

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UE 369

In the Matter of

PACIFICORP, dba PACIFIC POWER,

2020 Renewable Adjustment Clause.

ORDER

DISPOSITION: ALL-PARTY STIPULATION ADOPTED

**I. INTRODUCTION**

In this order, we adopt a stipulation and authorize PacifiCorp, dba Pacific Power, to recover the cost of repowering two wind projects, Glenrock III and Dunlap. This order describes key terms of the 2020 Renewable Adjustment Clause (RAC) stipulation, including the maximum Oregon-allocated revenue requirement increase of \$4.1 million, to be split between two different rate effective dates; how the second rate effective date will depend on Dunlap's actual online date and actual costs; and how PacifiCorp will offset the \$33.7 million balance from the old wind equipment with wholesale transmission revenues that are incremental to the revenues in current base rates.

**II. BACKGROUND**

PacifiCorp explains that it made wind turbine purchases in 2016, and in 2018 began to upgrade or repower its company-owned wind projects.<sup>1</sup> Repowering involves installing longer blades and new technology to generate more energy in a wider range of wind conditions, increasing the wind projects' output, and allowing the fleet to requalify for the full value of federal production tax credits (PTCs).

PacifiCorp split up its cost recovery proceedings for repowered projects to group projects according to their expected online dates. Last year we approved cost recovery for nine repowered wind projects in the 2019 RAC.<sup>2</sup> This proceeding involves cost recovery for

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<sup>1</sup> PacifiCorp Initial Filing at 1-2 (Nov 20, 2019).

<sup>2</sup> *In the Matter of PacifiCorp, dba Pacific Power, 2019 Renewable Adjustment Clause*, Docket No. UE 352, Order No. 19-304 (Sep 16, 2019) (approving cost recovery for Leaning Juniper, Seven Mile Hill I, Seven Mile Hill II, Glenrock I, Goodnoe Hills, High Plains, McFadden Ridge, Marengo I, and Marengo II).

two repowered wind projects, Glenrock III and Dunlap. The final repowered project (Foote Creek) will be reviewed in PacifiCorp's general rate case in docket UE 374.<sup>3</sup>

Planning for repowering was conducted in PacifiCorp's 2017 Integrated Resource Plan (IRP), and the Commission acknowledged with conditions the company's Energy Vision 2020 projects, which included repowering projects.<sup>4</sup> The benefits of repowering are passed through to customers annually in net power cost proceedings and were most recently approved in the 2020 Transition Adjustment Mechanism (TAM).<sup>5</sup>

On November 15, 2019, PacifiCorp filed its 2020 RAC with proposed tariff sheets for Schedule 202, to become effective April 1, 2020, and also October 15, 2020.<sup>6</sup> The proposed 2020 RAC rates provide for the costs associated with the Oregon-allocated incremental operating expenses and capital revenue requirement associated with repowering Glenrock III and Dunlap. Parties to this proceeding include the Alliance of Western Energy Consumers (AWEC); the Oregon Citizens' Utility Board (CUB); and Commission Staff. Prior to any Staff and intervenor testimony, the parties engaged in settlement conferences and reached an all-party stipulation resolving all issues in this docket. The stipulation attached as Appendix A is supported by the joint testimony of the stipulating parties.

### III. DISCUSSION

The RAC statute in ORS 469A.120 is part of Oregon's renewable portfolio standard and allows for recovery of the costs to construct or acquire renewable generation facilities and associated transmission between rate cases.<sup>7</sup> To evaluate whether renewable generation facilities or associated transmission are eligible for recovery under the RAC, the Commission reviews whether the plant investments were prudently incurred and will be in service as of the date of the rate change.<sup>8</sup> PacifiCorp's repowering was action item

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<sup>3</sup> PacifiCorp owns 13 wind projects subject to repowering. The Rolling Hills wind project is excluded from Oregon rates. *In the Matter of PacifiCorp, dba Pacific Power 2009 Renewable Adjustment Clause Schedule 202*, Docket No. UE 200, Order No. 08-548 (Nov 14, 2008) corrected by Order No. 08-554 (Nov 25, 2008).

