

December 31, 2009

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Public Utility Commission of Oregon
550 Capitol Street NE, Suite 215
Salem, OR 97301-2551

Attention: Filing Center

**RE: PacifiCorp's Renewable Portfolio Standard Implementation Plan 2011-2015
OAR 860-083-0400 Compliance Filing**

In compliance with OAR 860-083-0400, please find enclosed PacifiCorp's Oregon Renewable Portfolio Standard (RPS) Implementation Plan, for the compliance years 2011-2015. Confidential and public versions of the Implementation Plan are included in this submission. The confidential information is included pursuant to OAR 860-011-0080. Also enclosed is a compact disk containing confidential work papers associated with this filing.

It is respectfully requested that all formal data requests to the Company regarding this filing be addressed to the following:

By e-mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

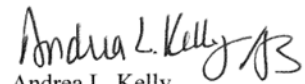
Formal communications concerning this proceeding should be addressed to the following. Please note that PacifiCorp waives paper service in this docket.

Pacific Power Oregon Dockets
825 NE Multnomah Street, Ste 2000
Portland, OR 97232
oregondockets@pacificorp.com

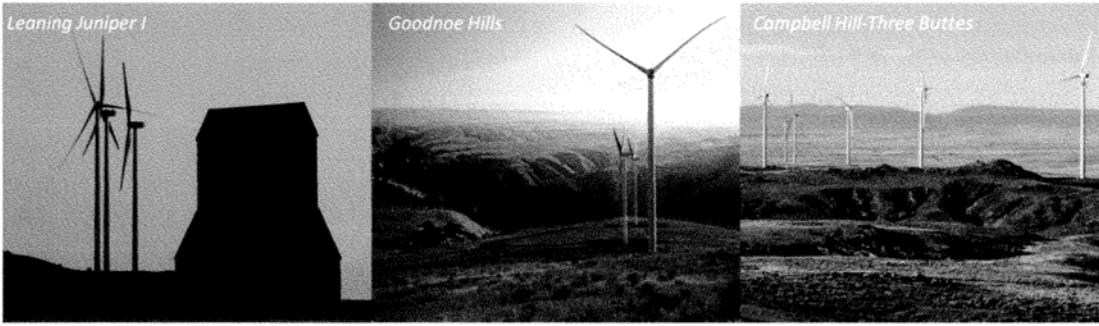
Ryan Flynn
Legal Counsel
Pacific Power
825 NE Multnomah Street, Ste 1800
Portland, OR 97232
(503) 813-5854
ryan.flynn@pacificorp.com

Please direct any informal inquiries to Joelle Steward, Regulatory Manager, at (503) 813-5542.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrea L. Kelly" followed by a stylized flourish or initial.

Andrea L. Kelly
Vice President, Regulation



PacifiCorp

**Renewable Portfolio Standard
Oregon Implementation Plan
2011-2015**

January 1, 2010

**PacifiCorp
Renewable Portfolio Standard
Oregon Implementation Plan
2011 through 2015**

Pursuant to ORS 469A.075 and OAR 860-083-0400, PacifiCorp, d.b.a. Pacific Power (the Company), respectfully submits this 2011-2015¹ implementation plan for meeting the requirements of the renewable portfolio standards (RPS). This implementation plan was prepared with information consistent with the Company's most recently filed integrated resource plan—the 2008 Integrated Resource Plan (2008 IRP)². The Company's IRP process and its filed documentation are based on the best available information at the time of preparation. The Company's IRP action plan represents a road-map for implementation of the preferred portfolio. The current economic and regulatory environments are continually changing and may require changes to the resource plan as specific events, legislation and regulations evolve and could materially impact resource acquisitions and the timing of those acquisitions. As such, in preparing this implementation plan, the Company has only included renewable resources that have been acquired, contracted or are in construction. As the plan shows, these resources will allow the Company to meet the 2011-2015 RPS targets.

This implementation plan shows that the Company intends to meet the RPS targets during the report period with bundled renewable energy certificates (RECs). This implementation plan further shows that using the methodology established by the rules adopted by the Commission, the Company intends to meet the targets in the report period without triggering the cost limit under ORS 469A.100.

The format for this implementation plan is to provide responses following the citation of each element of the rule, OAR 860-083-0400.

Implementation Plan Requirements

| <i>OAR 860-083-0400(2)(a)</i> |
|---|
| <i>The annual megawatt-hour target for compliance with the applicable renewable portfolio standard based on the forecast of electricity sales to its Oregon retail electricity customers.</i> |

Response: Table 1 below provides the annual megawatt-hour (MWh) target for compliance, consistent with the Company's 2008 IRP.

Table 1

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|-------------|-------------|-------------|-------------|-------------|
| Applicable RPS Standard as Percent of Electricity Sold | 5% | 5% | 5% | 5% | 15% |
| PacifiCorp Oregon RPS Target ³ (MWh) | 700,568 | 707,702 | 719,983 | 732,453 | 2,228,292 |

¹ This implementation plan is based on the compliance years January 1, 2011 through December 31, 2015.

