

May 1, 2015

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250

RE: Docket UE-100749—Annual Report of Proceeds from the Sale of Renewable Energy Credits

In compliance with the Washington Utilities and Transportation Commission's orders in Docket UE-100749, Pacific Power & Light Company, a division of PacifiCorp (Pacific Power or Company), submits for filing its annual report of proceeds from the sale of Renewable Energy Credits (RECs).¹ The Commission's orders require that this report include:

- Actual REC sales proceeds attributable to Washington that Pacific Power received during the prior calendar year;
- The total amount of Schedule 95 credits the Company provided to its customers during that calendar year;
- A forecast of the REC sales proceeds attributable to Washington that Pacific Power reasonably anticipates receiving during the upcoming calendar year; and
- Any proposed revision to the credit rate in Schedule 95 to be in effect during the upcoming calendar year.²

Confidential Attachment A shows an accounting of actual proceeds from the sale of RECs from January 1, 2014, through December 31, 2014.³ Page 1 of the attachment shows a summary of the Washington allocation revenues (line 1), the Washington allocation of imputed revenues associated with RECs held for compliance (line 2), an adjustment for Washington's renewable portfolio standard (RPS) compliance requirements (line 3), and the amount of accumulated interest for 2014 revenues through April 30, 2015 (line 4). Total Washington-allocated revenues for 2014 of \$6,035 is shown on line 5.

Pages 2 and 3 of Confidential Attachment A show the more detailed calculations that are summarized on page 1, which are consistent with the calculations presented in the Company's previous REC revenue filings in this docket. The first step in determining Washington-allocated

¹ Order 16 at 31: "Pacific Power and Light Company must continue to make the compliance report and true-up filings required in Order 13 by May 1 of each year until relieved of this obligation."

² Order 13 at 3.

³ The Company designates portions of Attachments A as confidential under the protective order in this docket, Order 03.

REC revenues is allocating revenues from the sale of RECs from west control area resources. Lines 1 through 6 show the total revenue from west control area resources. Lines 10 through 15 show Washington's allocation of these revenues using the West Control Area inter-jurisdictional allocation methodology Control Area Generation West (CAGW) factor.

The second step is the calculation of imputed revenues associated with RECs held for compliance according to section C of Order 10. Lines 17 through 50 reflect the calculation of Washington's allocation of the value of RECs held for compliance. These imputation calculations are categorized by renewable generation resource type (wind, small hydro, large hydro, and biomass). The Company allocates Washington its CAGW share of all RECs held for compliance, and then multiplies that share by an average price based on transactions for that type and vintage of REC.

The third step in the calculation is shown on lines 52 through 55 and reflects an adjustment for Washington's RPS compliance requirement. This calculation uses the same average price assumption for wind RECs as used in the revenue imputation calculation for RECs held for compliance (described above). Total Washington-allocated REC revenues, before interest and credits to customers, are calculated on line 57.

Page 4 shows a summary of the Company's megawatt hours of renewable generation, quantities of RECs sold, quantities of RECs held for compliance, and revenues from sales of RECs for various types of renewable generation (wind, small hydro, large hydro, and biomass) from resources included in the west control area. This page also shows the average price of RECs used for the revenue imputation calculations shown on pages 2 and 3. Page 5 shows the calculation of interest using the Company's after-tax weighted average cost of capital. Page 6 shows amounts reflected in Washington rates through Schedule 95 for 2014 and the forecast for 2015.

Starting in 2016, the Washington RPS compliance requirement will be raised to nine percent of average Washington retail load. The Company's Washington-allocated RECs will be insufficient to meet this compliance requirement. As a result, the Company anticipates that Washington-allocated RECs from 2015 forward will be used for compliance and not available for sale.⁴ Accordingly, no Washington-allocated REC revenue is projected for 2015 as shown in Attachment A. To the extent additional REC purchases are necessary to meet the Company's compliance obligations, the Company has requested to defer associated costs for future rate treatment as described in the Petition for Accounting Order in Docket UE-143915.