<sup>4</sup> *In the Matter of PacifiCorp, dba Pacific Power, 2017 Integrated Resource Plan*, Docket No. LC 67, Order No. 18-138 (Apr 27, 2018).

<sup>5</sup> *In the Matter of PacifiCorp, dba Pacific Power, 2020 Transition Adjustment Mechanism*, Docket No. UE 356, Order No. 19-351 (Oct 30, 2019).

<sup>6</sup> Order No. 19-351 amended by Order No. 20-023 (In the 2020 TAM the settling parties agreed PacifiCorp would file a RAC revision before January 1, 2020, instead of April 1 as set forth in Schedule 202.).

<sup>7</sup> *In the Matter of Public Utility Commission of Oregon, Investigation of Automatic Adjustment Clause Pursuant to SB 838*, Docket No. UM 1330, Order No. 07-572 (Dec 19, 2007).

<sup>8</sup> Order No. 08-548 at 18 (Nov 14, 2008); *In the Matter of PacifiCorp, dba Pacific Power, Request for a General Rate Revision*, Docket No. UE 246, Order No. 12-493 at 1-2 (Dec 20, 2012).

1a in its 2017 IRP, and in our 2017 IRP order we pledged to scrutinize the risks of PacifiCorp's projects through prudence review.<sup>9</sup>

The Commission encourages parties to resolve issues in proceedings to the extent that settlement is in the public interest. Below we find that the stipulation reasonably allows for cost recovery with two important customer safeguards—PacifiCorp's filing of actual costs before the rate effective date, and PacifiCorp's attesting that the project is in service before the rate effective date. Considering that the repowering projects have consistently shown strong net benefit projections for customers,<sup>10</sup> the parties have reasonably mitigated risks from cost overruns and near-term project performance with a cap on the recoverable capital costs, four years of set capacity factors, and PTC benefits that will flow to customers concurrently with the RAC effective date. We adopt the stipulation in its entirety.

Finally, we address how the stipulation addresses the undepreciated net book value of the old, replaced wind equipment. The stipulating parties agree to offset this value of the replaced equipment with deferred transmission revenues. The parties explained this approach through testimony, and we further investigated the timing, mechanics, and amount of the offset through a bench request. Below we find the parties' offset is just and reasonable considering that there is a currently-active general rate case that will implement the parties' agreement, and that efforts have been made to address the time period between the approval of this stipulation and the effective date of that case.

#### **A. Cost Recovery of Repowering Costs**

##### ***1. Description of Key Terms***

The stipulation provides for a total revenue requirement on an Oregon-allocated basis of \$4.1 million, with \$0.8 million for Glenrock III, which is currently in-service, and \$3.3 million for Dunlap, which is anticipated to be in-service as of October 15, 2020. This constitutes a total overall rate increase of 0.4 percent, with an overall increase of 0.1 percent on April 1, 2020, and 0.3 percent on October 15, 2020.<sup>11</sup>

The stipulation states that PacifiCorp will file final cost updates two weeks in advance of the rate effective dates. Thus, on March 16, 2020 PacifiCorp will file updated costs for Glenrock III repowering, and on October 1, 2020, it will file updated costs for Dunlap. If

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<sup>9</sup> Order No. 18-138 at 8 ("The risk of proceeding with the Energy Vision 2020 projects remains with PacifiCorp unless and until the Commission completes a prudence review and approves cost recovery of these resources in rates.").

<sup>10</sup> *In the Matter of PacifiCorp, dba Pacific Power, 2017 Integrated Resource Plan*, Docket No. LC 67, 2017 IRP Update, Chapter 7 (May 1, 2018).

