825 NE Multnomah, Suite 2000 Portland, Oregon 97232



May 2, 2016

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 (Pacific Power or Company), a division of PacifiCorp, 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

Beginning in 2016, the Washington renewable portfolio standard (RPS) compliance requirement increases to nine percent of average Washington retail load. At this level, the Company's Washington-allocated RECs will be insufficient to meet the compliance requirement.³ Because Washington's entire allocated share of 2015 RECs will be used to satisfy the Company's Washington RPS requirement, there are no REC revenues attributable to Washington customers for 2015.⁴ Similarly, the Company does not anticipate REC revenues attributable to Washington customers for calendar year 2016, as Washington's share of RECs will be used to meet the

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 PacifiCorp addresses the variance between Washington's System Generation (SG) share of west control area resources (approximately 8 percent) and Washington's Control Area Generation West (CAGW) share (approximately 23 percent) by providing Washington RECs from other Washington-eligible resources. Actual RECs used to fulfill Washington's CAGW share may include RECs from resources located in any of PacifiCorp's jurisdictions or include unbundled REC purchases, but the total will equal Washington's CAGW share of west control area resources.

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[.]"."

Washington Utilities and Transportation Commission May 2, 2016 Page 2

ongoing RPS requirement. Confidential Attachment A provides a summary, in a format consistent with the Company's previous reports, demonstrating that Washington's allocated share of RECs is being used to satisfy Washington's RPS requirement. It also demonstrates that there are no REC revenues attributable to Washington for non-RPS eligible resources for calendar year 2015, or projected revenues for calendar year 2016.

Due to these circumstances, a revision to Schedule 95 rates is unnecessary at this time. Page 5 of Confidential Attachment A shows the amounts reflected in Washington rates through the currently approved Schedule 95 for 2015 and the projected impacts for 2016.

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.

Confidential Attachment A is provided subject to the terms and conditions of Order 03 in Docket UE-100749. The Company is also enclosing a redacted version with 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, Regulatory Projects Manager, at (503) 813-5410.

Sincerely,

R. Bryce Dalley/ Usu

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.

Industrial Customers of Northwest Utilities

Melinda Davison Jesse Cowell Davison Van Cleve, P.C. 333 S.W. Taylor, Suite 400 Portland, OR 97204 <u>mjd@dvclaw.com</u> jec@dvclaw.com

Office of the Attorney General Simon ffitch 900 4th Avenue – Suite 2000 Seattle WA 98164 Simonf@atg.wa.gov

The Energy Project Brad Purdy Attorney at Law 2019 N. 17th Street Boise, ID 83702 <u>bmpurdy@hotmail.com</u>

PacifiCorp

R. Bryce Dalley Vice President, Regulation 825 NE Multnomah St. Suite 2000 Portland, OR 97232 Bryce.dalley@pacificorp.com

DATED this 2nd day of May 2016.

Washington Utilities & Trans. Comm'n Tom Schooley 1400 S. Evergreen Park Drive S.W. PO Box 40128 Olympia WA 98504 tschoole@utc.wa.gov

PacifiCorp Katherine McDowell 419 SW 11th Ave, Suite 400 Portland, OR 97205 katherine@mcd-law.com

Wal-Mart Arthur A. Butler Ater Wynne LLP 601 Union Street, Suite 1501 Seattle, WA 98101 aab@aterwynne.com

Industrial Customers of Northwest Utilities Bradley G. Mullins Davison Van Cleve, P.C. 333 S.W. Taylor, Suite 400 Portland, OR 97204 Brmullins@mwanalytics.com

Coordinator, Regulatory Operations

REDACTED CONFIDENTIAL ATTACHMENT A

ATTACHMENT A IS DESIGNATED CONFIDENTIAL PER THE PROTECTIVE ORDER IN THIS DOCKET, ORDER 03

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

		(4	A)	(B)	(C)
Line	Description	Act 20	tual 15 ¹	Forecast 2016 ²	Reference
1	Washington Allocation of Revenue (WCA Resources)	\$	- \$	-	CONF Attach A, Line 15
2	Washington Allocation of Imputed Revenue for MWhs Held for Compliance (WCA Resources)	\$	- \$	-	CONF Attach A, Line 50
3	Adjustment for Washington RPS Compliance Requirement	\$	- \$	-	CONF Attach A, Line 55
4	Accumulated Interest through April 2016	\$	- \$	-	Attach A Page 5
5	Total Washington-Allocated Revenue	\$	- \$	-	

1. 2015 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 Washingtonallocated REC revenue is available for calendar years 2015 and 2016.

