

UE-190666—Pacific Power Responses to Staff Collation of Third-Party Comments, Questions, and Requests

Item #	Stakeholder	Topic	Utility	Question, Comment or Request	Pacific Power Response
1	NIPPC/REC; Staff memo attachment	Large QF term sheets	All	The utilities non-binding term sheets for use in negotiating contracts for QFs over 5 MW required to be posted to their websites. We note however that we could not locate the term sheets for any of the utilities.	Pacific Power has not yet posted on its website a non-binding term sheet for QFs over 5 MWs. The company intends to post the term sheet following resolution of the discussions involving Pacific Power’s August 9, 2019 Filing, including continued discussions on the form of standard power purchase agreement.
6	NIPPC/REC; Staff memo and attachment	Peaker proxy implementation	Pacific Power	PacifiCorp’s proposal to pay for capacity only in July and December rather than include the full capacity cost of a SCCT in its avoided cost calculation for the years during which it identifies the need for capacity in the form of market purchases as required by WAC 480-106-040(1)(b)(ii).	Pacific Power respectfully contends that the inclusion of twelve months of SCCT fixed costs is inconsistent with market price assumptions in PacifiCorp’s acknowledged IRP, inconsistent with PacifiCorp’s forward market price forecast for market products which include both energy and capacity, and inconsistent with the customer indifference principles of PURPA. The company does not see this approach as inconsistent with WAC 480-106-040(1)(b)(ii). It is also worth noting that this issue is largely moot as applied to Pacific Power’s proposed rates in this filing, since the SCCT fixed costs are only used for one year (the period when WAC 480-106-040(1)(b)(ii) would be applicable), after which the capacity cost calculation was determined using the approach required under WAC 480-106-040(1)(b)(i).
7	NIPPC/REC; standard contracts discussed in Staff memo	Standard PPA	All; focus on Pacific Power	PacifiCorp proposed to file only a standard contract “template” for an on-system, firm, greenfield QF project that it will modify for other types of QFs (e.g., existing, off-system, or otherwise do not fit within that contract template). This is inconsistent with WAC 480-106-030, which specifies that the tariff content include standard contract provisions.	Pacific Power does not agree with NIPPC/REC’s contention. WAC 480-106-030(4) requires each utility to file “standard contract provisions.” The company went beyond this requirement and filed a complete form of contract that addresses the great majority of all QF contracts requests the company receives. To require Pacific Power to file a contract form for every potential QF circumstance seems unnecessary, an unreasonable burden on the company, and not required by the Commission’s regulations. In this respect, Pacific Power agrees with Commission Staff’s position summarized on page 8 of its Staff Recommendation in support of the September 12, 2019 Agenda Meeting (September 12 th Staff Memorandum).
8	NIPPC/REC	Legally enforceable obligation language in tariff	All	All three utilities’ proposals regarding the formation of legally enforceable obligations (“LEO”) are inconsistent with WAC 480-106-030(2), which provides explicit direction on how a QF may form a LEO. Each utility provides differing language, and no utility includes the language that a LEO may arise prior to executing a contract which is required by PURPA and Washington law. The Commission determined that a LEO may be found on a case-by-case basis recognizing that a LEO “is based on a [QF] committing itself to sell all or part of its electric output to an electric utility.”	Pacific Power does not agree with NIPPC/REC’s contentions. The language the company provided in its August 9, 2019 filing is fully consistent with WAC 480-106-030(2). Please refer to Section I.D. of Pacific Power’s proposed Schedule QF, which quotes directly from the relevant regulation. WAC 480-106-030(2) has the force of law and therefore does not require word-for-word recitation in each utility’s QF schedules. However, to avoid any confusion or concern, the company agrees that a LEO can form prior to contract execution and is willing to expressly make that statement in its Schedule QF.