<sup>11</sup> Stipulation at 3 (Jan 31, 2020).

the updated costs are lower than the capped stipulated costs in confidential Exhibit PAC/401, the updated costs will be used to set rates. If the updated costs are higher, PacifiCorp reserves its rights to seek cost recovery in its next general rate case or RAC filing, and the stipulating parties may challenge any such request.<sup>12</sup>

## **2. *Commission Resolution***

We find the stipulating parties have established a fair and reasonable structure for PacifiCorp's repowering cost recovery. We appreciate PacifiCorp's opening testimony that explained the fixed price contracts for much of the repowered turbine supply and installation because this provides context for PacifiCorp's cost estimates.<sup>13</sup> The general trend we have seen with the repowering costs is a slight decline in costs moving from the capital investment estimates provided in December 2018,<sup>14</sup> to the stipulated capital investment figures in docket UE 352 and this proceeding, to the actual costs provided in compliance filings before the rate effective date. We approve the stipulation's cost recovery structure which is designed to capture any cost declines for customers. We also agree that any incremental costs above the capped stipulated costs would need to be reviewed in a different proceeding.

## **B. *Timing of Cost Recovery***

### **1. *Description of Key Terms***

The stipulation provides that Glenrock III is already in service. If Dunlap is delayed beyond its expected October 15, 2020 rate effective date, the stipulating parties agree that PacifiCorp may seek to modify its rate effective date to include Dunlap in rates once it goes into service. However, if Dunlap is delayed beyond December 31, 2020, this would be a material change to the terms of this Stipulation, and PacifiCorp agrees that it would not make an additional tariff filing, but would discuss with the parties an appropriate course of action. The stipulation also provides that a PacifiCorp executive will attest to each wind repowering facility having been placed in service prior to its respective rate effective date.

### **2. *Commission Resolution***

We find the stipulation reasonably permits PacifiCorp rate effective date flexibility. This flexibility makes sense given shifting construction schedules, as we have seen delays

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<sup>12</sup> Stipulation at 3.

<sup>13</sup> PAC/200, Hemstreet/24.

<sup>14</sup> PacifiCorp provided initial capital investment cost figures in its 2019 RAC filing. Official notice per OAR 860-001-0460 is taken of this information in Docket No. UE 352, PacifiCorp Direct Testimony, PAC/204, Hemstreet/2 and PAC/301 (Dec 28, 2018).

with the 2019 RAC projects that were slated to come online for a December 1, 2019 rate effective date.<sup>15</sup> By allowing PacifiCorp to delay its rate effective date, customers are held harmless as the costs and benefits will only flow into rates once the projects are online and in-service. We also appreciate the bookend of December 31, 2020, because a delay beyond that date could raise issues with PTC eligibility. We further approve the stipulation's requirement for an in-service affidavit or declaration. The 2019 RAC stipulation included a similar provision and these affidavits have been useful to stay updated as project timelines shift.

**C. Offsetting the Net Book Value of the Undepreciated Equipment Replaced for Repowering**

**1. Description of Key Terms**

The parties explain that there is approximately \$33.7 million in undepreciated, old wind equipment that is being replaced for repowering. The stipulation allows PacifiCorp to recover this amount with an offset from Open Access Transmission Tariff (OATT) revenue deferred for 2017 through 2019 in docket UM 1639. The OATT revenues are incremental to the transmission revenues included in rates through the 2012 general rate case and when amortized, would have been a credit to customers.<sup>16</sup> The intent of the offset is to remove both the undepreciated replaced equipment net book balance and a corresponding amount of the OATT deferral, estimated at \$33.7 million.

The stipulating parties explain how the removal of the return of and the return on the removed plant is accomplished. Both PacifiCorp's initial proposal and the settlement include a reduction to the RAC revenue requirement to remove from rates the depreciation expense for the replaced equipment (the return of).<sup>17</sup> In their testimony supporting the stipulation, and through responses to a bench request, PacifiCorp and the stipulating parties further explain how the "return on" the removed plant balance is prevented because there is a matching of "return on" in base rates with the "return on" (or interest) that is credited to customers with the OATT deferral balance, until the base rates are reset in the company's general rate case in docket UE 374, with an anticipated effective date of January 1, 2021.

