

February 22, 2021

***VIA ELECTRONIC FILING***

Public Utility Commission of Oregon  
201 High Street SE, Suite 100  
Salem, OR 97301-3398

Attn: Filing Center

**Re: UM 1930 and ADV 1230/Advice No. 21-002 —PacifiCorp’s Comments on Staff’s Recommendation Not to Accept PacifiCorp’s Revisions to its Bill Credit Rate in Schedule 127**

PacifiCorp, d/b/a Pacific Power respectfully provides these comments in response to Public Utility Commission of Oregon (Commission) Staff’s recommendation that the Commission decline to accept PacifiCorp’s Advice No. 21-002, which would revise its Community Solar Program (CSP) bill credit rate in Schedule 127. PacifiCorp objects to Staff’s recommendation that the Commission decline to accept the 2021 bill credit rate set forth in PacifiCorp’s proposed tariff revisions in favor of the continued application of its 2020 bill credit rate.

In Order 19-392, the Commission adopted as the CSP bill credit rate at “the current residential retail rate of each utility,” and prescribed the methodology by which the utilities should calculate this rate.<sup>1</sup> The Commission further directed the utilities to “file an updated residential retail rate annually.” PacifiCorp applied this methodology in calculating its current residential retail rate, which is reflected as the 2021 bill credit rate of \$0.0921/kilowatt-hour in its Advice No. 21-002 filing and its proposed revisions to Schedule 127.

PacifiCorp objects to Staff’s recommendation to decouple the bill credit rate from the calculation methodology approved by the Commission for two reasons. First, Staff’s recommendation to retain the 2020 bill credit rate will cause PacifiCorp to purchase energy from any CSP participants in projects pre-certified in 2021 at a rate that is 5.7 percent higher than PacifiCorp’s current residential retail rate, i.e. the rate at which PacifiCorp sells that energy to residential customers, including CSP participants. That high-cost energy will displace energy that PacifiCorp would otherwise have an opportunity to procure at a lower cost which in turn will result in higher costs that will be subsidized by PacifiCorp’s non-participating customers. ORS 757.386, the CSP organic statute, directs the Commission to balance competing priorities in adopting program rules, creating a framework that both incentivizes participation in the CSP and minimizes the shifting of program costs to non-participants.<sup>2</sup> If the residential retail rate methodology adopted by the Commission in Order 19-392 struck the appropriate balance between those competing objectives, the adoption of a bill credit rate that represents a

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<sup>1</sup> Order No. 19-392 at 3, incorporating Staff’s methodology detailed in Order No. 19-392, Appendix A at 81.

<sup>2</sup> ORS 757.386(2)(b)(A) and (B).

5.7 percent premium on the already-generous residential retail rate reflects a shift away from the statutory direction to minimize cost shifting to non-participants.

Second, PacifiCorp is concerned that Staff's recommendation, while not intended to be precedential,<sup>3</sup> will set the expectation that the 2020 bill credit rate represents a de facto floor. Implicit in the Commission's decision in Order 19-392 to adopt a bill credit rate that is indexed to the residential retail rate and adjusted annually is the possibility that a utility's rates may decline from year to year. The Commission notably did not establish that the 2020 bill credit rate would represent the minimum bill credit rate value moving forward.

Accordingly, PacifiCorp requests that the Commission approve the proposed 2021 bill credit rate included in Advice No. 21-002 and its Schedule 127 revisions.

PacifiCorp appreciates the opportunity to provide these comments and looks forward to continuing working with Staff, the Program Administration team, stakeholders and its customers to successfully implement the CSP.

Respectfully submitted this 22<sup>nd</sup> day of February, 2021.



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<sup>3</sup> Docket No. UM 1930, Staff Report, February 16, 2021 at 6.