Confidential Attachment A - Page 2

Line	Description	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015
	Total Company Booked Revenues (WCA Resources)												
2	WCA Wind	NOTION	N. N										
3	WCA Small Hydro	NOT APPLICA	ABLE - Washingto	n is allocated RPS-e	ligible RECs equi	valent to its CAG	W share (approxim	ately 23%) of WCA	A wind resources f	or use towards the	RPS. All Washingt	on-allocated RECs	will be
4	WCA Large Hydro WCA Biomass			u	inzed to meet ann	uai RPS compliand	ce requirements or	banked to meet RP	s targets in the ioi	lowing year.			
5	Total Booked Revenues (WCA Resources)												
7	Total Booked Revenues (WCA Resources)												
8	Washington % (CAGW)	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%
	WA Allocated Booked Revenues (WCA Resources)												
11	WCA Wind												
12	WCA Small Hydro	NOT APPLIC.	ABLE - Washingto	on is allocated RPS-	eligible RECs equi	ivalent to its CAG	W share (approxin	nately 23%) of WC	A wind resources	for use towards the	RPS. All Washing	ton-allocated REC	s will be
13	WCA Large Hydro			u	tilized to meet ann	ual RPS complian	ice requirements or	banked to meet RP	S targets in the fol	llowing year.			
14	WCA Biomass					_	-						
15	Total WA Allocated Booked Revenues (WCA Resources)												
16													
	Imputed Revenue Calculations (Used for RPS Compliance)												
18	Held for Compliance (WCA Wind)												
19	Washington % (CAGW)												
20	Washington Allocation	NOT APPLIC	CABLE - Washing	ton is allocated RPS							e RPS. All Washin	gton-allocated REC	Cs will be
21	Assumed Percentage Sold				utilized to meet an	nual RPS complia	nce requirements o	r banked to meet R	PS targets in the fe	ollowing year.			1%
22	Washington Allocation Considered Sold												
23	Average Price												
24 25	WA Allocated Imputed Revenues (WCA Wind)												
26	Held for Compliance (WCA Small Hydro)												
27	Washington % (CAGW)	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%
28	Washington Allocation												
29	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%
30	Washington Allocation Considered Sold												
31	Average Price												
32 33	WA Allocated Imputed Revenues (WCA Small Hydro)												
34	Held for Compliance in (WCA Large Hydro)												
35	Washington % (CAGW)	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%
36	Washington Allocation												
37	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%
38	Washington Allocation Considered Sold												
39	Average Price												
40 41	WA Allocated Imputed Revenues (WCA Large Hydro)												
42	Held for Compliance in (WCA Biomass)												
43	Washington % (CAGW)	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%	22.5978%
44	Washington Allocation												
45	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%
46	Washington Allocation Considered Sold												
47	Average Price												
48	WA Allocated Imputed Revenues (WCA Biomass)												
49	•												
	Total WA Allocated Imputed REC Revenues	\$ - \$		\$-\$	- \$		\$5	\$-\$	-	\$5	i - 1	i - 1	s <u>-</u>
51	-												
	Adjustment for Washington RPS Compliance Requirement												
53	Washington RPS Compliance Requirement (WCA Wind)			NOT	APPLICABLE -	All Washington-al	located REC applie	d against Washingt	on's RPS Complia	nce requirement.			
54	Average Price												
55 56	Subtract Revenue for Washington RPS Compliance (WCA Wind)	\$ - \$		\$-\$	- \$		\$-5	s - s	-	\$5			-
50	Total Washington Allocated Revenue	\$ - \$		\$-\$	- \$		s - 5	s - s	-	s - s			h