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<sup>15</sup> See Docket No. UE 352, PacifiCorp Compliance Filings dated Sep 24, 2019, Nov 18, 2019, Dec 19, 2019. These compliance filings show the four projects planned for the October 1 rates were online on time. Of the five projects planned for the December 1 rates, only McFadden Ridge was on time, High Plains and Goodnoe Hills were one month later on January 1, 2020, and Marengo 1 and 2 have not yet come into rates.

<sup>16</sup> Stipulation at 4 (citing PAC/400, McDougal/8-11).

<sup>17</sup> Confidential PAC/401, line 11 and fn 5, Depreciation Expense (stipulating parties explain line 11 removes the "return of").

In its bench request response, PacifiCorp provided additional detail and clarity on the timing, mechanics, and amount of the offset to remove “return on”. For the timing, PacifiCorp states it will continue the interest credit, at the company’s authorized rate of return, on the OATT balance past the repowered dates, until the general rate case in docket UE 374 effective date (anticipated January 1, 2021).<sup>18</sup> For the mechanics, PacifiCorp explains it will establish a contra-account to ensure that a full interest credit is given on the OATT balance as though no off-setting entry had been made. For the amount of the offset, PacifiCorp explains that both the undepreciated amount of old equipment in base rates and the OATT return should be calculated using the 9.291 percent pre-tax rate of return from docket UE 263. PacifiCorp proposes to correct the OATT return in its general rate case in docket UE 374.<sup>19</sup> The stipulating parties indicate that they will review the Company’s proposal in docket UE 374, and confirm that their intent was that the deferred OATT revenues and associated interest would essentially work as an offset of the depreciation of replaced equipment’s undepreciated balance and the return on that balance reflected in rates.<sup>20</sup>

## **2. *Commission Resolution***

We find the stipulation reasonably resolves the old, undepreciated equipment cost balance by removing or offsetting both the return of and return on the old equipment. We appreciate PacifiCorp’s detailed explanation of the offset and PacifiCorp’s clarification that it will adjust the interest rate applied to the OATT return in its general rate case in docket UE 374, and the stipulating parties’ efforts to describe this as well. We agree with the stipulating parties that the stipulation serves the public interest by effectively using the OATT deferral as an offset to the return on the replaced equipment currently in rates so that customers will be held neutral. In the future, where additional plant is retired or replaced, and if such an offsetting approach is proposed, we will continue to exercise oversight over this issue to try to ensure that the approach serves the public interest.

## **D. *Prudence of Wind Repowering***

### **1. *Description of Key Terms***

The stipulating parties ask us to find that PacifiCorp’s decision to repower Glenrock III and Dunlap was prudent and in the public interest, based on the analysis and projections of ratepayer benefits provided by PacifiCorp, including the company’s qualification for PTCs.

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<sup>18</sup> Official notice per OAR 860-001-0460 is taken of this information in Docket No. UE 374, PAC/1302, McCoy/235.

<sup>19</sup> PacifiCorp Responses to Bench Request 5 (Mar 4, 2020), corrected by PacifiCorp Supplemental Response to Bench Request (Mar 5, 2020).

<sup>20</sup> Staff, CUB and AWEC’s Response to Bench Request 4 and 6 (Mar 6, 2020).

PacifiCorp's detailed opening testimony explains that repowering the company's wind facilities requalifies them for 10 years of PTCs. The PTC benefits for Glenrock III and Dunlap will be passed back to customers through the TAM once the corresponding costs are included in rates. Additionally, repowering will increase the amount of emissions-free energy produced from the repowered facilities by approximately 25 percent.<sup>21</sup> This incremental energy either displaces higher cost energy or provides energy for off-system sales.<sup>22</sup>

PacifiCorp states the Oregon-allocated power cost reduction and PTCs for 2020 will be approximately \$1.1 million due to repowering Glenrock III and \$1.2 million for the partial year of Dunlap repowering.<sup>23</sup> PacifiCorp will file a tariff change for the net power cost reductions in Schedule 201 with the same rate effective date as the RAC Schedule 202 filings, to flow through these power cost benefits.<sup>24</sup>

## 2. *Commission Resolution*

We agree with the stipulating parties that the repowering costs for Glenrock III and Dunlap are prudently incurred, based on the stipulations' safeguards on project costs and the repowering projects' benefits.

