



Oregon

Theodore R. Kulongoski, Governor

Public Utility Commission

550 Capitol St NE, Suite 215

Mailing Address: PO Box 2148

Salem, OR 97308-2148

Consumer Services

1-800-522-2404

Local: (503) 378-6600

Administrative Services

(503) 373-7394

July 30, 2008

OREGON PUBLIC UTILITY COMMISSION
ATTENTION: FILING CENTER
PO BOX 2148
SALEM OR 97308-2148

RE: UE 200

Dear Filing Center:

Enclosed for filing is one page (two-sided) that replaces staff testimony in Docket UE 200, Staff/200, Schwartz/5, Lines 13 through 15 (underlined and in bold):

Excluding projects on-line by 2007 (Blundell, Leaning Juniper and Marengo **I**), the RAC filing includes about another **460** MW of capacity toward the target. This level of acquisitions is in line with PacifiCorp's acknowledged 2007 IRP, leaving roughly another **340** MW to acquire by 2010.

The replacement page will be sent to the all parties in UE 200 Service List.

/s/ Kay Barnes

Kay Barnes

Regulatory Operations Division

Filing on Behalf of Public Utility Commission Staff

(503) 378-5763

Email: kay.barnes@state.or.us

1 A. PacifiCorp's 2007 resource plan tested various levels of proxy wind resources
2 on the east and west sides of its system. PacifiCorp determined that on a risk-
3 adjusted least-cost basis, the Company should acquire 2,000 MW of renewable
4 resources by 2013, including 400 MW expected to be on-line by the end of
5 2007. The Company planned to acquire renewable resources at a rate of 200
6 MW per year, thereby meeting its previous target of 1,400 MW by 2010 —
7 several years ahead of schedule. The Commission acknowledged this item.

8 **Q. HOW DO THESE ACKNOWLEDGED AMOUNTS OF RENEWABLE**
9 **RESOURCES COMPARE TO THE LEVELS IN THE 2009 RAC FILING?**

10 A. By year-end 2007, PacifiCorp had acquired about 600 MW of renewable
11 resources¹ toward its 1,400 MW target. The RAC filing includes 713 MW of
12 renewable resources. Excluding projects on-line by 2007 (Blundell, Leaning
13 Juniper and Marengo I), the RAC filing includes about another 460 MW of
14 capacity toward the target. This level of acquisitions is in line with PacifiCorp's
15 acknowledged 2007 IRP, leaving roughly another 340 MW to acquire by 2010.

16 **Q. WHAT COSTS DID PACIFICORP ESTIMATE FOR WIND RESOURCES IN**
17 **ITS 2007 IRP?**

18 A. The Company estimated the capital cost of a 50 MW wind plant in Oregon or
19 Idaho with a 2008 on-line date at \$1,729 per kilowatt (kW). The company
20 estimated the capital cost of a 50 MW Wyoming wind plant at \$2,011 per kW.
21 Fixed operation and maintenance (O&M) costs added another \$29.78 per kW.
22 After accounting for other fixed costs, proxy site capacity factors and tax

¹ Not all of these resources are eligible for the Oregon RPS.

1 credits, the Company estimated the total resource cost at about 55 mills per
2 kWh for wind plants in Oregon and southwest Wyoming and about 51 mills per
3 kWh for a wind plant in Idaho.²

4 **Q. HOW DO THESE PLANNING ESTIMATES COMPARE TO THE COSTS OF**
5 **THE RENEWABLE RESOURCES IN THE COMPANY'S RAC FILING?**

6 A. Staff witness Garcia summarizes the cost of the resources in Staff Exhibit
7 102. Her testimony shows that actual costs for wind resources with a 2008
8 in-service date are higher than PacifiCorp assumed in its 2007 IRP.
9 PacifiCorp states that the market for equipment, labor and services for
10 renewable energy projects is not in balance on a supply and demand basis.
11 See Staff's Opening Comments in Docket UM 1368 at 14-15.³ Further, as I
12 explain later, the Company must meet its obligations under the Oregon
13 Renewable Energy Act, subject to a cost off-ramp.
14

² These figures are from Tables 5.1 to 5.4 in PacifiCorp's 2007 IRP, and all costs are in 2006 dollars.

³ Pursuant to OAR 860-014-0050(1)(e), staff asks the Commission and Administrative Law Judge to take official notice of its opening comments at 14-15 filed in Docket No. UM 1368.

