REDACTED



825 NE Multnomah, Suite 2000 Portland, Oregon 97232

May 26, 2021

VIA ELECTRONIC FILING

Mark L. Johnson Executive Director and Secretary Washington Utilities and Transportation Commission 621 Woodland Square Loop SE Lacy, Washington 98503

RE: Docket UE-20_____Affiliated Interest Filing—PacifiCorp and BHE Wind, LLC

Under the provisions of RCW 80.16.020 and in accordance with WAC 480-100-245, PacifiCorp dba Pacific Power & Light Company (PacifiCorp or Company) provides notice of an affiliated interest transaction with BHE Wind, LLC (BHE Wind). PacifiCorp will be selling **Source Selection** worth of equipment to BHE Wind, LLC. A verified copy of the Purchase and Sale Agreement and Bill of Sale (Agreements) are included with this Notice as <u>Confidential Attachment A</u>. PacifiCorp provides the Agreements as confidential in accordance with WAC 480-07-160. The Agreement contains sensitive pricing and cost information which, if disclosed to the public, could erode the Company's ability to bargain with vendors in the future.

PacifiCorp is a wholly-owned subsidiary of Berkshire Hathaway Energy Company (BHE). BHE Renewables, LLC (BHER) is also a wholly-owned subsidiary of BHE. BHE Wind, LLC is a wholly owned subsidiary of BHER. RCW 80.16.010 includes in its definition of "affiliated interest," "every corporation five percent or more of whose voting securities are owned by any person or corporation owning five percent or more of the voting securities of such public service company or by any person or corporation in any such chain of successive ownership of five percent or more of voting securities." Therefore, BHE's ownership interest in PacifiCorp and BHE Wind, LLC creates an affiliate interest relationship between PacifiCorp and BHE Wind, LLC.

Based in Phoenix, Arizona, BHE Wind owns wind projects that produce energy for both the wholesale market and for customers under long-term power agreements. PacifiCorp is transferring certain wind turbine equipment to BHE Wind, LLC to enable a project that BHE Wind is developing to qualify for production tax credits (PTCs).

General Electric turbine equipment will be transferred from PacifiCorp to BHE Wind, via a purchase and sale agreement priced at PacifiCorp's cost of **Sector**. This equipment is not necessary for the construction or safe harbor of PacifiCorp's recently developed wind projects and PacifiCorp has no additional projects to which the equipment could be deployed in order to qualify such project for PTCs. Furthermore, the transfer of this surplus equipment, which has not been placed in service for PacifiCorp, will benefit customers by ceasing the continued accrual of costs for storage, maintenance, and allowance of funds used during construction on PacifiCorp's books before the equipment could be incorporated into a potential future wind energy project.

Also included with this filing is a verification from Tim Hemstreet, Managing Director, Renewable Energy Development, regarding the Agreement.

It is respectfully requested that all formal correspondence and Staff requests regarding this material be addressed to:

By email (preferred): <u>datarequest@pacificorp.com</u>

By regular mail:

Data Request Response Center PacifiCorp 825 NE Multnomah Street, Suite 2000 Portland, Oregon, 97232

Please contact Ariel Son, Regulatory Affairs Manager, at (503) 813-5410 if you have any informal questions.

Sincerely,

/s/

Shelley McCoy Director, Regulation PacifiCorp 825 NE Multnomah St., Suite 2000 Portland, Oregon 97232 (503) 813-5292 Shelley.mccoy@pacificorp.com

Enclosures NEW-PPL-Attach-A-5-26-21 (R).pdf NEW-PPL-Attach-A-5-26-21 (C).pdf NEW-PPL-Verification-Hemstreet-5-26-21