The 2020 TAM order contains our finding that the parties reasonably addressed performance risk for the repowering projects by agreeing to establish capacity factors for the repowered projects, effective for 2020 through 2024.<sup>25</sup> The specific capacity factors were first presented in the 2019 RAC,<sup>26</sup> and carried over to the 2020 TAM.<sup>27</sup>

The 2020 benefits for Glenrock III of \$1.08 million were already set in the 2020 TAM proceeding, shown in the TAM stipulation and the company's compliance filings in that docket.<sup>28</sup> When PacifiCorp files its updated costs for Dunlap, we direct PacifiCorp to also include updated PTC and NPC information for that project. We request this information because, when benefits were estimated in the 2020 TAM, the Dunlap and Foote Creek benefits were combined in one calculation, but Foote Creek is not considered in this order.

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<sup>21</sup> PAC/204, Hemstreet/2 (Generation increases and capital costs).

<sup>22</sup> PAC/100, Lockey/7.

<sup>23</sup> *Id.*

<sup>24</sup> *Id.* at 8.

<sup>25</sup> Order No. 19-351, Attachment A at 8.

<sup>26</sup> Docket No. UE 352, PacifiCorp Direct Testimony, PAC/301, Link/1 (publicly available).

<sup>27</sup> Official notice per OAR 860-001-0460 is taken of this information in Docket No. UE 356, Stipulation, Confidential Exhibit 4 (Sep 23, 2019) (confidential).

<sup>28</sup> Official notice per OAR 860-001-0460 is taken of this information in Docket No. UE 356, Stipulation, Exhibit 3 (Sep 23, 2019); PacifiCorp Net Power Cost Indicative Update for 2020, Exhibit F (Nov 8, 2019).



We have reviewed the stipulation and supporting testimony submitted by the parties. We find the terms of the stipulation are supported by sufficient evidence, appropriately resolve the issues in this case, and result in fair, just, and reasonable rates. Therefore we accept the stipulation in its entirety.

#### IV. ORDER

IT IS ORDERED that:

1. The stipulation submitted by PacifiCorp, dba Pacific Power, Oregon Public Utility Commission Staff, the Citizens' Utility Board of Oregon, the Alliance of Western Energy Consumers, attached as Appendix A, is adopted.
2. Advice No. 19-020 filed by PacifiCorp, dba Pacific Power, is permanently suspended.
3. PacifiCorp, dba Pacific Power, shall file affidavits or declarations before Glenrock III and Dunlap are reflected in Schedule 202 rates.
4. PacifiCorp, dba Pacific Power, shall file final cost updates before Glenrock III and Dunlap are reflected in Schedule 202 rates.
5. PacifiCorp, dba Pacific Power, shall updated Production Tax Credit and Net Power Cost information for Dunlap before it is reflected in Schedule 202 rates.
6. PacifiCorp, dba Pacific Power, shall file revised tariff sheets consistent with the directives in this order.

Made, entered, and effective Mar 09 2020.