Line Description	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	Jun 2016	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016
1 Total Company Booked Revenues (WCA Resources)												
2 WCA Wind 3 WCA Small Hydro	NOT APPLI	ABLE - Washin	aton is allocated F	PS-eligible REC	's equivalent to its	CAGW share (at	oprovimately 23%) of WCA wind re	esources for use to	wards the RPS	All Washington-al	located
4 WCA Large Hydro	NOTATEL	ADLE - Washin				mpliance requirem					All washington-ai	localeu
5 WCA Biomass						1 1		5	8,			
6 Total Booked Revenues (WCA Resources)	\$ - 5		\$-\$	s - :	\$	\$-\$	\$-\$	s - s	s - s		s - :	\$ -
7 8 Washington % (CAGW) 9	22.5019%	22.5019%	22.5019%	22.5019%	22.5019%	22.5019%	22.5019%	22.5019%	22.5019%	22.5019%	22.5019%	22.5019%
0 WA Allocated Booked Revenues (WCA Resources) 11 WCA Wind												
12 WCA Small Hydro	NOT APPLI	CABLE - Washin	igton is allocated l	RPS-eligible REC	Cs equivalent to its	s CAGW share (a	pproximately 23%	6) of WCA wind r	esources for use t	owards the RPS.	All Washington-a	llocated
13 WCA Large Hydro			RECs will	be utilized to me	et annual RPS co	mpliance requiren	nents or banked to	meet RPS targets	in the following	year.	-	
14 WCA Biomass												
15 Total WA Allocated Booked Revenues (WCA Resources) 16												
10 17 Imputed Revenue Calculations (Used for RPS Compliance)												
18 Held for Compliance (WCA Wind)												
19 Washington % (CAGW)												
20 Washington Allocation	NOT APP	LICABLE - Wash				its CAGW share					5. All Washington	-allocated
21 Assumed Percentage Sold			RECs w	ill be utilized to r	neet annual RPS of	compliance require	ements or banked	to meet RPS targe	ets in the following	g year.		6
22 Washington Allocation Considered Sold 23 Average Price												
24 WA Allocated Imputed Revenues (WCA Wind)												
25												
26 Held for Compliance (WCA Small Hydro)												
27 Washington % (CAGW)	22.5019%	22.5019%	22.5019%	22.5019%	22.5019%	22.5019%	22.5019%	22.5019%	22.5019%	22.5019%	22.5019%	22.5019%
28 Washington Allocation 29 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%
30 Washington Allocation Considered 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%
31 Average Price												
32 WA Allocated Imputed Revenues (WCA Small Hydro)												
33												
 34 Held for Compliance in (WCA Large Hydro) 35 Washington % (CAGW) 	22.5019%	22.5019%	22,5019%	22.5019%	22.5019%	22.5019%	22.5019%	22,5019%	22,5019%	22.5019%	22.5019%	22.5019%
36 Washington Allocation	22.3019%	22.3019%	22.3019%	22.3019%	22.3019%	22.3019%	22.3019%	22.3019%	22.3019%	22.3019%	22.3019%	22.3019%
37 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%
38 Washington Allocation Considered Sold												
39 Average Price												
40 WA Allocated Imputed Revenues (WCA Large Hydro) 41												
42 Held for Compliance in (WCA Biomass)												
43 Washington % (CAGW)	22.5019%	22.5019%	22.5019%	22.5019%	22.5019%	22.5019%	22.5019%	22.5019%	22.5019%	22.5019%	22.5019%	22.5019%
44 Washington Allocation												
45 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%
46 Washington Allocation Considered Sold 47 Average Price												
47 Average Frice 48 WA Allocated Imputed Revenues (WCA Biomass)												
49												
50 Total WA Allocated Imputed REC Revenues	\$ - 5	s -	\$-\$	s -	\$-	\$-5	\$-5	5 - 5	s - s	s -	\$	\$-
51 52 Adjustment for Washington RPS Compliance Requirement												
52 Adjustment for Washington KFS Compliance Requirement 53 Washington RPS Compliance Requirement (WCA Wind)			NOT A	APPLICABLE - A	All Washington-all	located REC appli	ed against Washir	igton's RPS Comp	liance requirement	nt.		
54 Average Price					-		-		-			
55 Subtract Revenue for Washington RPS Compliance (WCA Wind) 56	\$ - 5	-	\$-\$	s - :	\$ - :	\$ - 5	\$ - \$	5 - 5	5 - 5	-	s - :	s -
57 Total Washington Allocated Revenue	\$ - 5	š -	\$-\$	s -	\$-	\$5	\$-\$	5 - 5	5 - 5	š -	\$	\$-