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9	NIPPC/REC	QF power output requirements in tariff or contract	All	All references made by any of the three utilities to a requirement that a QF must provide “all QF output,” or “all of the electrical capacity and energy” rather than “all or part” of the net output is inconsistent with PURPA and WAC 480-106-020, which requires the purchase of energy and capacity that is “made available” or WAC 480-106-030 which allows a LEO formation for “all or part” of the QF’s electric output.	If there is a specific area within the company’s filing that implicates this concern, please let us know. Pacific Power agrees with how NIPPC/REC characterize the referenced regulations.
10	NIPPC/REC	Direct interconnection requirements	All	All references made by any of the three utilities to a requirement that a QF must be “directly interconnected,” “located within the Company’s electric service area,” otherwise “on-system” is inconsistent with PURPA and WAC 480-106-020, which requires a utility to purchase any energy and capacity that is made available from a QF either directly or indirectly via transmission over another entity’s lines.	If there is a specific area within Pacific Power’s filing that implicates this concern, please let us know. The company agrees with how NIPPC/REC characterize the referenced regulation.
11	NIPPC/REC	Interconnection agreement as requirement	All	All references made by all three utilities to any requirement that a QF must complete interconnection studies or execute an interconnection agreement prior to executing its PPA or prior to forming a LEO is inconsistent with PURPA.	<p>Pacific Power strongly contends that a LEO cannot be formed unless and until a QF can reasonably demonstrate (through objective evidence) its ability to deliver power on the date and in the manner it has represented to the utility for purposes of determining the applicable avoided cost pricing for its project. This “due diligence” review is a necessary and appropriate role for the utility to ensure PURPA’s customer indifference principles are maintained. This due diligence review confirms that a QF project is reasonably viable prior to taking advantage of avoided price calculations that has been based solely on the QF’s representations.</p> <p>In the context of a transmission-constrained environment, it is therefore critical to the utility’s due diligence review that it be able to review at least one interconnection study that reasonably supports the QF’s requested commercial operation date. Requiring the ability to review such a study is not a means to artificially obstruct formation of a LEO, but rather a project-specific evaluation to confirm that a QF is receiving an appropriately calculated avoided cost price. Such an approach is not inconsistent with the Commission’s regulations or any orders or other guidance from the Federal Energy Regulatory Commission.</p>
13	NIPPC/REC	Capacity contribution	All	<i>It is unclear whether this item is consistent with the Commission’s rules and policies. NIPPC/REC ecommends further investigation by the Commission:</i> Avista’s [and PSE’s] methodology for calculating renewable capacity contribution.	Please see response to #36.

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14	NIPPC/REC	Market forecast	All; focus on PSE	<i>It is unclear whether this item is consistent with the Commission's rules and policies. NIPPC/REC recommends further investigation by the Commission:</i> PSE's Mid-C market price forecast. PSE used a market price forecast from its PSE's current forecast of market prices for electricity in PSE's most current draft Integrated Resource Plan; however, that plan has not been made public and the forecast accuracy must be vetted.	To the extent this comment is applicable to Pacific Power, the company notes that its filing reflects its forecast of forward market prices, consistent with prices used in its acknowledged 2017 IRP (but of more recent vintage). Forward prices represent the price at which power could be transacted for today, for delivery in future periods. This is in contrast to spot prices, which represent power transacted just prior to the time of delivery.
16	NIPPC/REC; Staff memo and attachment	Capitalized energy cost adjustment	Pacific Power	<i>It is unclear whether this item is consistent with the Commission's rules and policies. NIPPC/REC recommends further investigation by the Commission:</i> PacifiCorp's proposal for its "capitalized energy cost adjustment."	The company's proxy resource is a tracking solar resource, with a \$/MWh bid price from PacifiCorp's 2017S RFP. It is inconsistent with FERC's customer indifference principle to obligate customers to pay the bid price without also providing compensation for the energy that payment would have entitled them to consistent with the bid. Pacific Power would further note that the levelized cost of the proxy resource is actually less expensive than the market prices in its filing. To the extent customers are expected to be served by resources that are less expensive than market, avoided costs should not exceed the costs of those resources. Pacific Power's filing did not reduce energy prices to reflect resource costs that were less than market, but such an adjustment may be appropriate.
17	NIPPC/REC; Staff memo attachment	Methodology for avoided cost calculation for large QFs	All	<i>It is unclear whether this item is consistent with the Commission's rules and policies. NIPPC/REC recommends further investigation by the Commission:</i> Methodology(s) for negotiating non-standard prices.	Pacific Power proposed using the same methodology for non-standard QFs, but incorporating project-specific data (start and end dates, generation profile, location), updated market prices, updated assumptions from an IRP or RFP, and changes in planned resource additions associated with newly signed contracts. These modifications are necessary to ensure prices are consistent with avoided costs at the time an obligation is incurred.
18	NIPPC/REC; Staff memo attachment	Contracting procedures and timelines	All	<i>It is unclear whether this item is consistent with the Commission's rules and policies. NIPPC/REC recommends further investigation by the Commission:</i> Contracting procedures and timelines.	Pacific Power believes its procedures are appropriate and not at all inconsistent with the Commission's rules or guidance. If there is a specific area within Pacific Power's filing that implicates this concern, please let us know.