*Megan W. Decker*

**Megan W. Decker**  
Chair

*Letha Tawney*

**Letha Tawney**  
Commissioner



*Mark R. Thompson*

**Mark R. Thompson**  
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**

**UE 369**

In the Matter of  
PACIFICORP, d/b/a PACIFIC POWER,  
2020 Renewable Adjustment Clause

**STIPULATION**

1           This Stipulation addresses all the issues among all parties to the 2020 Renewable  
2   Adjustment Clause (RAC). The RAC is an automatic adjustment clause filed by PacifiCorp  
3   d/b/a Pacific Power (PacifiCorp) that allows for “timely recovery of costs prudently incurred  
4   ... to construct or otherwise acquire facilities that generate electricity from renewable energy  
5   sources ....”<sup>1</sup>

**PARTIES**

6  
7           1. The parties to this Stipulation are PacifiCorp, Staff of the Public Utility  
8   Commission of Oregon (Staff), the Oregon Citizens’ Utility Board (CUB), and the Alliance  
9   of Western Energy Consumers (AWEC) (collectively, the Stipulating Parties). No other party  
10   intervened in the 2020 RAC. This Stipulation is a full settlement of the issues in the case  
11   raised by all parties, either explicitly in this proceeding or through agreement to address  
12   certain issues in PacifiCorp’s annual power cost proceedings.<sup>2</sup>

**BACKGROUND**

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14           2. On November 15, 2019, PacifiCorp filed its 2020 RAC, with direct testimony and  
15   exhibits from Etta Lockey, Tim Hemstreet, Rick Link, Steve McDougal, and Judith Ridenour.

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<sup>1</sup> ORS 469A.120(2).

<sup>2</sup> SBUA filed a Motion for Reconsideration of the Commission’s Denial of the Petition of SBUA for Case Certification. The Motion for Reconsideration is pending.

1 PacifiCorp also filed revised tariff sheets for Schedule 202 to implement the 2020 RAC and  
2 proposed that new rates become effective on April 1, 2020, followed by a second rate effective  
3 date of October 15, 2020.

4 3. On November 25, 2019, AWEC filed a petition to intervene. On December 4,  
5 2019, CUB filed its notice of intervention. On December 9, 2019, Administrative Law Judge  
6 Sarah Rowe held a prehearing conference and subsequently issued a Prehearing Conference  
7 Memorandum granting the requested interventions and adopting a procedural schedule.

8 4. On January 9, 2020, the Stipulating Parties convened a settlement conference.

9 5. On January 15, 2019, the Stipulating Parties convened a second settlement  
10 conference, and parties were able to reach an all-party settlement in principle at that meeting,  
11 which is now embodied in this Stipulation.

12 **AGREEMENT**

13 6. Overall Agreement: The Stipulating Parties agree to submit this Stipulation to the  
14 Public Utility Commission of Oregon (Commission) and request that the Commission  
15 approve the Stipulation as presented. The Stipulating Parties recommend that the  
16 Commission find this Stipulation is in the public interest and the rate changes covered by this  
17 Stipulation result in rates that are fair, just, and reasonable, as required by ORS 756.040.

18 7. Prudence of Wind Repowering: The Stipulating Parties recommend that the  
19 Commission find that PacifiCorp's decision to repower the two wind facilities described in  
20 PacifiCorp's initial filing was prudent and in the public interest, based on the analysis and  
21 projections of ratepayer benefits provided by PacifiCorp, including the company's  
22 qualification for production tax credits (PTCs). The repowered wind facilities are Glenrock  
23 III and Dunlap. If either repowered wind facility fails to qualify for PTCs, any Stipulating  
24 Party may propose an appropriate remedy in a future docket, including an annual power cost  
25 update docket.

1           8. RAC Revenue Requirement: The Stipulating Parties agree that the revenue  
 2 requirement for Glenrock III, which is currently in-service, is \$0.8 million and for Dunlap,  
 3 which is anticipated to be in-service as of October 15, 2020, \$3.3 million, for a total of \$4.1  
 4 million. This constitutes a total overall rate increase of 0.4 percent, with an overall increase  
 5 of 0.1 percent on April 1, 2020, and 0.3 percent on October 15, 2020, assuming each plant is  
 6 used and useful as attested to in accordance with Stipulation paragraphs 11, 12 and 14.

