

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PacifiCorp d/b/a Pacific Power & Light
Company's 2021 RPS Report

DOCKET UE-_____

**PacifiCorp's Petition for Waiver of
WAC 480-109-210(2)(a)(i)**

1 In accordance with WAC 480-109-030 and WAC 480-07-370(3), PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp) petitions the Washington Utilities and Transportation Commission (Commission) for a one-time waiver of the requirement set forth in WAC 480-109-210(2)(a)(i) directing a utility to (a) make a *one-time* incremental cost calculation for each eligible resource included in such utility's Renewable Portfolio Standard (RPS) report, and (b) identify the capacity value of each eligible renewable resource as calculated in the utility's most recent integrated resource plan (IRP) *acknowledged* by the Commission (Petition). As set forth in more detail below, PacifiCorp is seeking a waiver of these requirements to provide an updated incremental cost calculation for certain resources included in its 2021 RPS Report and to use the capacity value as calculated in the 2019 IRP progress report filed on October 18, 2019.¹

2 PacifiCorp is an electric company and public service company in Washington within the meaning of RCW 80.04.010, and is subject to the Commission's jurisdiction over its prices and terms of electric service to retail customers in Washington. The company provides electric service to approximately 137,000 retail customers in Washington and approximately 2 million total retail customers in Washington, California, Idaho, Oregon, Utah, and Wyoming.

¹ As discussed in more detail below the Commission is treating the company's 2019 IRP as a progress report and eight eligible resources included in the 2020 RPS Report was not included in the 2017 IRP.

3 PacifiCorp’s name and address:

Washington Dockets
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
washingtondockets@pacificorp.com

Riley Peck
Attorney
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
Riley.peck@pacificorp.com

I. INTRODUCTION AND BACKGROUND

4 In accordance with WAC 480-109-210, PacifiCorp is required to submit an annual RPS report to the Commission. One component of the annual RPS report is an incremental cost calculation that is defined as “a one-time calculation of incremental cost for each eligible resource at the time of acquisition or, for historic acquisitions, the best information available at the time of the acquisition.”²

5 As currently written, WAC 480-109-210 does not address treatment in the incremental cost methodology of eligible wind resources that have been upgraded or “repowered.” A repowered facility has an extended useful life and increased capacity; incurs new capital and operations and maintenance costs; and is eligible for additional federal, state, or local tax incentives. None of these are reflected in the one-time calculation made at the time of acquisition of the resource.

6 The company submitted its 2019 RPS Report on May 31, 2019, in Docket UE-190448. The 2019 RPS Report included updated incremental cost calculations for certain resources to reflect the repowering of these resources.

7 During the review of the 2019 RPS Report, concerns were raised regarding the company’s updated incremental cost calculations.³ Concerns were raised regarding (a) inclusion of resources not operational as of January 1, 2019, and (b) updates to the

² WAC 480-109-210(2)(a)(i).

³ See, e.g., Staff comments dated July 15, 2019.

company's incremental cost calculation to account for repowered resources. Ultimately, the parties to that proceeding agreed that to resolve the 2019 RPS Report, PacifiCorp would remove any resources not operational as of January 1, 2019, and the updated incremental cost calculation from the 2019 RPS Report, and parties would explore how these issues should be accounted for outside of the RPS report proceedings.⁴

8 PacifiCorp participated in a working group convened by Commission Staff in 2020 to address treatment of repowered resources in the incremental cost calculation and treatment of confidential information included in RPS reports. As a result of the working group discussions, Commission staff and participants agreed to support an interim methodology for PacifiCorp's 2020 RPS report and determined that the interim methodology requires a waiver from the Commission of requirements set forth in WAC 480-109-210(2)(a)(i). The working group included participation from all electric investor-owned utilities in Washington, Public Counsel, and the Northwest Energy Coalition in addition to Commission Staff.

9 This Petition seeks that waiver once again for its 2021 RPS report. The two issues at hand in the 2020 petition for waiver – 1) an incremental cost methodology for repowered resources, and 2) the use of the 2019 IRP Progress Report – were not addressed in rulemaking in 2020 and therefore require an additional waiver for the 2021 RPS reporting year.

10 PacifiCorp requests a waiver that would allow the company to update its incremental cost calculation using the methodology agreed upon by the Staff-convened working group in 2020. The methodology that PacifiCorp intends to use for its 2021 RPS Report incremental

⁴ PacifiCorp filed a revised 2019 RPS Report on August 23, 2019, that included an incremental cost calculation that did not account for repowered resources and that removed resources that were not operational as of January 1, 2019. The working group to address this issue was subsequently convened by Commission Staff as detailed in this Petition.

cost calculation was discussed as part of the working group; the working group participants considered several incremental cost calculation methodologies and reached a consensus regarding an appropriate methodology for the 2020 RPS Report.

11 Under this calculation methodology, the life of the repowered eligible wind resources will be split into two periods:

- The time of acquisition to the time of repowering (base resource); and
- From the time of repowering to the end of the facility's useful life (repowered resource).

12 The calculation will compare the base eligible resource and repowered resource to two different non-eligible resources.

- The base resource is compared to a same-life, non-eligible resource from the Commission's most recently acknowledged IRP at the time of acquisition of the base resource;
- The repowered resource is compared to a same-life, non-eligible resource from the Commission's most recently acknowledged IRP at the time of repowering.

13 The repower calculation methodology will be applied to the following resources in PacifiCorp's 2021 RPS Report:

Dunlap I
Glenrock I
Glenrock III
Goodnoe Hills
High Plains
Leaning Juniper
Marengo I
Marengo II
McFadden Ridge
Rolling Hills
Seven Mill Hill I
Seven Mile Hill II

14 The company is also seeking a waiver of the requirement to use the capacity value of eight eligible renewable resources, as calculated in PacifiCorp's most recently acknowledged IRP. WAC 480-109-210(a)(i)(B) requires a utility to use the capacity value for an eligible

renewable resource as calculated in the most recently *acknowledged* IRP. The company's most recently acknowledged IRP, the 2017 IRP, did not include a capacity value for the following resources.

Goodnoe Hills
Ekola Flats Wind
Sage Solar I, LLC
Sage Solar II, LLC
Sage Solar III, LLC
Sweetwater Solar, LLC
TB Flats I
TB Flats II

15 A capacity value was included in PacifiCorp's 2019 IRP. However, due to pending rulemakings regarding implementation of the recently enacted Clean Energy Transformation Act (CETA) and its impacts on IRP development, the Commission determined that it will treat the company's 2019 IRP as a progress report and suspend its practice of issuing letters of acknowledgement regarding IRP filings.⁵ As a result, the Commission has not acknowledged an IRP that includes a capacity value for these eight resources.

16 The selected alternative the company intends to use for its 2021 RPS report uses the existing incremental cost calculation methodology and template. The methodology derives a single normalized incremental cost value which is applied to Renewable Energy Certificates (RECs) generated from that resource to be used for RPS compliance. This normalized value accounts for all annual costs and benefits for the full, extended life of the resource, including base and repowered portions.

⁵ See Order 03 issued in Docket UE-180259 issued on November 7, 2019.

II. CONCLUSION

17 Based on the foregoing, the Company requests a waiver of WAC 480-109-210(2)(a)(i) to allow the company to submit its 2021 RPS Report, including an incremental cost calculation that accounts for repowered assets.

DATED: this 17th day of May, 2021

Respectfully submitted,

 /s/

Riley Peck
Attorney
PacifiCorp
Oregon State Bar # 171782
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
T: (503) 813-6490
Riley.Peck@pacificorp.com