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19	NIPPC/REC	Process for addressing concerns re: standard PPAs	All	NIPPC/REC intends to comment in more detail regarding the specific concerns with each utility’s contract provisions. NIPPC/REC’s preferred process would be not to litigate these issues before the Commission at an open meeting, but instead to have a litigated proceeding in which Staff and interested parties identify contested PPA provisions and the Commission makes a policy determination as to the reasonableness of each disputed provision. NIPPC/REC prefer that this occur through notice and comment rather than a formal evidentiary proceeding with testimony and hearings.	<p>Pacific Power agrees with NIPPC/REC’s proposed procedures for addressing contested PPA provisions.</p> <p>Pacific Power requests that NIPPC/REC and other stakeholders identify with specificity any concerns associated with specific contract provisions. The company has updated its pre-existing contract templates from what were originally filed in other jurisdictions many years ago. Such updates are common practice within any company and fully appropriate. Pacific Power respectfully contends that it is not a meaningful objection to state only that “this form is different than a prior form” used or approved in another jurisdiction. The company, however, fully supports a meaningful substantive dialogue on specific terms and provisions of the form of PPA.</p>
20	NIPPC/REC	Standard PPA: Start of contract term for existing QFs	All	The Commission set fixed price terms for existing QFs of 10 years and for new QFs of 15 years, using different language. It is not explicit in the WAC and as a result, the utilities each provide differing interpretations around when the 10-year term of fixed price [payments] for existing QFs commences. WAC 480-106- 050 expressly provides that the 15-year term of fixed prices for new QFs starts on contract execution, but it does not make a similar finding for existing QFs.	<p>Pacific Power agrees that it would be appropriate to clarify the commencement date for fixed prices as applied to existing QFs that are entitled to a maximum 10-year contract term.</p> <p>Pacific Power contends that the most reasonable interpretation would be that the commencement date for such fixed prices should be <i>the later of</i> (i) the effective date of the new PPA for an “existing QF”; or (ii) the day following the expiration date of any prior QF PPA associated with the existing facility. Subclause (ii) above would ensure that a QF cannot seek early termination of an existing fixed price QF PPA in order to take advantage of more advantageous avoided cost rates at a later point of time. For those same reasons, and consistent with the approach set forth by the Commission’s rules for “new QFs,” the company recommends that the Commission clarify that an “existing QF” is unable to lock or fix avoided cost pricing for a new PPA earlier than one year prior to the expiration date of any existing QF PPA for the facility.</p>
21	NIPPC/REC	Standard PPA: Default and Cure	All	Each of the utilities have differing provisions around what constitutes a default and whether or not the QF may cure that default and the amount of time a QF has to cure. Generally, some ability to cure is reasonable	While NIPPC/REC’s initial comments on the Standard PPA form are non-specific, Pacific Power fully supports a meaningful substantive dialogue on specific terms and provisions of the form of PPA. Please see response to #19 above.
22	NIPPC/REC	Standard PPA: Damages	All	While it is generally not unreasonable for a party to owe damages in the event of a default or termination, the damages that are imposed should be commercially reasonable.	Please see response to #21 above.
23	NIPPC/REC	Standard PPA: Upgrades and increases or decreases	All	Whether a QF is permitted to upgrade its facilities or increase/decrease its nameplate capacity, and if upon doing so, it is entitled to the rates within its existing contract, is an important topic for resolution because there may be changes to the project, equipment, or facilities that require changes to the nameplate capacity	Please see response to #21 above.

