARD
Renewable Rider Optional Bulk Purchase.	)	
_____	)	

COMMENTS OF THE  
OREGON CITIZENS' UTILITY BOARD

April 30, 2021



**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON  
UM 2163**

In the Matter of	)	
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PACIFICORP, dba PACIFIC POWER,	)	COMMENTS OF THE
	)	OREGON CITIZENS' UTILITY
Investigation into Schedule 272, Renewable	)	BOARD
Rider Optional Bulk Purchase.	)	
_____	)	

**I. INTRODUCTION**

The Oregon Citizens' Utility Board (CUB) submits these comments in response to the Oregon Public Utility Commission (Commission) Staff (Staff) Report issued in advance of the May 4, 2021 Special Public Meeting. CUB appreciates the work of Staff and stakeholders in collaboratively working to implement the guidance put forth in Commission Order No. 21-090. In that Order, the Commission was clear that Schedule 272 resources like Pryor Mountain create a "risk that cost-of-service customers will not ultimately realize economic benefits over the long term."<sup>1</sup> This risk is exacerbated because the resources paid for by all cost-of-service customers under PacifiCorp's (PAC or the Company) Schedule 272 are stripped of their environmental attributes, with only one customer receiving the benefits of the resource's renewable energy credits (RECs). Further, Schedule 272 resources are brought forth in an expedited prudence

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<sup>1</sup> *In re PacifiCorp, dba Pacific Power, Request for a General Rate Revision*, OPUC Docket No. UE 374, Order No. 21-090 at 12.

review with no obligation that the Company demonstrate that the resource is the least cost, least risk to serve all customers under a stringent portfolio analysis.

The Commission's request to open an investigation into further procurement of Schedule 272 resources is timely. CUB expects this investigation will ameliorate the risks CUB referred to in testimony in UE 374.<sup>2</sup> In the interim, CUB believes the provisions detailed in the Staff Report in this matter offer important customer protections while the contours of Schedule 272 are under investigation. While CUB largely supports the Staff recommendation, we offer a position on a few issues to help frame the discussion during the forthcoming investigation.

## **II. DISCUSSION**

### *1. The 175aMW Cap is Essential*

While the details of further Schedule 272 procurement are being addressed, CUB believes a hard 175aMW cap on individually negotiated Schedule 272 agreements is essential. A hard cap protects non-participating cost-of service customers from program expansion into additional resources whose benefits to all customers are speculative. CUB is comfortable excluding Pryor Mountain from the interim cap, but views this piece as linked to the need for a hard, non-negotiable cap. While we expressed concern about the materialization of future benefits from Pryor Mountain and like resources, we believe this concern can be mitigated at the moment through the use of a hard cap.

### *2. Procurement Notification Process*

CUB broadly supports the procurement notification process laid out in the Staff Report. However, we believe that the analysis supporting the procurement notification should go beyond supporting the cost and benefits of the resources to all customers. Since all customers are paying

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<sup>2</sup> See UE 374 – CUB/100.

for a Schedule 272 resource that was procured to meet the desires of one, the analysis should also demonstrate why the given resource is the best to meet the needs of all customers from a IRP-like, portfolio perspective. While CUB expects a portfolio-based analysis for future Schedule 272 resources will emerge during the upcoming investigation, ensuring that the resources brought on in the interim serve all customers is important.

Additionally, CUB believes parties should have the ability, subsequent to the notification filing, to request that a PPA be subject to prudence review in an alternative proceeding. Currently, the prudence of PPAs is examined in PacifiCorp’s annual Transition Adjustment Mechanism filing. However, this docket is subject to a condensed procedural schedule and contains a wide number of complex and contentious issues. It may be necessary to remove the prudence evaluation for a sufficiently large or contentious Schedule 272 from that proceeding in order to fully understand the risks and benefits placed on customers. CUB requests that the procurement notification process be altered to enable a party to request a separate prudence review.

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### III. CONCLUSION

CUB supports the Staff Report and respectfully requests the Commission adopt its recommendation subject to the modifications addressed herein.

Dated this 30<sup>th</sup> day of April, 2021.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Michael P. Goetz".

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