7           9. Accelerated Depreciation of Replaced Components for Wind Facilities: The  
 8 Stipulating Parties agree that the Oregon-allocated net book value of the undepreciated  
 9 equipment of approximately \$33.7 million that has been replaced as a result of repowering  
 10 these two wind facilities will be depreciated and offset with incremental Open Access  
 11 Transmission Tariff (OATT) revenue that is in excess of the OATT revenues included in the  
 12 rate effective period of the 2012 Oregon general rate case under the proposal discussed in  
 13 PacifiCorp's testimony.<sup>3</sup>

14           10. Compliance with ORS 757.355 and 757.140(2)(b): The Stipulating Parties agree  
 15 that PacifiCorp's RAC filing as modified and recommended to the Commission for approval  
 16 in this Stipulation complies with the requirements of ORS 757.355 and ORS 757.140(2)(b),  
 17 to the extent these statutes are applicable.

18           11. Updated Costs: PacifiCorp intends to file final cost updates two weeks in advance  
 19 of the April 1, 2020 and October 15, 2020 rate effective dates (i.e., on March 16, 2020 and  
 20 October 1, 2020, respectively). If the updated costs in a specific facility are lower than those  
 21 reflected in Confidential Exhibit PAC/401, the updated costs will be used to set rates. If the  
 22 updated costs have not changed or are higher, rates will be set using the costs in Confidential  
 23 Exhibit PAC/401. If the updated costs are higher, PacifiCorp reserves its rights to seek  
 24 recovery of the cost increase in its next general rate case or RAC filing, as authorized by ORS  
 25 469A.120(2), and all other Stipulating Parties may challenge any such request.

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<sup>3</sup> See PAC/400, McDougal/8-11.

1           12. In-Service Delays: If a wind facility's completion is delayed beyond its rate  
 2 effective date (October 15, 2020 for Dunlap), consistent with the State's policy to ensure  
 3 timely recovery of capital costs incurred for RPS compliance<sup>4</sup> and the intent of the stipulating  
 4 parties' in the 2020 TAM,<sup>5</sup> the Stipulating Parties agree that PacifiCorp may seek to modify  
 5 its rate effective date to include the resource in rates once it goes into service, as authorized  
 6 by ORS 469A.120(2) and subject to Stipulation paragraph 14. However, if a wind facility's  
 7 completion is delayed beyond December 31, 2020, this would be a material change to the  
 8 terms of this Stipulation, and PacifiCorp agrees that it would not make an additional tariff  
 9 filing, but rather inform and meet with the parties to discuss an appropriate course of action.

10           13. Wyoming Wind Tax: In the event that the wind facilities included in this  
 11 proceeding qualify for an exemption to the Wyoming wind tax described in PacifiCorp's  
 12 testimony,<sup>6</sup> PacifiCorp agrees to file a deferral application consistent with ORS 757.259(2)(e)  
 13 to allow these cost savings to be provided to customers.

14           14. Declaration for Wind Repowering Facilities Being Placed in Service: PacifiCorp  
 15 agrees to provide a signed declaration from a Vice President at Pacific Power or Rocky  
 16 Mountain Power attesting to each wind repowering facility having been placed in service and  
 17 in commercial operation prior to its respective rate effective date.

18           15. This Stipulation will be offered into the record of this proceeding as evidence  
 19 pursuant to OAR 860-001-0350(7). The Stipulating Parties agree to support this Stipulation  
 20 throughout this proceeding and any appeal, provide witnesses to sponsor this Stipulation at  
 21 any hearing before the Commission, and recommend that the Commission issue an order  
 22 adopting the settlements contained herein. The Stipulating Parties also agree to cooperate in

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<sup>4</sup> See ORS 469A.120.

<sup>5</sup> See In the Matter of PacifiCorp, dba Pacific Power, 2020 Transition Adjustment Mechanism, Docket No. UE 356, Order No. 19-351 at 3-4 (Oct. 30, 2019) (allowing the wind facilities to come into rates when they enter service).

<sup>6</sup> Pac/400, McDougal/10-11.

1 drafting and submitting joint testimony or a brief in support of the Stipulation in accordance  
2 with OAR 860-001-0350(7).