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24	NIPPC/REC	Standard PPA: Facility milestones	All	The milestones proposed by some of the utilities are not commercially reasonable. For example, PSE’s milestones would essentially require the QF to initiate commercial operation within one year after contract execution. Given that it may take three years from execution to reach commercial operation and the Commission’s rules allow for 3 years between execution and commercial operation, these milestones are not reasonable.	Please see response to #21 above.
25	NIPPC/REC; referenced in staff memo	Standard PPA: Interconnection requirements and service	All	The utilities include varying levels of interconnection requirements in their standard contracts, including metering and telemetering requirements, communications requirements and that a QF must be designated as a network resource. Because interconnections are generally handled separately, these interconnection requirements may not be reasonable to include within the PPA. It may be reasonable to simply remove these requirements and state that all interconnections will comply with the applicable interconnection rules.	Please see responses to #11 and #21 above.
26	NIPPC/REC	Standard PPA: Scheduling	All	The scheduling provisions are important because many small QFs do not have the capability to meet aggressive scheduling requirements. These requirements should be commercially reasonable and practical in light of the utilities’ need for power to be scheduled and a small QF’s ability to do so.	Please see response to #21 above.
27	NIPPC/REC	Standard PPA: Estimates on minimum and maximum deliveries	All	The provisions surrounding estimated energy deliveries and minimum or maximum deliveries and the damages or differing prices paid for violating such provisions are important to determining the economic viability of a project. Small QFs often do not have the bandwidth to produce down-to-the-minute estimates of energy deliveries, and then be penalized for not producing at that estimate. A commercially reasonable approach would give enough flexibility to QFs to enable them to accurately estimate.	Please see response to #21 above.

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28	NIPPC/REC	Standard PPA: Insurance	All	The utilities have a wide range of insurance requirements from simply a general liability policy, but also property insurance, and an extremely detailed list of various types of other insurances, and on top of that the level of general liability insurance varies. This may be one area where it is reasonable to have some consistency or standardization.	Please see response to #21 above.
29	NIPPC/REC	Standard PPA: Credit-worthiness and security	All	The creditworthiness and security provisions vary greatly among the utilities as well. Generally, it is appropriate for some assurances around creditworthiness, but it may not be commercially reasonable for the QFs to post security unless and until it is demonstrated that the QF cannot meet the credit requirement	Please see response to #21 above.
30	NIPPC/REC	Standard PPA: Dispute resolution	All	The dispute resolution provisions create significant confusion around how disputes over executed contracts should be resolved and whether disputes come before the Commission, the courts, or some sort of third-party alternative dispute resolution process such as and arbitration	Please see response to #21 above.
31	NIPPC/REC	Standard PPA: Governmental authority	All	All three utilities include the same language in a “governmental authority” section, which notes that the agreement is “subject to” all governmental authorities having jurisdiction over the facility, the agreement and the parties. This language is similar to language in Portland General Electric Company’s standard contract, which has been the subject of litigation in Oregon.	Please see response to #21 above.
32	NIPPC/REC	Standard PPA: Commission approval	Avista	Avista’s contract contains a provision stating that the contract is subject to Commission approval. In Idaho, the Idaho Public Utility Commission approves each individual PURPA contract executed by the utilities and based on the fact that only one utility included this provision, it is not clear whether the WUTC plans to employ a similar method, or if this was simply an error left over from something Avista may have taken out of one of its Idaho contracts.	Pacific Power would support a requirement for Commission approval of non-standard PPAs, as a condition to such PPA’s effectiveness.