On February 13, 2015, the Commission approved the Company's request to recover \$4.9 million in over-credited revenues from the sale of RECs over a 24-month period through Schedule 95. The revised Schedule 95 went into effect on March 31, 2015. Because the total Washington-allocated REC revenues in 2014 was \$6,035, and because the Company does not project

⁴ RCW 19.285.040(2)(e) states that the requirements of the Energy conservation and renewable energy targets "may be met for any given year with renewable energy credits produced during that year, the preceding year, or the subsequent year[.]"

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Washington-allocated REC revenues for 2015, the Company is not proposing to revise Schedule 95 in this filing.

The Company respectfully requests that all formal correspondence and Staff requests regarding this filing be addressed to:

By e-mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
Pacific Power
825 NE Multnomah Street, Suite 2000
Portland, Oregon 97232

Informal questions regarding this filing should be directed to Ariel Son, Manager, Regulatory Projects, at (503) 813-5410.

Sincerely,


R. Bryce Dalley
Vice President, Regulation

Enclosures

cc: UE-100749 Service List

CERTIFICATE OF SERVICE

I hereby certify that I have this day served this document upon all parties of record in this proceeding by electronic mail and/or Overnight Delivery.

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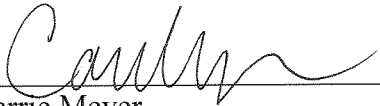
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DATED this 1st day of May 2015.


Carrie Meyer
Supervisor, Regulatory Operations

**Summary of Washington-Allocated Revenue from Sale of Renewable Energy Credits (RECs)
Docket UE 100749**

(A) (B) (C)

Line	Description	Actual 2014 ¹	Forecast 2015 ²	Reference
1	Washington Allocation of Revenue (WCA Resources)	\$ 55,187	n/a	CONF Attach A, Line 15
2	Washington Allocation of Imputed Revenue for MWs Held for Compliance (WCA Resources)	\$ 85,178	n/a	CONF Attach A, Line 50
3	Adjustment for Washington RPS Compliance Requirement	\$ (134,184)	n/a	CONF Attach A, Line 55
4	Accumulated Interest through April 2015	\$ (146)	n/a	Attach A Page 5
5	Total Washington-Allocated Revenue	\$ 6,035	\$ -	

1. 2014 amounts do not include the costs of purchasing unbundled RECs for compliance purposes.

2. The Company anticipates that Washington-allocated RECs from 2015 forward will be used for compliance and not available for sale. Accordingly, no Washington-allocated REC revenue is projected for 2015.