3 16. If this Stipulation is challenged, the Stipulating Parties agree that they will  
4 continue to support the Commission's adoption of the terms of this Stipulation. The  
5 Stipulating Parties agree to cooperate in cross-examination and put on such a case as they  
6 deem appropriate to respond fully to the issues presented, which may include raising issues  
7 that are incorporated in the settlements embodied in this Stipulation.

8 17. The Stipulating Parties have negotiated this Stipulation as an integrated document.  
9 If the Commission rejects all or any material part of this Stipulation or adds any material  
10 condition to any final order that is not consistent with this Stipulation, each Stipulating Party  
11 reserves its right, pursuant to OAR 860-001-0350(9), to present evidence and argument on  
12 the record in support of the Stipulation or to withdraw from the Stipulation. To withdraw  
13 from the Stipulation, a Stipulating Party must provide written notice to the Commission and  
14 other Stipulating Parties within five days of service of the final order rejecting, modifying, or  
15 conditioning this Stipulation. Stipulating Parties shall be entitled to seek rehearing or  
16 reconsideration pursuant to OAR 860-001-0720 in any manner that is consistent with the  
17 agreement embodied in this Stipulation.

18 18. By entering into this Stipulation, no Stipulating Party shall be deemed to have  
19 approved, admitted, or consented to the facts, principles, methods, or theories employed by  
20 any other Stipulating Party in arriving at the terms of this Stipulation, other than those  
21 specifically identified in the body of this Stipulation. No Stipulating Party shall be deemed  
22 to have agreed that any provision of this Stipulation is appropriate for resolving issues in any  
23 other proceeding, except as specifically identified in this Stipulation.

24 19. The Stipulating Parties agree that this Stipulation represents a compromise in the  
25 positions of the Stipulating Parties. Without the written consent of all of the Stipulating  
26 Parties, evidence of conduct or statements, including but not limited to term sheets or other

documents created solely for use in settlement conferences in this docket, are confidential and not admissible in the instant or any subsequent proceeding, unless independently discoverable or offered for other purposes allowed under ORS 40.190.

20. This Stipulation is not enforceable by any Stipulating Party unless and until adopted by the Commission in a final order. Each signatory to this Stipulation acknowledges that they are signing this Stipulation in good faith and that they intend to abide by the terms of this Stipulation unless and until the Stipulation is rejected or adopted only in part by the Commission. The Stipulating Parties agree that the Commission has exclusive jurisdiction to enforce or modify the Stipulation.

21. This Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.

22. This Stipulation is entered into by each Stipulating Party on the date entered below such Stipulating Party's signature.

**PACIFICORP**

By: 

Date: January 30, 2020

**STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON**

By: 

Date: 1/30/20

**OREGON CITIZENS' UTILITY  
BOARD (CUB)**

By: 

Date: 1/30/2020

**ALLIANCE OF WESTERN ENERGY  
CONSUMERS (AWEC)**

By: \_\_\_\_\_

Date: \_\_\_\_\_

documents created solely for use in settlement conferences in this docket, are confidential and not admissible in the instant or any subsequent proceeding, unless independently discoverable or offered for other purposes allowed under ORS 40.190.

20. This Stipulation is not enforceable by any Stipulating Party unless and until adopted by the Commission in a final order. Each signatory to this Stipulation acknowledges that they are signing this Stipulation in good faith and that they intend to abide by the terms of this Stipulation unless and until the Stipulation is rejected or adopted only in part by the Commission. The Stipulating Parties agree that the Commission has exclusive jurisdiction to enforce or modify the Stipulation.

21. This Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.

22. This Stipulation is entered into by each Stipulating Party on the date entered below such Stipulating Party's signature.

**PACIFICORP**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**OREGON CITIZENS' UTILITY  
BOARD (CUB)**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**ALLIANCE OF WESTERN ENERGY  
CONSUMERS (AWEC)**

By:  \_\_\_\_\_

Date: 1/30/2020