

ORDER NO. 16 158

ENTERED APR 22 2016

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UM 1754

In the Matter of

PACIFICORP, dba PACIFIC POWER,

2017-2021 Renewable Portfolio Standard
Implementation Plan.

ORDER

DISPOSITION: RPIP ACKNOWLEDGED WITH CONDITIONS;
DOCKET CLOSED

In this order, we acknowledge PacifiCorp, dba Pacific Power's 2016 Renewable Portfolio Implementation Plan (RPIP) with conditions, including that PacifiCorp file a new RPIP by July 15, 2016. We close this docket.

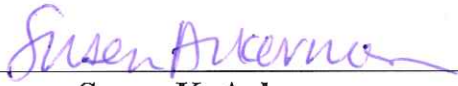
On April 20, 2016, Commission Staff filed an unopposed motion explaining that after PacifiCorp filed its 2016 RPIP, the Oregon Legislative Assembly significantly amended Oregon's renewable portfolio standard in Senate Bill (SB) 1547. Because we are required under ORS 469A.075(3) to acknowledge the RPIP by June 29, 2016 (six months from the filing date), the parties agree that the best procedural path is for PacifiCorp to file a new RPIP that includes a complete analysis of SB 1547 and restarts the period for review. To that end, Staff requests that we immediately acknowledge PacifiCorp's 2016 RPIP with the condition that PacifiCorp rework and refile its RPIP, and close this docket. Staff's motion is included as Appendix A to this order.

We acknowledge PacifiCorp's 2016 RPIP subject to the condition that PacifiCorp files a new RPIP by July 15, 2016, with an analysis of SB 1547 addressing the matters set forth in Attachment A to Staff's motion.

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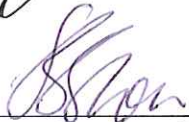
Our decision in this order to acknowledge PacifiCorp's 2016 RPIP does not represent a decision on the issues raised by Staff and the intervenors in this docket.

Made, entered, and effective APR 22 2016.


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.

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UM 1754

In the Matter of

PACIFICORP, dba PACIFIC POWER,

2017-2021 Renewable Portfolio Standard
Implementation Plan.

UNOPPOSED MOTION FOR COMMISSION
ORDER ACKNOWLEDGING PACIFICORP'S
CURRENTLY-FILED IMPLEMENTATION PLAN
WITH CONDITIONS AND CLOSING DOCKET

Pursuant to OAR 860-001-0390, Staff of the Public Utility Commission of Oregon (Staff) requests the Commission to immediately acknowledge PacifiCorp's (PacifiCorp or Company) 2016 Renewable Portfolio Implementation Plan (RPIP) with conditions as more fully described below. Staff is authorized to state that all active parties to this docket either support this Motion or do not oppose it.

At its core, this Motion is presented in order to allow sufficient time for PacifiCorp to re-work its RPIP so that it includes an analysis about the impact of Senate Bill (SB) 1547 upon its RPIP. PacifiCorp agreed to provide such an analysis but the Company also stated it would take several months to complete. After discussions, PacifiCorp agreed to Staff's request that it use its "best efforts" to submit as complete and thorough analysis as is possible by July 15, 2016.

Having reached this agreement, the parties recognize and acknowledge that the July 2016 filing date will not allow PacifiCorp an opportunity to include the results of its recently-issued Request for Proposal (RFP) for Renewable Resources when its new RPIP is filed in July 2016.

As brief background, PacifiCorp filed its 2016 RPIP on December 29, 2015. ORS 469A.075(3) requires the Commission to acknowledge the RPIP "no later than six months after the plan is filed with the Commission." The statute further allows the Commission to acknowledge the RPIP subject to conditions. After discussion, the parties agreed that, in light of the time constraints set by ORS 469A.075(3), the best procedural path is for the Commission to

1 acknowledge PacifiCorp's 2016 RPIP with conditions. The conditions would include the
2 following:

3 The Commission acknowledges PacifiCorp's 2016 RPIP accompanied with a finding that
4 the RPIP is insufficient in light of the passage of SB 1547. The Commission would further
5 require PacifiCorp to file a new RPIP no later than July 15, 2016 (July RPIP). The July RPIP
6 would be considered an entirely new filing. The July RPIP filing would include a complete
7 analysis of SB 1547 which addresses, at a minimum, the matters set forth in Attachment A to this
8 Motion. In its Order, the Commission would then close Docket UM 1754. The Commission's
9 Order would not address or represent a decision on any of the issues raised by Staff and the
10 intervenors in their comments submitted in UM 1754. Those issues would be considered
11 preserved for further resolution in the RPIP proceeding that commences with PacifiCorp's July
12 RPIP filing.

13 DATED this 20th day of April, 2016.

14 Respectfully submitted,

15 ELLEN F. ROSENBLUM
16 Attorney General

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18 Michael T. Weirich, #82425
19 Assistant Attorney General
20 Of Attorneys for Staff of the Public Utility
21 Commission of Oregon
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ATTACHMENT A

In addition to a providing quantitative analysis to meet 2016 Renewable Portfolio Implementation Plan (RPIP) requirements, PacifiCorp should provide a complete and thorough narrative describing its plan to satisfy the Renewable Portfolio Standard (RPS) compliance requirements of SB 1547 from 2017 through 2040.

At a minimum, the July RPIP should include:

1. A discussion of the differences between SB 838 (i.e. ORS 469A.005 to ORS 469A.210) and SB 1547, with supporting analysis demonstrating the impacts of those differences on utility planning and operations decisions 2017-2040.
2. An analysis of these aspects of SB 1547: its elimination of the "first in, first out" requirement, its creation of unlimited Renewable Energy Credit (REC) life status for the first five years of new resources acquired between 2016-2022, its shortening of the standard REC life, and the steep compliance rate increase between 2025 and 2030. In particular, the analysis should address how these aspects of SB 1547 affect how the utility plans to optimize the mix of compliance RECs for least cost and lowest risk.
3. A discussion of how the timing of new renewable resource acquisitions impact long term cost of compliance with the RPS to ratepayers with supporting analysis demonstrating these differences in timing. Under what conditions does the least cost/lowest risk strategy to satisfy the RPS compliance requirements of SB 1547 from 2017 through 2040 lead to new resource acquisition prior to a physical need and how will the utility evaluate this decision? PacifiCorp should provide a "tipping-point" analysis that depicts when physical resource acquisition is more cost effective than buying unbundled RECs.
4. A discussion of how key market assumptions impact the relative range of risk and uncertainty related to cost over the compliance horizon. Load growth, hydroelectric

1 generation, project cost, natural gas and electricity market prices are some examples
2 of key assumptions to be assessed in this discussion.

- 3 5. Throughout the analysis, PacifiCorp should provide methodologies and assumptions
4 used to support the RPIP along with a narrative describing the reasoning behind the
5 selection of those methodologies and assumptions.