Line	Description	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014
1	Total Company Booked Revenues (WCA Resources)												
2	WCA Wind												
3	WCA Small Hydro												
4	WCA Large Hydro												
5	WCA Biomass												
6	Total Booked Revenues (WCA Resources)												
7	Washington % (CAGW)	\$ 17,992	\$ -	\$ -	\$ -	\$ 58,481	\$ 10,290	\$ 10,550	\$ 10,550	\$ 10,290	\$ 10,030	\$ 10,870	\$ 105,857
8	Washington % (CAGW)	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%
9	WA Allocated Booked Revenues (WCA Resources)												
10	WCA Wind												
11	WCA Small Hydro												
12	WCA Large Hydro												
13	WCA Biomass												
14	Total WA Allocated Booked Revenues (WCA Resources)												
15	Washington %	\$ 4,054	\$ -	\$ -	\$ -	\$ 13,178	\$ 2,319	\$ 2,377	\$ 2,377	\$ 2,319	\$ 2,260	\$ 2,449	\$ 23,853
16	Washington %	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%
17	Imputed Revenue Calculations (Used for RPS Compliance)												
18	Held for Compliance (WCA Wind)												
19	Washington % (CAGW)	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%
20	Washington Allocation	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
21	Assumed Percentage Sold	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
22	Washington Allocation Considered Sold												
23	Average Price												
24	WA Allocated Imputed Revenues (WCA Wind)												
25	Held for Compliance (WCA Small Hydro)												
26	Washington % (CAGW)	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%
27	Washington Allocation	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
28	Assumed Percentage Sold	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
29	Washington Allocation Considered Sold												
30	Average Price												
31	WA Allocated Imputed Revenues (WCA Small Hydro)												
32	Held for Compliance (WCA Large Hydro)												
33	Washington % (CAGW)	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%
34	Washington Allocation	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
35	Assumed Percentage Sold	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
36	Washington Allocation Considered Sold												
37	Average Price												
38	WA Allocated Imputed Revenues (WCA Large Hydro)												
39	Held for Compliance (WCA Biomass)												
40	Washington % (CAGW)	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%
41	Washington Allocation	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
42	Assumed Percentage Sold	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
43	Washington Allocation Considered Sold												
44	Average Price												
45	WA Allocated Imputed Revenues (WCA Biomass)												
46	Held for Compliance (WCA Biomass)												
47	Washington % (CAGW)	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%	22.5336%
48	Washington Allocation	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
49	Assumed Percentage Sold	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
50	Washington Allocation Considered Sold												
51	Average Price												
52	Total WA Allocated Imputed REC Revenues	\$ 6,099	\$ 7,195	\$ 9,121	\$ 9,267	\$ 8,231	\$ 9,263	\$ 6,385	\$ 5,742	\$ 5,608	\$ 5,557	\$ 7,572	\$ 5,079
53	Adjustment for Washington RPS Compliance Requirement												
54	Washington RPS Compliance Requirement (WCA Wind)												
55	Average Price												
56	Subtract Revenue for Washington RPS Compliance (WCA Wind)	\$ (11,182)	\$ (11,182)	\$ (11,182)	\$ (11,182)	\$ (11,182)	\$ (11,182)	\$ (11,182)	\$ (11,182)	\$ (11,182)	\$ (11,182)	\$ (11,182)	\$ (11,182)
57	Total Washington Allocated Revenue	\$ (1,029)	\$ (3,987)	\$ (2,061)	\$ (1,915)	\$ 10,227	\$ 399	\$ (2,419)	\$ (3,063)	\$ (3,196)	\$ (3,365)	\$ (1,161)	\$ 17,751

		<i>Actual</i>	<i>Forecast</i>
West Control Area RPS Eligible Wind Generation (MWh)		2014	2015
1	LEANING JUNIPER 1		
2	GOODNOE HILLS		
3	MARENGO		
4	MARENGO II		
5	Total Generation (MWh)		
6	Held for Compliance (MWh)		
7	Available for Sale (MWh)		
8	Actual Sales (MWh)		
9	Retained (MWh)		
10	Total Revenues from Sales		
11	Average Price		
12	% of Available for Sale Actually Sold		

		2014	2015
13	West Control Area RPS Eligible Small Hydro Generation (MWh)		
13	COPCO 1		
14	COPCO 2		
15	FALL CREEK		
16	IRON GATE		
17	BEND		
18	CLEARWATER 1		
19	CLEARWATER 2		
20	CONDIT		
21	EAGLE POINT		
22	EAST SIDE		
23	FISH CREEK		
24	PROSPECT 1		
25	PROSPECT 3		
26	PROSPECT 4		
27	SLIDE CREEK		
28	SODA SPRINGS		
29	WALLOWA FALLS		
30	WEST SIDE		
31	Total Generation (MWh)		
32	Held for Compliance (MWh)		
33	Available for Sale (MWh)		
34	Actual Sales (MWh)		
35	Retained (MWh)		
36	Total Revenues from Sales		
37	Average Price		
38	% of Available for Sale Actually Sold		

		2014	2015
39	West Control Area RPS Eligible Hydro Generation (MWh)		
39	JC BOYLE		
40	LEMOLO 1		
41	LEMOLO 2		
42	MERWIN		
43	PROSPECT 2		
44	SWIFT 1		
45	TOKETEE		
46	YALE		
47	Total Generation (MWh)		
48	Held for Compliance (MWh)		
49	Available for Sale (MWh)		
50	Actual Sales (MWh)		
51	Retained (MWh)		
52	Total Revenues from Sales		
53	Average Price		
54	% of Available for Sale Actually Sold		

