

BEFORE THE
PUBLIC UTILITY COMMISSION OF OREGON

IN THE MATTER THE PUBLIC UTILITY)	Docket No. UM 1610
COMMISSION OF OREGON)	
Investigation Into Qualifying Facility)	RESPONSE TO STAFF REPORT
Contracting and Pricing)	OF COMMUNITY RENEWABLE
)	ENERGY ASSOCIATION AND THE
)	RENEWABLE ENERGY COALITION
)	

The Community Renewable Energy Association (“CREA”) and the Renewable Energy Coalition (“REC”) (collectively the “Joint QF Parties”) respectfully submit this response to the Staff Report, dated February 18, 2020. The Joint QF Parties continue to recommend that the Public Utility Commission of Oregon (“Commission”) require PacifiCorp’s correction of the six outstanding issues identified in our prior comments and the Staff Report.

Staff does not substantively discuss any of the remaining six issues identified by the Joint QF Parties, but instead Staff posits that all of these issues are beyond the scope of this compliance filing. More directly, Staff asserts that “the Commission direction in its order is to develop a five-year, forecasted, fixed price tariff option for incremental third-party transmission costs[,]” and “Staff interprets the order to limit the scope of any review and not an opportunity to address any other concern outside of this express direction.” *Staff Report* at 6.

Staff’s recommendation apparently rests on the incorrect assumption that if the Commission does not specifically forbid a utility from implementing a new policy in a certain manner, then the utility is free to implement that policy in any manner it sees fit and the Commission will not even substantively consider the point when an affected party objects. Under this approach, the regulated utility is free to act as it pleases whenever there is any

ambiguity on any point in any order, *even when the interested stakeholder objects during the compliance phase when the utility proposes to forever resolve the issue in its favor.*

The Joint QF Parties respectfully disagree with Staff's position. Instead, the correct question is whether the orders at issue – which include Order Nos. 14-058, 18-181, and 19-172 – specifically *authorize* PacifiCorp to adopt the treatment it has chosen on the six issues that are in dispute. Those issues only became apparent due to the way PacifiCorp drafted its compliance filing because prior to issuance of the orders PacifiCorp did not submit a proposed rate tariff or contract provisions that would allow all parties or the Commission itself to understand and address every issue that would be implicated by the specific language PacifiCorp would propose.

Specifically, the Commission's orders in this proceeding do not authorize PacifiCorp's proposed resolution of the six outstanding issues:

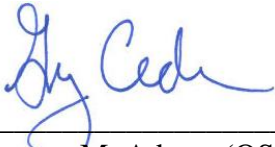
1. No order states PacifiCorp may draft its avoided cost rate tariff in such a manner that will result in PacifiCorp completely ignoring the option of using Bonneville Power Administration network transmission to deliver qualifying facility ("QF") output to load and prevent the need for third-party point-to-point transmission costs. Indeed, to the contrary, the entire focus of the investigation ever since Order No. 18-181 has been how to allocate third-party transmission costs if costly point-to-point transmission is needed, *not the question of how to properly determine if such costly third-party point-to-point transmission is needed.*
2. No order states that PacifiCorp may charge the QF for line losses incurred in moving the QF output around PacifiCorp's system.

3. While Order No. 19-172 states that PacifiCorp should provide transmission studies to affected QFs, none of the orders state that PacifiCorp should be allowed to refuse to provide affected QFs with communications between itself and the relevant transmission providers.
4. No order states that PacifiCorp should be allowed to refuse to communicate available information regarding the likelihood of a load pocket problem to the QF prior to execution of the power purchase agreement (“PPA”) and leave every single Oregon QF to guess as to whether it may face such a problem after it executes its PPA.
5. No order states that if PacifiCorp determines third-party point-to-point transmission is needed, but unavailable until passage of three years after PPA execution, PacifiCorp is relieved of its mandatory purchase obligation from the QF and may terminate the PPA instead of agreeing to a later commercial operation date.
6. No order discusses or addresses the Joint QF Parties’ proposal that PacifiCorp be required to provide quarterly status reports to allow for monitoring of the impact of this new policy on small-scale renewable energy development.

In sum, because PacifiCorp’s compliance tariff introduces new issues not specifically addressed by the Commission’s orders, there is no basis to summarily dismiss an objection to PacifiCorp’s chosen treatment of these issues in its compliance filing. Therefore, the Joint QF Parties respectfully disagree with Staff’s recommendation and request that the Commission require PacifiCorp to correct the six outstanding issues.

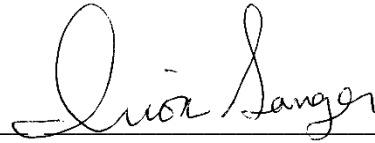
Dated: February 21, 2020.

Respectfully submitted,



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