CERTIFICATE OF SERVICE

UE 200

I certify that I have this day served the foregoing document upon all parties of record in this proceeding by delivering a copy in person or by mailing a copy properly addressed with first class postage prepaid, or by electronic mail pursuant to OAR 860-13-0070, to the following parties or attorneys of parties.

Dated at Salem, Oregon, this 30th day of July, 2008.

Kay Barnes

Kay Barnes

Public Utility Commission

Regulatory Operations

550 Capitol St NE Ste 215

Salem, Oregon 97301-2551

Telephone: (503) 378-5763

**UE 200
Service List (Parties)**

| | |
|---|--|
| <p>CITIZENS' UTILITY BOARD OF OREGON</p> <p>LOWREY R BROWN (C) UTILITY ANALYST</p> | <p>610 SW BROADWAY - STE 308 PORTLAND OR 97205 lowrey@oregoncub.org</p> |
| <p>JASON EISDORFER (C) ENERGY PROGRAM DIRECTOR</p> | <p>610 SW BROADWAY STE 308 PORTLAND OR 97205 jason@oregoncub.org</p> |
| <p>ROBERT JENKS (C)</p> | <p>610 SW BROADWAY STE 308 PORTLAND OR 97205 bob@oregoncub.org</p> |
| <p>DAVISON VAN CLEVE</p> <p>IRION A SANGER (C) ASSOCIATE ATTORNEY</p> | <p>333 SW TAYLOR - STE 400 PORTLAND OR 97204 ias@dvclaw.com</p> |
| <p>DEPARTMENT OF JUSTICE</p> <p>MICHAEL T WEIRICH (C) ASSISTANT ATTORNEY GENERAL</p> | <p>REGULATED UTILITY & BUSINESS SECTION 1162 COURT ST NE SALEM OR 97301-4096 michael.weirich@doj.state.or.us</p> |
| <p>ESLER STEPHENS & BUCKLEY</p> <p>JOHN W STEPHENS (C)</p> | <p>888 SW FIFTH AVE STE 700 PORTLAND OR 97204-2021 stephens@eslerstephens.com</p> |
| <p>MCDOWELL & RACKNER PC</p> <p>KATHERINE A MCDOWELL (C) ATTORNEY</p> | <p>520 SW SIXTH AVE - SUITE 830 PORTLAND OR 97204 katherine@mcd-law.com</p> |
| <p>PACIFICORP</p> <p>RYAN FLYNN (C) LEGAL COUNSEL</p> | <p>825 NE MULTNOMAH, SUITE 1800 PORTLAND OR 97232 ryan.flynn@pacificorp.com</p> |
| <p>PACIFICORP OREGON DOCKETS</p> <p>OREGON DOCKETS</p> | <p>825 NE MULTNOMAH ST STE 2000 PORTLAND OR 97232 oregondockets@pacificorp.com</p> |

| | |
|---|---|
| <p>PORTLAND GENERAL ELECTRIC</p> <p>RANDALL DAHLGREN</p> | <p>121 SW SALMON ST 1WTC 0702 PORTLAND OR 97204 pge.opuc.filings@pgn.com</p> |
| <p>DOUGLAS C TINGEY</p> | <p>121 SW SALMON 1WTC13 PORTLAND OR 97204 doug.tingey@pgn.com</p> |
| <p>PUBLIC UTILITY COMMISSION</p> <p>JUDY JOHNSON (C)</p> | <p>PO BOX 2148 SALEM OR 97308-2148 judy.johnson@state.or.us</p> |
| <p>PUBLIC UTILITY COMMISSION OF OREGON</p> <p>DEBORAH GARCIA (C)</p> | <p>PO BOX 2148 SALEM OR 97308-2148 deborah.garcia@state.or.us</p> |
| <p>LISA C SCHWARTZ (C)</p> | <p>PO BOX 2148 SALEM OR 97308-2148 lisa.c.schwartz@state.or.us</p> |
| <p>RENEWABLE NORTHWEST PROJECT</p> <p>KEN DRAGOON (C)</p> | <p>917 SW OAK, SUITE 303 PORTLAND OR 97205 ken@rnp.org</p> |
| <p>ANN ENGLISH GRAVATT (C)</p> | <p>917 SW OAK - STE 303 PORTLAND OR 97205 ann@rnp.org</p> |
| <p>JESSE JENKINS</p> | <p>917 SW OAK ST STE 303 PORTLAND OR 97205 jesse@rnp.org</p> |
| <p>RFI CONSULTING INC</p> <p>RANDALL J FALKENBERG (C)</p> | <p>PMB 362 8343 ROSWELL RD SANDY SPRINGS GA 30350 consultrfi@aol.com</p> |