

May 28, 2020

VIA ELECTRONIC FILING

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

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COMMISSION

Re: Docket UE-190666—PacifiCorp's Standard Power Purchase Agreement

In compliance with Order 01, issued March 12, 2020, in docket UE-190666, PacifiCorp dba Pacific Power & Light Company (PacifiCorp) submits the enclosed standard power purchase agreement (Standard PPA) as an attachment to the recently approved Schedule QF, Avoided Cost Purchases and Procedures for Qualifying Facilities, in compliance with WAC 480-106 et. seq. The form of Standard PPA enclosed is for small power production facility qualifying facilities (QFs) that would propose to directly interconnect to PacifiCorp's transmission system in Washington. The form of Standard PPA enclosed is substantially identical to the form of agreement originally filed in PacifiCorp's August 9, 2019 compliance filing in docket UE-161024 (August Compliance Filing).

PacifiCorp provided the attached updated form of Standard PPA to counsel for the Renewable Energy Coalition (REC) and the Northwest and Intermountain Power Producers Coalition (NIPPC) on May 4, 2020. In subsequent discussions with REC and NIPPC earlier this month, REC and NIPPC requested additional time to review the form of Standard PPA due to the challenges associated with participating in competing dockets in Washington and other jurisdictions during this same time period. PacifiCorp understands REC and NIPPC's request, particularly in light of the challenges inherent in managing client coordination and feedback in the current COVID-19 environment, and has therefore agreed to support a request for additional time, provided that such additional time for discussion among PacifiCorp, REC and NIPPC:¹ (i) does not prevent PacifiCorp from processing QF requests in Washington consistent with Schedule QF as recently approved including, as necessary, executing Standard PPAs; and (ii) the Washington Utilities and Transportation Commission (Commission) does not view the extended time period as constituting non-compliance with the WAC 480-106 et. seq., and the Commission's associated orders in this docket. PacifiCorp has been advised that REC and NIPPC support the above conditions.

If acceptable to the Commission, PacifiCorp proposes the following schedule for finalizing and approving the enclosed form of Standard PPA. The proposed schedule below was developed and agreed to with REC and NIPPC.

1. By June 12, 2020, REC and NIPPC provide informal comments on the form of Standard PPA to Staff and PacifiCorp, which would identify specific contract provisions and/or concepts for further discussion.

¹ Commission Staff is also invited to participate in these discussions if interested and resources permit.

2. By July 2, 2020, PacifiCorp, REC and NIPPC (and Staff, if interested) meet virtually (or in person, if possible) to discuss the contract provisions with the goal of resolving potential disputes and reaching an agreement on contract provisions.
3. Within two weeks following the meeting identified in paragraph 2 above, PacifiCorp, REC and NIPPC would meet again to determine if there is value in further informal discussions. If the parties agree there is continued value in the informal dialogue, the parties will continue the informal discussions, provided that informal discussions must conclude September 15, 2020, regardless of whether agreement has been reached on all outstanding matters.
4. Following the earlier of (i) September 15, 2020, and (ii) the date any of PacifiCorp, REC or NIPPC inform the other parties in writing that there is no longer any value in continued informal discussions, the parties will agree to jointly prepare a list of contested issues remaining regarding the form of Standard PPA.
5. Upon agreement on the list of contested issues, or within 30 days following the date in paragraph 4 above if agreement on the list of contested issues cannot be reached, the parties will inform the Commission and propose a procedural schedule for submitting written comments to resolve the outstanding issues on the form of Standard PPA.

As stated above, the enclosed form of Standard PPA is intended for new renewable energy QFs (*i.e.*, “small power production facilities”) seeking firm pricing and that will directly interconnect to PacifiCorp’s transmission system in Washington. The form of Standard PPA is intended to accommodate both wind, solar and baseload renewable resources. As stated in PacifiCorp’s August Compliance Filing,² PacifiCorp focused on the development of this form because it is expected to be responsive to the significant majority of all standard QF requests. PacifiCorp acknowledges that certain terms would require modification in the circumstance; for example, when a QF is proposing to interconnect to a third-party transmission system and deliver the output of the QF via firm point-to-point transmission service to a point of delivery on PacifiCorp’s transmission system in Washington (often referred to as an “off-system QF”). Similar, more tailored contracts would be necessary for existing QFs seeking a Standard PPA or QFs seeking non-firm pricing.

In the company’s experience, such alternative QF proposals are rare and involve circumstance-specific issues that complicate the development of a standardized, Commission-approved, form that does not allow for negotiation. However, PacifiCorp will consider REC’s and NIPPC’s perspectives in this regard and, if necessary (by compromise or order of this Commission) prepare such alternative forms of Standard PPA following resolution of the terms and conditions of the enclosed form of Standard PPA. Through this sequenced approach, the significant majority of contract terms (resolved through the process outlined above, focused on the enclosed form of Standard PPA) can be easily replicated in further form development.

Please contact Ariel Son at (503) 813-5410 if you have any questions.

² August Compliance Filing, at page 8.

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Sincerely,

_____/s/_____
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