

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PACIFIC POWER and LIGHT  
COMPANY'S

Final 2012 Renewable Compliance  
Report under RCW 19.285.070 and  
WAC 480-109-040

DOCKET UE-120813

ORDER 02

ORDER ACKNOWLEDGING  
COMPLIANCE WITH 2012  
RENEWABLE ENERGY TARGET

**I. BACKGROUND**

**A. The Energy Independence Act**

1 Washington voters approved Initiative 937, the Energy Independence Act (EIA), in the 2006 general election. Now codified in Chapter 19.285 of the Revised Code of Washington, the EIA requires electric utilities with 25,000 or more customers to obtain certain percentages of their electricity from new renewable resources, beginning in 2012. RCW 19.285.060(6) authorizes the Washington Utilities and Transportation Commission (Commission) to enforce the EIA with respect to investor-owned utilities.<sup>1</sup>

2 RCW 19.285.030(20) authorized the Washington State Department of Commerce (Commerce) to select a tracking body to verify the certificates representing eligible generation that utilities use for compliance with the EIA. Commerce selected the Western Renewable Energy Generation Information System (WREGIS) to perform this function.

**B. Company Filings**

3 On June 1, 2012, PacifiCorp d/b/a Pacific Power and Light Company (PacifiCorp or Company) initiated this docket by filing with the Commission a Renewable Report under RCW 19.285.070 and WAC 480-109-040 (RPS Report). Based on its average annual

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<sup>1</sup> RCW 19.285.030(11) defines "investor-owned utility" by reference to RCW 19.29A.010. RCW 19.29A.010(19) provides: "'Investor-owned utility' means a company owned by investors that meets the definition of RCW 80.040.010 and is engaged in distributing electricity to more than one retail customer in the state."

load for 2010 and 2011, PacifiCorp reported that its 2012 renewable energy target was 119,857 megawatt-hours.

- 4 In Order 01 in this docket, dated Sept. 13, 2012, the Commission accepted PacifiCorp’s calculation of its 2012 target. The Commission also adopted a two-step compliance process and ordered:

Pacific Power and Light Company must file a second report no later than June 1, 2014, that provides the information necessary to determine whether [Pacific] Power and Light Company met the January 1, 2012, target, including the specific megawatt-hours and/or renewable energy credits used to meet the target.<sup>2</sup>

- 5 On May 8, 2014, PacifiCorp filed its Request for Compliance Determination for the 2012 target. PacifiCorp’s request identified the following 119,858 megawatt-hours of renewable energy used to meet its 2012 target:

Facility Name (Location)	Resource Type	Vintage	Amount (MWh/ RECs)	Facility On-Line Date	Ownership/ Contract
Goodnoe Hills (Goldendale, WA)	Wind	2011	18,896 RECs	05/31/2008	PacifiCorp- owned
Leaning Juniper (Arlington, OR)	Wind	2011	18,530 RECs	09/14/2006	PacifiCorp- owned
Marengo I (Dayton, WA)	Wind	2011	31,837 RECs	08/01/2007	PacifiCorp- owned
Marengo II (Dayton, WA)	Wind	2011	15,341 RECs	06/28/2008	PacifiCorp- owned
Bennett Creek (Elmore Cnty, ID)	Wind	2011	12,259 RECs	09/30/2008	Contract
Hot Springs (Elmore Cnty, ID)	Wind	2011	7,963 RECs	09/30/2008	Contract
Tuana Springs (Twin Falls Cnty, ID)	Wind	2012	12,253 RECs	05/14/2010	Contract
Prospect 2 (Rogue River, OR)	Water (Incremental Hydro)	2012	328 MWh	Upgrade 1999	PacifiCorp- owned
Lemolo 1	Water	2012	1,355	Upgrade	PacifiCorp-

<sup>2</sup> Order Regarding 2012 Renewable Energy Target, Docket UE-120813, Order 01 (Sept. 13, 2012) ¶ 60.

