

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: August 25, 2020**

REGULAR CONSENT EFFECTIVE DATE August 25, 2020

DATE: August 17, 2020

TO: Public Utility Commission

FROM: Natascha Smith

THROUGH: Bryan Conway, JP Batmale, and Kimberly Herb **SIGNED**

SUBJECT: PACIFIC POWER:
(Docket No. UM 2100)
2019 Renewable Portfolio Standard Compliance Report.

STAFF RECOMMENDATION:

Staff recommends the Commission take the following actions, based on the PacifiCorp 2019 Renewable Portfolio Standard (RPS) Compliance Report:

1. Find that PacifiCorp, dba Pacific Power (PAC or Company) complied with the RPS for the 2019 compliance period; and
2. Direct PacifiCorp to retire the renewable energy credits (REC) identified in its 2019 RPS Compliance Report, and to provide a Western Renewable Energy Generation Information System (WREGIS) retirement report to the Commission, subject to appropriate non-disclosure agreements, within 30 calendar days of its Order.

DISCUSSION:

Issue

Whether the Oregon Public Utility Commission should find that PacifiCorp complied with the requirements of the RPS over the 2019 period and direct the Company to retire the RECs identified in the 2019 RPS Compliance Report.

Applicable Law

The RPS is codified at ORS 469A.005 through 469A.210. ORS 469A.170(1) and OAR 860-083-0350(1)(a) require that each electric company subject to Oregon's RPS

provide an annual report demonstrating its compliance (or failure to comply) with the RPS standard.

Among the reporting details required by ORS 469A.170(2)(a-h) and OAR 860-083-0350(2)(a-s), the Compliance Report must contain a complete accounting of RECs used for compliance in the compliance year, separating the RECs into bundled or unbundled, showing clearly which generating unit produced the RECs, the total cost of compliance, and a detailed explanation of any material deviations from the electric company's applicable acknowledged RPS implementation plan filed under OAR 860-083-0400.

ORS 469A.170(2) and OAR 860-083-0350(2) subsections (b-g) provide the Commission with the information necessary to determine whether an electric company may be considered in compliance with the RPS. These subsections require the electric company to provide a complete Compliance Report that shows the electric company has acquired and retired an appropriate number of valid RECs, bundled or unbundled, banked or unbanked, for the compliance year.

ORS 469A.100(1) provides that “[e]lectric utilities are not required to comply with a renewable portfolio standard during a compliance year to the extent that the incremental cost of compliance, the cost of unbundled renewable energy certificates and the cost of alternative compliance payments under ORS 469A.180 exceeds four percent of the utility’s annual revenue requirement for the compliance year.”

Analysis

Background

The Company’s 2020 RPS Compliance Report (hereinafter referred to as “Compliance Report” or “Report”) demonstrates PAC’s compliance with the RPS for the period of January 1, 2019 through December 31, 2019.

The Company filed its Compliance Report on June 1, 2020, and Staff filed its initial comments on July 16, 2020, and supplemental comments on July 27, 2020. In its comments, Staff concluded that PAC had met the RPS compliance target mandated by ORS 469A.052(1)(b) and the RPS compliance reporting requirements mandated by OAR 860-083-0350. PAC did not file reply comments. No other parties filed comments on this matter.

PacifiCorp’s RPS Compliance Report

The following table summarizes PAC’s 2019 RPS obligations and compliance activities.

2019 RPS Compliance Summary		
Oregon retail sales	13,088,664 MWh ¹	
2018 RPS % Obligation	15%	
2019 RPS MWh Obligation	1,955,073 MWh	
RECs used for 2019 RPS	Number of RECs	Percentage of RPS MWh
Bundled – newly acquired	37,833	2%
Bundled – from bank	1,806,509	92%
Bundled subtotal	1,844,342	94%
Unbundled – newly acquired	0	0%
Unbundled – from bank	110,731	6%
Unbundled subtotal	110,731	6%
Total	1,955,073 RECs	100%

PAC's 2019 RPS Compliance Report demonstrates compliance with its 1,955,073 MWh RPS obligation through the use of 1,844,342 bundled RECs and 110,731 unbundled RECs. PAC's unbundled REC quantity falls under the 20 percent limit allowed by ORS 469A.145(1). PAC's unbundled REC quantity falls under the 20 percent limit allowed by ORS 469A.145(1). PacifiCorp's total cost of compliance is \$10,594,000. This represents 0.81 percent of PAC's revenue requirement and is below the four percent cap established by statute.

Staff's Comments

Staff found PAC's 2019 RPS compliance to be consistent with the strategy articulated in the applicable RPIP. Further Staff appreciates for PAC's choice to align its classification of banked RECs with that of Staff and the Commission, which has differed in prior compliance reporting periods.

Conclusion

Staff concludes that PacifiCorp has met the RPS compliance target mandated by ORS 469A.052(1)(b) and the RPS compliance reporting requirements mandated by OAR 860-083-0350.

¹ See PacifiCorp's 2019 Annual Report Supplement to FERC Form 1 and FERC Form 1, at page 2, Docket No. RE 68, June 15, 2020.

PROPOSED COMMISSION MOTION:

1. Find PacifiCorp to be compliant with Oregon's Renewable Portfolio Standard during the 2019 period; and
2. Direct PacifiCorp to retire the RECs identified in its 2019 Compliance Report, and to provide a Western Renewable Energy Generation Information System retirement report to the Commission, subject to appropriate non-disclosure agreements, within 30 calendar days of this Order.