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33	NIPPC/REC	Standard PPA: Non-termination on repeal of PURPA	All	Each of the utilities should include a provision in their standard PPAs that provides that the contract will not terminate if PURPA is repealed.	Such an express provision seems unnecessary.
36	Sun2o/DGEP	Capacity valuation methodology	All	<p>Effective load carrying capability (“ELCC”) can be used to arrive at a fair capacity contribution value of solar for a dual peaking utility in the PNW. ELCC is an accurate measure of the equivalent firm capacity for variable resource...</p> <p>To determine the capacity contribution of solar QFs for this Tariff, dependable capacity contribution values for solar in the winter and summer can be calculated, as shown by E3, and then applied based on the peaking profile of the respective utility. For example, if the Commission were to accept E3’s Dependable Capacity Analysis, a solar QF contracting with a dual peaking utility such as Avista would be paid at an average of summer and winter contribution, equal to 53.5%.</p>	Pacific Power notes that its filing reflected capacity contribution assumptions based on the capacity factor approximation methodology (CF Method). The CF Method is simplified relative to ELCC, in that it does not require iterative or resource-specific studies, but is generally considered to provide a reasonable estimate of capacity contribution for a given set of load and resources. However, the company further notes that the values in its filing are from its acknowledged 2017 IRP and are now three years out of date. Since that time, Pacific Power has acquired significant quantities of both wind and solar resources that have significantly changed its portfolio and would impact capacity contribution results. For instance, numerous studies have indicated declining capacity contribution values for solar resources as penetration increases. The company also notes that the assumptions from its 2017 IRP do not correspond with the load and resource assumptions included in Washington rates. Updated information should be considered at the time standard rates are updated or a non-standard rate is brought before the Commission.
37	Sun2o/DGEP	Social Cost of Carbon	All, focus on Avista	<p>Avista’s Tariff should be revised to include an adder for the Social Cost of Carbon (“SCC”) avoided by renewable QFs. Currently, Avista proposes to use the deterministic Mid-C market forecast energy price scenario from their Draft 2020 IRP. Avista is not using the Draft 2020 IRP scenario that includes SCC in dispatch and is not proposing to compensate QFs for avoided greenhouse gas emissions, and the associated cost that will be avoided by energy generated by carbon free QFs...</p> <p>Once the Commission publishes the social cost of carbon, planned by September 15th, Joint Parties urge the Commission to require Washington IOUs to revise their tariffs to include this avoided cost for QFs that decide to include the sale of their renewable attributes with the sale of their energy.</p>	Please see response to #46.

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38	Sun2o/DGEP ; referenced in staff memo	Energy Storage Inclusion	All	<p>Solar plus energy storage QFs create flexible, dispatchable clean generation assets that can provide additional capacity during WA IOU’s peak demand hours and provide a range of reliability services. QFs that incorporate energy storage should be compensated for the value they deliver ratepayers at avoided cost rates...</p> <p>Joint Parties urge the Commission to order a revision of the Tariff that includes a schedule for QFs paired with energy storage by 2hr, 3hr and 4hr duration. Solar plus energy storage QFs can provide firm, dispatchable, clean energy to Avista and WA Utilities, but will not be developed without a Tariff that provides accurate and fair avoided cost compensation for the capabilities of the QF.</p>	<p>Given the continued uncertainty surrounding battery projects in the PURPA context, Pacific Power believes it is premature to address such projects expressly in its Schedule QF. The addition to Schedule QF of specific battery storage duration products would be particularly cumbersome. Such projects should be evaluated on a case-by-case basis until the eligibility of such projects under PURPA is sufficiently clarified at a federal level. In this respect, Pacific Power agrees with Commission Staff’s position summarized on page 7 of the September 12th Staff Memorandum.</p>
40	Staff memo and attachment	Avoided cost of energy: market forecasts	All	<p>Staff notes the variation across the companies’ forecasts, but does not at this time dispute the reasonableness of any company’s forecast. Avista and PSE have significantly lower price forecasts; relatedly, these two companies are using their draft IRP forecasts, which contemplate the impacts of the Clean Energy Transformation Act.</p>	<p>Please see response to #14.</p>
41	Staff memo and attachment	Capacity payments and in-service date	All	<p>Staff views this [Avista’s] implementation as truer to the language of the rule, but feels that PSE’s and Pacific Power’s implementations also align with the rule’s intent.</p>	<p>No response.</p>
42	Staff memo and attachment	Capacity valuation-based timing of IRP resource selections	All; focus on PSE	<p>PSE interpreted WAC 480-106-040(1)(b) as a directive to take a levelized average cost of all “next planned capacity additions identified in the succeeding twenty years” from its IRP. In staff’s view, this is not a plain reading of the rule, but the material difference between these differing perspectives appears minimal at this time. That may change in a future IRP.</p>	<p>PacifiCorp’s IRP models produce an optimized portfolio of resource additions and could change in a variety of ways over time in response to the addition of QF resources, which may be similar to PSE’s assumptions. When PacifiCorp makes significant resource decisions, the same models used to produce its IRP are used to determine the portfolio impacts of the available resource options. This accounts for the interaction between all of the elements and options in a portfolio, as any single resource within the preferred portfolio does not represent a least-cost, least-risk outcome on its own. Because the IRP models are time-consuming and may not be granular enough to measure the impacts of small QF resources, the determination of a single resource from the IRP preferred portfolio as the next planned capacity addition may provide a more workable and transparent result for the purpose of administratively determined qualifying facility avoided costs. That said, case-specific interpretation of the next planned capacity addition may be necessary to ensure the results reasonably represent a utility’s avoided costs.</p>