(N. Umpqua R., OR)	(Incremental Hydro)		MWh	2003	owned
Lemolo 2 (N. Umpqua R., OR)	Water (Incremental Hydro)	2012	142 MWh	Upgrade 2009	PacifiCorp-owned
J.C. Boyle (Klamath R., OR)	Water (Incremental Hydro)	2012	276 MWh	Upgrade 2005	PacifiCorp-owned
Subtotal, WREGIS resources:					119,180
Wanapum Fish Bypass (Columbia R., WA)	Water (Incremental Hydro)	2012	678 MWh	Upgrade 2008	Contract w/ Grant Cnty PUD
Subtotal, non-WREGIS resources:					678
Total MWh + RECs Acquired:					119,858
2012 Target (MWh):					119,857

6 To calculate the amount of eligible generation from company-owned, upgraded hydropower facilities, PacifiCorp applied the methodology it developed for the Oregon Renewable Portfolio Standard (RPS), which is similar to Method 2 developed by the RPS Workgroup. For Wanapum Dam, PacifiCorp relied on Grant County PUD’s calculation of incremental hydropower efficiency gains. Grant County PUD is required to use the method in WAC 194-37-130.

**C. Retirement of WREGIS Certificates**

7 At the time of filing its request, PacifiCorp provided proof that it had retired 119,180 WREGIS certificates corresponding to the megawatt-hours identified in the table above. However, one of PacifiCorp’s eligible resources, the Wanapum Fish Bypass, is owned by Grant County PUD and is not registered in WREGIS. As such, PacifiCorp was not provided with certificates corresponding to its share of Wanapum’s eligible generation and the Company was therefore unable to retire any WREGIS certificates for this resource.

8 Staff asserts that retiring the Company’s certificates is a necessary component of demonstrating compliance with Order 01. Staff’s interprets Order 01’s requirement to include “the specific megawatt-hours and/or renewable energy credits used to meet the target” to mean the Company must actually use the identified credits by retiring the associated certificates, making those resources unavailable to be sold or held for another

use. Staff acknowledges that the Wanapum hydro generation does not have any associated certificates to retire.

9 Staff recommends that the Commission find PacifiCorp in compliance with Order 01.

## **II. DISCUSSION**

10 We agree with staff that a utility must retire any WREGIS certificates associated with the RECs and generation being used for compliance. Retirement of the certificates means the corresponding credits are no longer available for use. PacifiCorp appropriately retired the 119,180 WREGIS certificates.

11 For purposes of 2012 RPS compliance only, the Commission will accept Grant County PUD's calculation of eligible generation from Wanapum and PacifiCorp's use of 678 megawatt-hours of eligible hydro generation from Wanapum Fish Bypass without use of corresponding WREGIS certificates for this hydro generation.<sup>3</sup>

## **III. FINDINGS AND CONCLUSIONS**

12 (1) The Washington Utilities and Transportation Commission is an agency of the state of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electrical companies.

13 (2) PacifiCorp is an electrical company and a public service company subject to Commission jurisdiction and is an "investor-owned utility" under RCW 19.285.030(11).

14 (3) PacifiCorp serves more than 25,000 customers within the State of Washington, and it is a "qualifying utility" within the meaning of RCW 19.285.030(19).

15 (4) Under RCW 19.285.040(2)(a)(i) and WAC 480-109-020(1)(a), PacifiCorp's renewable energy target for 2012 was 119,857 megawatt-hours.

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<sup>3</sup> The Commission expresses no opinion on whether Grant County Public Utility District has complied with the EIA. Nothing herein shall be used as evidence of Grant County PUD's compliance or lack thereof.

- 16 (5) In PacifiCorp's Final Renewable Compliance Report, filed on May 8, 2014, the Company demonstrated that it had acquired 119,858 megawatt-hours of eligible generation and retired the corresponding certificates in WREGIS.
- 17 (6) On April 4, 2014, PacifiCorp retired 119,180 certificates for the resources that are registered in WREGIS.
- 18 (7) PacifiCorp committed 678 eligible hydro generation megawatt-hours from Wanapum Fish Bypass.
- 19 (8) PacifiCorp provided a summary of its initial RPS report to its customers by bill insert or other suitable method within 90 days of Order 01 in this docket, as required by WAC 480-109-040(5).
- 20 (9) PacifiCorp has complied with all reporting and filing requirements set out in Order 01.

#### **IV. ORDER**

##### **THE COMMISSION ORDERS:**

- 21 (1) Pacific Power and Light Company complied with the two-step reporting process identified by the Commission in Order 01 of this docket.
- 22 (2) Pacific Power and Light Company has generated or acquired 119,858 megawatt-hours of RECs and eligible generation for the purpose of 2012 RPS compliance, and retired corresponding certificates for all resources that are registered in WREGIS.
- 23 (3) Pacific Power and Light Company has complied with its 2012 RPS target as required by RCW 19.285.040(2)(a)(i).

DATED at Olympia, Washington, and effective May 29, 2014.

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

JEFFREY D. GOLTZ, Commissioner