

June 21, 2018

**VIA ELECTRONIC FILING**

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

Attn: Filing Center

**RE: UM 1802 Compliance Filing**

In compliance with Order No. 18-233, PacifiCorp d/b/a Pacific Power provides the enclosed updated Non-Standard Avoided Cost Rates pages (formerly known as Schedule 38). Consistent with Order No. 18-233, PacifiCorp has included as an effective date the date of this filing, June 21, 2018.

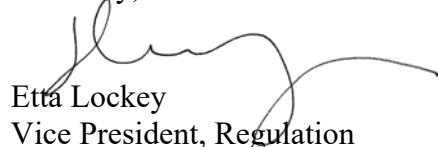
In Order No. 18-131, the Commission directed “PacifiCorp to continue using the Adjusted Standard Price Method to calculate renewable, nonstandard avoided cost rates”<sup>1</sup> and to file revised avoided cost schedules that implement the resolutions made in this order. The change required to implement Order No. 18-131 is reflected on page 38.3.

In addition, PacifiCorp provides the following housekeeping changes to the Non-Standard Avoided Cost Rates pages. PacifiCorp notes that these housekeeping changes are consistent with Order No. 18-233.

<b>Page</b>	<b>Housekeeping change</b>
38.2 Section A	Updating the communications contact point and adding an email address
38.2 Section B	Adding language that requests can be submitted electronically (preferred) in B.1; Removing extraneous spaces in B.1(g); and, Removing examples in B.1(i)
38.3 Section B	Removing “in accordance with Part II” from B.3.(f)
38.4	Removing the phrase “(continued)” from the bottom of the page since this is the last page of the schedule

Please direct any questions on this filing to Natasha Siores, Manager, Regulatory Affairs, at (503) 813-6583.

Sincerely,

  
Etta Lockey  
Vice President, Regulation

<sup>1</sup> Order No. 18-131 at 12 (Apr. 19, 2018).

Revised Non-Standard Avoided Cost Rates  
Clean Version

**Non-Firm Market Index Avoided Cost Prices (continued)**

for on-peak and off-peak firm index prices. The monthly blending matrix is available upon request. The Non-Firm Market Index Avoided Cost pricing option is available to all Qualifying Facilities. The Non-Firm Market Index Avoided Cost Price for Wind Qualifying Facilities will reflect integration costs.

**Self Supply Option**

Owner shall elect to sell all Net Output to PacifiCorp and purchase its full electric requirements from PacifiCorp or sell Net Output surplus to its needs at the Facility site to PacifiCorp and purchase partial electric requirements service from PacifiCorp, in accordance with the terms and conditions of the power purchase agreement and the appropriate retail service.

**Qualifying Facilities Contracting Procedure****A. Communications**

Unless otherwise directed by the Company, all communications to the Company regarding QF power purchase agreements should be directed in writing as follows:

PacifiCorp  
QF Requests  
Resource & Commercial Strategy  
825 NE Multnomah St, Suite 600  
Portland, Oregon 97232  
[QFrequests@pacificorp.com](mailto:QFrequests@pacificorp.com)

The Company will respond to all such communications in a timely manner. If the Company is unable to respond on the basis of incomplete or missing information from the QF owner, the Company shall indicate what additional information is required. Thereafter, the Company will respond in a timely manner following receipt of all required information.

**B. Procedures**

1. To obtain an indicative pricing proposal with respect to a proposed project, the owner must provide electronically, preferred, or in writing to the Company general project information reasonably required for the development of indicative pricing, including, but not limited to:
  - a) generation technology and other related technology applicable to the site
  - b) design capacity (MW), station service requirements, and net amount of power to be delivered to the Company's electric system
  - c) quantity, firmness, and timing of daily and monthly power deliveries (including project ability to respond to dispatch orders from the Company and maintenance schedule)
  - d) proposed site location and electrical interconnection point
  - e) proposed on-line date and outstanding permitting requirements
  - f) demonstration of ability to obtain QF status
  - g) fuel type(s) and source(s)
  - h) plans for fuel and transportation agreements
  - i) proposed contract term and pricing provisions
  - j) status of interconnection arrangements

(continued)

**B. Procedures (Continued)**

2. The Company shall not be obligated to provide an indicative pricing proposal until all information described in Paragraph 1 has been received in writing from the Qualifying Facility owner. Within 30 days following receipt of all information required in Paragraph 1, the Company will provide the owner with an indicative pricing proposal, which may include other indicative contract terms and conditions as allowed under federal law, state law, and as approved by the Commission, tailored to the individual characteristics of the proposed project. Indicative non-renewable prices will be calculated using the partial displacement differential revenue requirement, or PDDRR, method as approved by the Commission in Order No. 16-174. Consistent with Order No. 16-174 the floor for non-standard avoided cost prices is the wholesale power price forecast that is used to set sufficiency period avoided cost prices in standard QF contracts under Schedule 37. Indicative renewable pricing will be calculated using the methodology consistent with Commission Order No. 07-360 and Order No. 18-131.