		2014	2015
55	West Control Area RPS Eligible Biomass Generation (MWh)		
55	ROSEBURG FOREST PRODUCTS		
56	Total Generation (MWh)		
57	Held for Compliance (MWh)		
58	Available for Sale (MWh)		
59	Actual Sales (MWh)		
60	Retained (MWh)		
61	Total Revenues from Sales		
62	Average Price		
63	% of Available for Sale Actually Sold		

Washington Retail Sales		MWh
64	Calendar Year 2013 (Actual)	3,971,579
65	Calendar Year 2014 (Actual)	4,117,646
66	Calendar Year 2015 (Forecast)	

Washington RPS Compliance Requirements		MWh	Reference
67	1/1/14 - 3% (2014 Generation Eligible for Compliance)	121,338	3% of Average 2013 and 2014 Retail Sales
68	1/1/15 - 3% (2015 Generation Eligible for Compliance)		3% of Average 2014 and 2015 Retail Sales

Washington REC Revenue Tracker for CY2014 and Interest thru April 2015

Interest Rate 6.42% After Tax WACC approved in Washington per UE 130043
 Interest Rate 6.38% After Tax WACC approved in Washington per UE 140762

	Beginning Balance	Additions	Amort.	Interest	Ending Balance
Jan-14	-	(1,029)	-	-	(1,032)
Feb-14	(1,032)	(3,987)	-	(3)	(5,035)
Mar-14	(5,035)	(2,061)	-	(32)	(7,128)
Apr-14	(7,128)	(1,915)	-	(43)	(9,086)
May-14	(9,086)	10,227	-	(21)	1,119
Jun-14	1,119	399	-	7	1,526
Jul-14	1,526	(2,419)	-	2	(892)
Aug-14	(892)	(3,063)	-	(13)	(3,968)
Sep-14	(3,968)	(3,196)	-	(30)	(7,194)
Oct-14	(7,194)	(3,365)	-	(47)	(10,606)
Nov-14	(10,606)	(1,161)	-	(60)	(11,827)
Dec-14	(11,827)	17,751	-	(16)	5,908
Jan-15	5,908	-	-	32	5,940
Feb-15	5,940	-	-	32	5,972
Mar-15	5,972	-	-	32	6,004
Apr-15	6,004	-	-	32	6,035
Total		6,181		(146)	

Approved Balance for Amortization:		Accumulated REC Deferral Balance:	
April 2011 - December 2013	(4,916,393)	Actual 2014 and Forecast 2015	6,035
<u>Year/Month¹</u>		<u>Year/Month</u>	
Jan-14	-	Jan-14	-
Feb-14	-	Feb-14	-
Mar-14	-	Mar-14	-
Apr-14	-	Apr-14	-
May-14	-	May-14	-
Jun-14	-	Jun-14	-
Jul-14	-	Jul-14	-
Aug-14	-	Aug-14	-
Sep-14	-	Sep-14	-
Oct-14	-	Oct-14	-
Nov-14	-	Nov-14	-
Dec-14	-	Dec-14	-
Jan-15	-	Jan-15	-
Feb-15	-	Feb-15	-
Mar-15 ²	(230)	Mar-15	-
Apr-15 Projected	(204,850)	Apr-15	-
May-15 Projected	(204,850)	May-15	-
Jun-15 Projected	(204,850)	Jun-15	-
Jul-15 Projected	(204,850)	Jul-15	-
Aug-15 Projected	(204,850)	Aug-15	-
Sep-15 Projected	(204,850)	Sep-15	-
Oct-15 Projected	(204,850)	Oct-15	-
Nov-15 Projected	(204,850)	Nov-15	-
Dec-15 Projected	(204,850)	Dec-15	-
2014 Amortization Total		2014 Amortization Total	-
2015 Projected Amortization	(1,843,877)	2015 Amortization Total	-

¹Per Order 13 in Docket UE 100749 issued February 12, 2013, Schedule 95 was set to zero cents per kilowatt hour

²Per Order 16 in Docket UE 100749 issued December 12, 2014, Schedule 95 amortization effective March 31, 2015