WCA REC Transaction Summary (CY 2015 - 2016) - As of April 30, 2016 WA Docket UE 100749

		Actual	Forecast
	West Control Area RPS Eligible Wind Generation (MWh)	2015	2016
1	LEANING JUNIPER I		
2	GOODNOE HILLS		
3	MARENGO		
4	MARENGO II		
5	Total Generation (MWh)		
6	Washington % (CAGW)		
7	Washington's Allocated Share (MWh)		
8	Held for Compliance (MWh)		
9	Available for Sale (MWh)		
10	Total Revenues from Sales		
11	Average Price		
12	% of Available for Sale Actually Sold		

		2015	2017
10	West Control Area RPS Eligible Small Hydro Generation (MWh	2015	2016
	COPCO 1		
	COPCO 2		
	FALL CREEK		
	IRON GATE		
	BEND		
-	CLEARWATER 1		
	CLEARWATER 2		
	CONDIT		
	EAGLE POINT		
	EAST SIDE		
-	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)		
	Held for Compliance (MWh)		
	Available for Sale (MWh)		
	Actual Sales (MWh)		
35	Retained (MWh)		
	Total Revenues from Sales		
37	Average Price		
38	% of Available for Sale Actually Sold		

	West Control Area RPS Eligible Hydro Generation (MWh)	2015	2016
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		
	Average Price		
54	% of Available for Sale Actually Sold		

	West Control Area RPS Eligible Biomass Generation (MWh)	2015	2016
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 (Actual)	4,108,270
67 Calendar Year 2016 (Forecast)	

	Washington RPS Compliance Requirements	MWh	Reference
68	3 1/1/15 - 3% (2015 Generation Eligible for Compliance)	121,338	3% of Average 2013 and 2014 Retail Sales
69	1/1/16 - 9% (2016 Generation Eligible for Compliance)	370,166	9% of Average 2014 and 2015 Retail Sales

Approved Balance for Amortization: April 2011 - December 2013	(4,916,393)	Accumulated REC Deferral Balance: Actual 2014 \$ Actual 2015 and Forecast 2016	6,035 -
Year/Month ¹		Year/Month	
Jan-15		Jan-15	-
Feb-15		Feb-15	-
$Mar-15^2$	(227)	Mar-15	-
Apr-15	(77,766)	Apr-15	-
May-15	(176,252)	May-15	-
Jun-15	(193,462)	Jun-15	-
Jul-15	(241,573)	Jul-15	-
Aug-15	(219,234)	Aug-15	-
Sep-15	(218,328)	Sep-15	-
Oct-15	(186,857)	Oct-15	-
Nov-15	(191,724)	Nov-15	-
Dec-15	(241,093)	Dec-15	-
Jan-16 ³	(255,521)	Jan-16	-
Feb-16	(212,915)	Feb-16	-
Mar-16	(186,944)	Mar-16	-
Apr-16	(228,591)	Apr-16	-
May-16	(228,591)	May-16	-
Jun-16	(228,591)	Jun-16	-
Jul-16	(228,591)	Jul-16	-
Aug-16	(228,591)	Aug-16	-
Sep-16	(228,591)	Sep-16	-
Oct-16	(228,591)	Oct-16	-
Nov-16	(228,591)	Nov-16	-
Dec-16	(228,591)	Dec-16	-
2015 Actual Amortization 2016 Projected Amortization	(1,746,516) (2,712,696)	2015 Actual Amortization 2016 Projected Amortization	-

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 ³2016 projected amortization amounts reflect first three months actual balances, with balance of year forecasts