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43	Staff memo and attachment	Next planned capacity resource	Pacific Power	More concerning, however, is the company’s conflation of the planned 2021 start date for projects resulting from the RFP with the “next planned capacity resource addition identified in the succeeding twenty years in the utility’s most recently acknowledged integrated resource plan,” as specified in WAC 480-106-040(I)(b). This interpretation has the effect of pulling the next selected WCA resource up six years, from 2027 to 2021.	<p>Pacific Power acknowledges that maintaining consistency with the rules and the information available from IRPs and RFPs is complex. WAC 480-106-040(1)(b) requires utilities to identify the next planned capacity addition in its most recently acknowledged IRP. Pacific Power’s filing identified a 2028 Yakima solar resource as the first West Control Area Inter-Jurisdictional Allocation Methodology (WCA) resource addition in its acknowledged 2017 IRP. WAC 480-106-040(1)(b)(i) requires the company to identify capacity cost based on the more recent of the estimates in the acknowledged IRP or from an RFP. PacifiCorp’s RFP result is a specific price for a specific resource with specific performance assumptions and a specific commercial operation date. The RFP bid is for a WCA solar resource with its first full year of operation in 2021. The RFP bid happens to be for the same type of resource (solar) as what was identified in the IRP preferred portfolio. The RFP bid price is well below the cost estimate from the 2017 IRP, which was prepared in the summer of 2016. As noted by Staff, the online date for the RFP bid is 2021, which is significantly earlier than the 2028 date in PacifiCorp’s IRP. With that in mind, it is not clear how the RFP bid could be modified to reflect a 2028 start date so that requirements from these two rules could be reconciled. The company believes that a coherent avoided cost calculation based on all of the characteristics of its recent RFP bid is consistent with the rules and appropriate for setting avoided costs.</p> <p>To the extent Washington Staff views a 2028 planned capacity resource start date better complies with the new Washington rules, the company notes that absent the 2021 start date for the planned capacity resource based on the RFP, its avoided cost rates would result in higher avoided costs than what the company initially proposed. This is despite the demonstrated availability of the RFP resource with a cost below the market price of energy, before avoided cost rates are further increased to include SCCT fixed costs. Pacific Power respectfully contends that it would be contrary to PURPA’s customer indifference principle for customers to pay higher avoided costs from 2021-2027 based on market prices and SCCT fixed costs when PacifiCorp’s RFP has demonstrated that lower cost alternatives are available.</p>
44	Staff memo and attachment	Differentiation by season and by fuel type	All	However, staff is concerned that implementing on- and off-peak adjustments as well as fuel type differentiation may lead to two adjustments for the same resource characteristics. Staff will continue working to understand this issue with the utilities and other stakeholders.	While the company believes that its approach is consistent with Washington’s new rules, the company also acknowledges that these factors can be difficult to review within standard rate calculations. To the extent it would aid Staff in its review, Pacific Power is willing to illustrate the results using the avoided cost (\$) and volume (MWh) assumptions associated with specific resources.

