

ORDER NO. 14 371

ENTERED OCT 28 2014

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1700

In the Matter of

PACIFICORP, dba PACIFIC POWER,

2013 Renewable Portfolio Standard
Compliance Report.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

This order memorializes our decision, made and effective at the public meeting on October 28, 2014, to adopt Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

Dated this 28th day of Oct., 2014, at Salem, Oregon.

COMMISSIONER ACKERMAN WAS
UNAVAILABLE FOR SIGNATURE

Susan K. Ackerman
Chair



John Savage

John Savage
Commissioner

Stephen M. Bloom

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. CA5

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 28, 2014

REGULAR _____ CONSENT X EFFECTIVE DATE October 28, 2014

DATE: October 17, 2014

TO: Public Utility Commission

FROM: John Crider *JC*

THROUGH: Jason Eisdorfer *J* and Aster Adams *AA*

SUBJECT: PACIFICORP: (Docket No. UM 1700) 2013 Renewable Portfolio Standard Compliance Report.

STAFF RECOMMENDATION:

Staff recommends that, based upon PacifiCorp's 2013 Renewable Portfolio Standard (RPS) Compliance Report, the Commission find PacifiCorp complied with the RPS for the 2013 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 2013 RPS Compliance Report (Report) on May 30, 2014. The Report indicates that PacifiCorp complied with Oregon's RPS, which states that for the calendar year 2013, at least five percent of the electricity sold by a large utility to retail electricity consumers must come from qualifying resources. For 2013, PacifiCorp used unbundled RECs for 20 percent (the maximum amount permitted by ORS 469A.145 (1) of its compliance obligation. PacifiCorp used bundled RECs for the remaining 80 percent.

In its report PacifiCorp states that its cost of compliance for 2013 was 0.02 percent of annual revenue requirement, therefore not triggering the four percent cost limitation of ORS 469A.100.

PacifiCorp's total megawatt-hours (MWh) sales to retail customers in 2013 was 13,089,969 MWh. The RPS requires PacifiCorp to retire RECs equivalent to 5 percent

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of this total, or 654,499 RECs. 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.¹ Table 1 below shows the breakdown of RECs used for compliance.

Table 1. RECs Used by PacifiCorp for the 2013 RPS Compliance

BUNDLED	Resource Type	Location (States)	VINTAGE YEAR			TOTAL	
			2008	2009	2010	2011	
	Geothermal	UT		15,068			
	Wind	ID, OR, WA, WY		501,694			
	Hydro-Incremental	CA, ID, OR, MT, UT, WA		6,838			
	SUBTOTAL			523,600			523,600
UNBUNDLED							
	Biogas	OR				11,980	
	Wind	OR, WA	43,554			51,989	
	Hydro-Incremental	WA			8,356	15,020	
	SUBTOTAL		43,554		8,356	78,989	130,899
	TOTAL		43,554	523,600	8,356	78,989	654,499

There are two mechanisms that serve as cost protections for Oregon consumers -- an alternative compliance payment (ACP) mechanism and a cost cap on RPS expenditures equal to four percent of annual revenue requirement. In lieu of procuring renewable resources, utilities are allowed to pay an ACP and the funds are placed in a holding account to be spent on energy conservation programs or for procuring additional eligible resources.

According to the Company, the incremental cost of compliance was \$197,000 or about 0.02 percent of annual Oregon revenue requirements, well below the four percent cost cap.

¹ ODOE is granted legislative authority to administer and oversee the REC validation program through WREGIS. See ORS 469A.130

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Conclusion

Staff finds that PacifiCorp's RPS Compliance Report demonstrates it complied with ORS 469A.052, which requires that for the calendar year 2013 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. In addition, Staff finds that PacifiCorp was well within the four percent incremental cost cap.

PROPOSED COMMISSION MOTION:

- (1) PacifiCorp be found to comply with Oregon's Renewable Portfolio Standard during the 2013 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.

PacifiCorp 2013 RPS Report