The indicative pricing proposal may be used by the owner to make determinations regarding project planning, financing and feasibility. However, such prices are merely indicative and are not final and binding. Prices and other terms and conditions are only final and binding to the extent contained in a power purchase agreement executed by both parties. The Company will provide the owner with the indicative prices and a description of the methodology used to develop the prices.

3. If the owner desires to proceed forward with the project after reviewing the Company's indicative pricing proposal, it may request in writing that the Company prepare a draft power purchase agreement to serve as the basis for negotiations between the parties. In connection with such request, the owner must provide the Company with any additional project information that the Company reasonably determines to be necessary for the preparation of a draft power purchase agreement, which may include, but shall not be limited to:
  - a) updated information of the categories described in Paragraph B.1,
  - b) evidence of adequate control of proposed site
  - c) identification of, and timelines for obtaining any necessary governmental permits, approvals or authorizations
  - d) assurance of fuel supply or motive force
  - e) anticipated timelines for completion of key project milestones
  - f) evidence that any necessary interconnection studies have been completed and assurance that the necessary interconnection arrangements are being made.
4. The Company shall not be obligated to provide the owner with a draft power purchase agreement until all information required pursuant to Paragraph 3 has been received by the Company in writing. Within 30 days following receipt of all information required pursuant to paragraph 3, the Company shall provide the owner with a draft power purchase agreement containing a comprehensive set of proposed terms and conditions, including specific pricing for purchases from the project. Such draft shall serve as the basis for subsequent negotiations between the parties and, unless clearly indicated, shall not be construed as a binding proposal by the Company.

(continued)

**B. Procedures (Continued)**

5. After reviewing the draft power purchase agreement, the owner may prepare an initial set of written comments and proposals regarding the draft power purchase agreement and forward such comments and proposals to the Company. The Company shall not be obligated to commence negotiations with a Qualifying Facility owner until the Company has received an initial set of written comments and proposals from the Qualifying Facility owner. Following the Company's receipt of such comments and proposals, the owner may contact the Company to schedule contract negotiations at such times and places as are mutually agreeable to the parties. In connection with such negotiations, the Company:
  - a) will not unreasonably delay negotiations and will respond in good faith to any additions, deletions or modifications to the draft power purchase agreement that are proposed by the owner
  - b) may request to visit the site of the proposed project if such a visit has not previously occurred
  - c) will update its pricing proposals at appropriate intervals to accommodate any changes to the Company's avoided-cost calculations, the proposed project or proposed terms of the draft power purchase agreement
  - d) may request any additional information from the owner necessary to finalize the terms of the power purchase agreement and satisfy the Company's due diligence with respect to the project.
6. When both parties are in full agreement as to all terms and conditions of the power purchase agreement, the Company will prepare and forward to the owner a final, executable version of the agreement within 15 business days. Prices and other terms and conditions in the power purchase agreement will not be final and binding until the power purchase agreement has been executed by both parties.
7. At any time after 60 days from the date that Qualifying Facility has provided its written notification pursuant to Paragraph 5, the Qualifying Facility may file a complaint with the Commission asking the Commission to adjudicate any unresolved contract terms or conditions.

Revised Non-Standard Avoided Cost Rates  
Redline Version

**Non-Firm Market Index Avoided Cost Prices (continued)**

for on-peak and off-peak firm index prices. The monthly blending matrix is available upon request. The Non-Firm Market Index Avoided Cost pricing option is available to all Qualifying Facilities. The Non-Firm Market Index Avoided Cost Price for Wind Qualifying Facilities will reflect integration costs.

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  - d) proposed site location and electrical interconnection point
  - e) proposed on-line date and outstanding permitting requirements
  - f) demonstration of ability to obtain QF status
  - g) fuel type-(s) and source-(s)
  - h) plans for fuel and transportation agreements
  - i) proposed contract term and pricing provisions ~~(i.e., fixed, deadband, electric or gas market indexed)~~

(continued)

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j) status of interconnection arrangements

(continued)

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Effective for service on and after ~~November 9, 2016~~ June 21, 2018



**B. Procedures (Continued)**

2. The Company shall not be obligated to provide an indicative pricing proposal until all information described in Paragraph 1 has been received in writing from the Qualifying Facility owner. Within 30 days following receipt of all information required in Paragraph 1, the Company will provide the owner with an indicative pricing proposal, which may include other indicative contract terms and conditions as allowed under federal law, state law, and as approved by the Commission, tailored to the individual characteristics of the proposed project. Indicative non-renewable prices will be calculated using the partial displacement differential revenue requirement, or PDDRR, method as approved by the Commission in Order No. 16-174. Consistent with Order No. 16-174 the floor for non-standard avoided cost prices is the wholesale power price forecast that is used to set sufficiency period avoided cost prices in standard QF contracts under Schedule 37. Indicative renewable pricing will be calculated using the methodology consistent with Commission Order No. 07-360 and Order No. 18-131.

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