

ORDER NO. 13 420

ENTERED NOV 12 2013

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1660

In the Matter of

PACIFICORP, dba PACIFIC POWER,

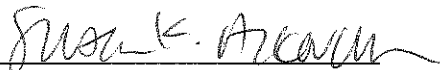
2012 Renewable Portfolio Standard
Compliance Report.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

This order memorializes our decision, made and effective at the public meeting on November 12, 2013, to adopt Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

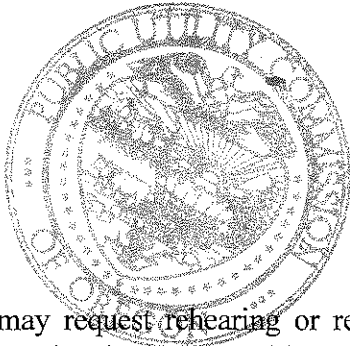
Dated this 12th day of November, 2013, at Salem, Oregon.



Susan K. Ackerman
Chair



John Savage
Commissioner



Stephen M. Bloom
Commissioner

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.

ITEM NO. 3

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 12, 2013

REGULAR CONSENT EFFECTIVE DATE November 12, 2013

DATE: November 5, 2013

TO: Public Utility Commission

FROM: Adam Bless *AB*

THROUGH: Jason Eisdorfer, Maury Galbraith, and Aster Adams *MG* *AA*

SUBJECT: PACIFICORP: (Docket No. UM 1660) Renewable Portfolio Standard 2012 Compliance Report.

STAFF RECOMMENDATION:

Staff recommends that, based upon PacifiCorp's 2012 Renewable Portfolio Standard (RPS) Compliance Report, the Commission find that PacifiCorp complied with the RPS for the 2012 compliance period. Staff recommends that PacifiCorp be directed to retire the Renewable Energy Credits (RECs) identified in Attachment C to its report, and to provide a Western Renewable Energy Generation Information System (WREGIS) retirement report to the Commission within 30 calendar days.

DISCUSSION:

PacifiCorp (Company) filed its 2012 RPS Compliance Report (Report) on May 13, 2013. The Report indicates that PacifiCorp complied with Oregon's RPS, which states that for the calendar year 2012, at least five percent of the electricity sold by a large utility to retail electricity consumers must come from qualifying resources. For 2012, PacifiCorp used unbundled RECs for 20 percent (the maximum amount permitted by the statute) of its compliance obligation. PacifiCorp used bundled RECs for the remaining 80 percent.

In its report PacifiCorp states that its cost of compliance for 2012 was negative 0.82 percent of revenue requirement, therefore not triggering the 4 percent cost limitation of ORS 469A.100. PacifiCorp states that the renewable resources it has acquired to date were the cost effective resources needed to meet its load, which is why PacifiCorp reported a negative cost of RPS compliance for 2012. PacifiCorp also reported a negative compliance cost in its 2011 compliance report.

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In joint comments filed on August 2, 2013, Citizens' Utility Board of Oregon (CUB) and Renewable Northwest Project (RNP) supported a finding of compliance with the RPS for 2012. However, CUB and RNP requested that PacifiCorp include more detail on the characteristics of the RECs in the public version of the compliance report. Specifically, CUB and RNP requested publicly available information on the resource type, location and vintage year of RECs used to meet the 2012 RPS obligation.¹

In reply comments filed on August 23, 2013, PacifiCorp supplied the information requested by CUB and RNP as aggregated data not subject to confidentiality. PacifiCorp also agreed to make public the WREGIS retirement report that identifies the WREGIS certificates that have been retired to meet PacifiCorp's RPS obligation for the 2012 compliance year. Staff appreciates the additional disclosure and recommends that the Company include this level of information future reports.

PacifiCorp's total megawatt-hours (MWh) sales to retail customers in 2012 was 12,778,781. The RPS requires PacifiCorp to retire RECs equivalent to 5 percent of this total, or 638,940. PacifiCorp chose to meet 20 percent of this requirement with the purchase of unbundled RECs, and the remaining 80 percent with bundled RECs. Staff has confirmed the validity of RECs used for compliance as reported by WREGIS and the Oregon Department of Energy.² Table 1 below shows the breakdown of RECs used for compliance.

Table 1. RECs Used by PacifiCorp for the 2012 RPS Compliance

BUNDLED RECs	VINTAGE YEAR			TOTAL		
	Resource Type	Location	2007		2008	2009
Geothermal	UT			3,332	7,808	11,140
Wind	OR,WY,WA,ID			251,828	222,121	473,949
Hydro-Incremental	OR,CA,WA,ID,MT,UT	9,068	12,384		4,611	26,063
SUBTOTAL		9,068	267,544	234,540		511,152
UBUNDLED						
Wind	CA,WA	44,000	83,788		-	127,788
SUBTOTAL		44,000	83,788		-	
TOTAL		53,068	351,332	234,540		638,940

¹ The detailed information requested by CUB and RNP was included in confidential attachments to PacifiCorp's 2012 RPS report, but was not available publicly.

² ODOE is granted legislative authority to administer and oversee the REC validation program through WREGIS. See ORS 469A.130

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In its review of PacifiCorp's 2011 RPS Compliance Report, the Commission adopted certain recommendations regarding the First-In-First-Out (FIFO) accounting of RECs and the treatment of RECs from solar and low impact hydro resources³. PacifiCorp's 2012 Report shows no solar or low impact hydro RECs used for compliance in 2012, and its FIFO accounting is consistent with recommendations in the Order.

Conclusion

Staff finds that PacifiCorp's RPS Compliance Report demonstrates it complied with ORS 469A.052, which requires that for the calendar year 2012 at least five percent of the electricity sold by a large utility to retail electricity consumers must come from qualifying resources. PacifiCorp used unbundled RECs for 20 percent of its compliance obligation, and bundled RECs for the remaining 80 percent.

PROPOSED COMMISSION MOTION:

- (1) PacifiCorp be found to comply with Oregon's Renewable Portfolio Standard during the 2012 compliance period;
- (2) PacifiCorp be directed to retire the RECs identified in its Compliance Report, and to provide a WREGIS retirement report to the Commission within 30 calendar days of the date of this Order.

Docket No. UM 1660 PacifiCorp 2012 RPS Report

³ See Order No. 12-435 at Appendix A, p.6