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45	Staff memo	Definition of projected fixed costs	All	WAC 480-106-040(1)(b) requires a utility to calculate its avoided cost of capacity “based on the projected fixed cost of the next planned capacity addition” of its most recently acknowledged IRP. The peaker proxy requirement similarly references projected fixed costs. Staff understands “projected fixed costs” as comprised of, at minimum, the capital costs and fixed operations and maintenance (O&M) costs for a selected resource. Any avoided fuel costs and variable O&M costs would be represented in the avoided energy payment, which is valued based on market forecasts. Staff is working with the utilities to better understand other factors that are included in each utility’s identification of the fixed costs of its next planned capacity addition.	<p>Pacific Power will continue to work with Staff and parties.</p> <p>The company reiterates that the ability of a SCCT to dispatch and hold reserves has previously been estimated at approximately \$50 per kilowatt-year, or approximately half of the SCCT fixed cost from the 2017 IRP, as discussed in the cover letter of its filing (pgs. 3-4). As a result, a capitalized energy cost adjustment would also be appropriate for a SCCT.</p>
46	Sun2o/DGEP	Procedural priorities	All	<p>Items that require immediate action:</p> <p>I. Utilities do not include the avoided social cost of carbon as required by SB 5116</p>	<p>SB 5116 does not require the social cost of carbon to be included in avoided costs. In addition, the rules implementing SB 5116 are still being developed so it is unclear if such cost adders are compliant with PURPA and if so, exactly how the social cost of carbon will be implemented under the tariff revisions in Chapter 480-106 WAC. Finally, absent an actual compliance regime that imposes actual costs associated with carbon, there is no avoided costs associated with carbon. The social cost of carbon is a planning assumption and not an actual or avoidable cost.</p>

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47	Sun2o/DGEP	Procedural priorities	All	<p>Items that require evaluation:</p> <p>I. Avista’s determination that it is a strictly winter peaking utility</p> <p>II. Avista’s determination that it has no summer capacity need</p> <p>III. Avista’s utilization of the Rathdrum Solar Project to evaluate a solar project’s production</p> <p>IV. Capacity contribution of renewable plus energy storage QFs</p>	<p>With regard to item IV: Please refer to the responses to #36 and #38. Pacific Power’s capacity contribution methodology is resource-agnostic and can account for the shift in output of a specific QF that includes energy storage. Specific pricing, performance, and contractual provisions would also be necessary to protect customer interests</p>
48	NIPPC/REC (comments provided via email; edited by Staff for consistency with other comments)	Large QF avoided cost price methodology	All	<p>[NIPPC/REC provided] resources from other states regarding how the methodologies for calculating non-standard avoided costs have been explained. In the past in other states, [NIPPC/REC has] seen PacifiCorp (for example) provide briefing and testimony regarding how its methodology works.</p> <p>Oregon</p> <p>The OPUC approved use of PacifiCorp’s PDDRR methodology in Docket No. UM 1610.</p> <ul style="list-style-type: none"> • 02/04/2013 PAC Phase I testimony – See Dickman testimony pages 7-16 for the PDDRR explanation. • 05/22/2015 PAC Phase II testimony – See Dickman testimony pages 16-29 for the PDDRR explanation. • 09/02/2015 PAC Pre hearing brief – see pages 30-36. • 10/13/2015 PAC Post hearing brief – see pages 13-18. <p>Wyoming</p> <p>The Wyoming first approved the PDDRR methodology a while back. The documents from the initial proceeding do not appear to be available on the web, but here is some information from later proceedings that may be helpful.</p>	<p>Pacific Power agrees that testimony describing its proposed non-standard pricing methodology would be appropriate in the evidentiary phase of this proceeding.</p>

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				<ul style="list-style-type: none"> • 01/10/2011 Record No. 12750 Avoided Cost application – See Duvall testimony and accompanying exhibit describing a settlement to use the PDDRR method and explaining it. • 11/02/2018 Record no 15133 QF Application – PacifiCorp’s most recent filing in Wyoming to change the PDDRR methodology (among other things). See MacNiel testimony pages 5-16. <p>[NIPPC/REC’s] hope would be that each of the utilities would provide similar summaries and descriptions of their large QF avoided cost price methodology so that Staff and stakeholders can better understand it.</p>	