

January 6, 2020

Via Electronic Filing

Chair David Danner
Commissioner Ann Rendahl
Commissioner Jay Balasbas
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Received
Records Management
01/06/20 16:18
State Of WASH.
UTIL. AND TRANSP.
COMMISSION

Re: PacifiCorp PURPA Compliance Filing –
Comments in Response to PacifiCorp’s December 23, 2019 Comments
Docket Nos. UE-190666 – PacifiCorp

Dear Commissioners:

The Northwest and Intermountain Power Producers Coalition (“NIPPC”) and the Renewable Energy Coalition (“REC”) are pleased to have reached a common understanding with Puget Sound Energy in terms of how best to proceed with compliance filings for QFs, however, we find it necessary to submit these Comments on PacifiCorp’s Public Utility Regulatory Policies Act (“PURPA”) Compliance Filing submitted in Docket No. UE-190666. These comments specifically respond to PacifiCorp’s December 23, 2019 Comments. These comments do not address each of the issues discussed previously by NIPPC and REC in comments filed on December 9, 2019, but simply provide a high-level response to PacifiCorp with reference to previous comments. If PacifiCorp does not agree to reach a mutually agreeable resolution of these issues, NIPPC and REC will recommend that its compliance filing be suspended pending Commission investigation.

I. SUMMARY

The table below highlights the issues that remain in this docket:

Issue	PacifiCorp’s Position	NIPPC/REC’s Position
Interconnection Study Requirement	That it is appropriate for a utility to require the completion of necessary interconnection studies prior to execution of a PPA if it is used for due diligence purposes rather than intentional delay. ¹	NIPPC and REC maintain their previously stated position in Comments filed on December 9, 2019 that the execution of a PPA cannot be contingent upon a process the utility controls. Just as

¹ PacifiCorp’s December 23, 2019 Comments at 5-9.

		<p>an executed interconnection agreement cannot be required prior to PPA execution, a completed interconnection study cannot be required. The utility can delay the interconnection studies in the same manner as it can delay execution of an interconnection agreement, therefore because an interconnection study is required prior to PPA execution, PacifiCorp could delay issuing an interconnection study to prevent or delay PPA execution.</p> <p>The PPA process and interconnection process often interact in ways that make it extremely difficult or impossible to actually comply with both processes. For example, if the PPA process requires an interconnection study to be provided by a particular milestone but the interconnection process does not move fast enough or allows the utility to delay the study, the QF will have no viable option. PacifiCorp should be required to provide the Commission with a detailed timeline illustrating how a QF can actually complete both its interconnection and PPA processes in sync with each other.</p>
<p>PacifiCorp's Non-Standard Avoided Cost Methodology</p>	<p>PacifiCorp's non-standard methodology included in the November 18, 2019 revision to Schedule QF is appropriate,² which details that: "The methodology for non-standard avoided cost pricing is the same as that used to develop standard rates, but incorporates project-specific data, as well as inputs from the company's most recent</p>	<p>NIPPC and REC maintain their previously stated position in Comments filed on December 9, 2019 that PacifiCorp should file a more detailed explanation of its non-standard avoided cost methodology and it should not be approved as written. Neither QFs nor the Commission can understand</p>

² *Id.* at 5.

	official forward market prices, integrated resource plan or IRP Update filing, request for proposal results, and signed contracts.” ³	how PacifiCorp proposes to calculate avoided cost prices.
PacifiCorp’s Resource Valuation and Use of “Net Costs”	PacifiCorp believes this is not overly complicated and necessary to maintain accuracy of avoided costs. ⁴	NIPPC and REC maintain their previously stated position in Comments filed on December 9, 2019 that PacifiCorp’s approach goes against the Commission’s explicit direction to use fixed costs rather than net costs, and that PacifiCorp’s approach overly complicates and misinforms the calculations.
Standard PPA	“The Company has submitted a form of PPA that developers may refer to in evaluating a potential QF project in Washington under Schedule QF. This form of PPA, or “template,” will be finalized based on the specifics of the individual QF project.” ⁵	NIPPC and REC maintain their previously stated position in Comments filed on December 9, 2019 that PacifiCorp should be required to file “off-the-shelf” standard versions of its PPA that require no modifications to conform them to different QF types such as on- or off-system QFs, or variable or baseload.
Contracting Process and Timeline	PacifiCorp maintains that its contracting process and timeline is appropriate. ⁶	NIPPC and REC maintain their previously stated position in Comments filed on December 9, 2019 that: 1) consistency among utilities is desirable in the contracting timelines and processes; 2) the interim step of a proposed final version of the PPA is unnecessary; 3) a QF should not be required to give PacifiCorp 90 days’ notice prior to filing a complaint; and 4) that PacifiCorp include all or none of the Commission’s LEO

³ PacifiCorp’s Schedule QF, Sheet QF6 (Nov. 18, 2019).

⁴ PacifiCorp’s December 23, 2019 Comments at 2-5.

⁵ *Id.* at 10.

⁶ *Id.* at 10-11.

		rule language to avoid creating unnecessary confusion.
--	--	--

In sum, there are still a number of remaining issues. Notably, there needs to be coordination between PacifiCorp's interconnection process and PPA negotiation process in order to ensure that one does not thwart the other, especially in light of the recent proposed changes to the interconnection process. PacifiCorp should illustrate for the Commission and stakeholders in an easily understandable, graphical or visual manner, how a QF moves through its interconnection and PPA processes in parallel, in order to show whether both can be accomplished within PacifiCorp's proposed timelines. Additionally, PacifiCorp should work with stakeholders to reach a mutually agreeable resolution of the remainder of NIPPC and REC's concerns with its avoided cost prices and contracting process.

II. Other Issues

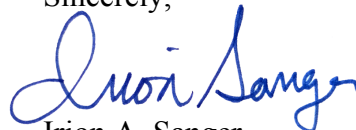
It is NIPPC and REC's understanding that the remaining issues related to PacifiCorp's compliance filing will be resolved on the following schedule:

- PacifiCorp claims to have filed a methodology for negotiating non-standard prices. This filing is insufficient and the Commission should direct PacifiCorp to make an appropriate compliance filing.
- The PPA contract terms and conditions will be addressed in early 2020.

III. Conclusion

NIPPC and REC appreciate the opportunity to submit comments, and will recommend that the Commission suspend the filing for further investigation should these issues not be resolved prior to the open meeting.

Sincerely,



Irion A. Sanger

cc: John Lowe, Executive Director REC
Carol Opatrny, Interim Executive Director NIPPC