² The Company's 2008 IRP was filed with the Public Utility Commission of Oregon on May 29, 2009, Docket LC 47.

³ Source: PacifiCorp 2008 IRP - Appendix A - Detail Capacity Expansion Results, page 103.

PacifiCorp
Renewable Portfolio Standard
Oregon Implementation Plan
2011 through 2015

OAR 860-083-0400(2)(b)

An accounting of the planned method to comply with the applicable renewable portfolio standard, including number of banked RECs by year of issuance, the numbers of other bundled and unbundled renewable energy certificates, and alternative compliance payments.

Response: For the 2011 through 2015 compliance years, the Company expects to comply with the applicable RPS using bundled RECs. **Attachment A** provides an accounting of the RECs applicable to the RPS.

OAR 860-083-0400(2)(c)

Identification of generating facilities, either owned by the company or under contract, that are expected to provide renewable energy certificates for compliance with renewable portfolio standard. Information on each generating facility must include: (A) the renewable energy source; (B) the year the facility or contract became operational or is expected to become operational; (C) the state where the facility is located or is planned to be located; and (D) expected annual megawatt-hour output for compliance from the facility for the compliance years covered by the implementation plan.

Response: **Table 2** below shows the generating facilities, either owned by the Company or under contract, that are expected to provide RECs for compliance with the RPS during the report period, along with the year the facility or contract became or is expected to become operational and the state where the facility is located. **Attachment B** provides the expected annual MWh output for each resource for compliance.

Table 2

| Resource | Energy Source | Commercial Operation Date (Year) | State |
|----------------------------|---------------|--|---------|
| Blundell II | Geothermal | 2007 | Utah |
| Campbell Hill-Three Buttes | Wind | 2009 | Wyoming |
| Chevron Casper Wind Farm | Wind | 2009 | Wyoming |
| Combine Hills | Wind | 2003 | Oregon |
| Dunlap I | Wind | 2010 | Wyoming |
| Foote Creek I | Wind | 1999 | Wyoming |
| Glenrock I | Wind | 2008 | Wyoming |
| Glenrock III | Wind | 2009 | Wyoming |
| Goodnoe Hills | Wind | 2008 | Oregon |
| High Plains | Wind | 2009 | Wyoming |
| Hill Air Force Base | Biogas | 2005 | Utah |
| Leaning Juniper I | Wind | 2006 | Oregon |
| Marengo | Wind | 2007 | Wyoming |
| Marengo II | Wind | 2008 | Wyoming |
| McFadden Ridge | Wind | 2009 | Wyoming |
| Mountain Wind Power | Wind | 2008 | Wyoming |
| Mountain Wind Power II | Wind | 2008 | Wyoming |
| Rock River I | Wind | 2001 | Wyoming |
| Seven Mile Hill I | Wind | 2008 | Wyoming |

PacifiCorp
Renewable Portfolio Standard
Oregon Implementation Plan
2011 through 2015

| Resource | Energy Source | Commercial Operation Date (Year) | State |
|--------------------|---------------|----------------------------------|---------|
| Seven Mile Hill II | Wind | 2008 | Wyoming |
| Top of the World | Wind | 2010 | Wyoming |
| Wolverine Creek | Wind | 2005 | Idaho |

OAR 860-083-0400(2)(d)

A forecast of the expected incremental costs of new qualifying electricity for facilities or contracts planned for first operation in the compliance year, consistent with the methodology in OAR 860-083-0100.

Response: **Confidential Attachment C** provides an explanation of the key assumptions that the Company is using to forecast incremental costs of renewable resources from 2011 through 2015, pursuant to OAR 860-083-0100.

Table 3 below shows the forecast of the expected incremental costs, on an Oregon-allocated basis, for the qualifying electricity for facilities or contracts that have gone into service or are expected to go into service after June 6, 2007. Qualifying facilities that went into service prior to this date are deemed to have zero incremental costs, pursuant to OAR 860-083-0100(1)(h). This incremental cost calculation applies to each year in the report period. The Oregon allocation is based on the forecasted system generation (SG) factor for 2011. **Table 3** also demonstrates that the incremental costs for the qualifying electricity are negative, which means that the costs of a proxy plant of non-qualifying electricity exceed the costs of the qualifying electricity (using the methodology established by the rules adopted by the Commission). **Confidential Attachment D** provides additional detail on the calculation of the expected incremental costs, consistent with the methodology in OAR 860-083-0100, and PacifiCorp's 2008 IRP.

Table 3

| 2011-2015 Summary – Oregon Allocated Incremental Costs ⁴ | |
|---|-------------------------------------|
| Resource | Levelized Incremental Cost (\$000s) |
| Blundell II | (2,017) |
| Campbell Hill-Three Buttes | (2,879) |
| Chevron Casper Wind Farm | (397) |
| Dunlap I | (3,523) |
| Glenrock I | (4,348) |
| Glenrock III | (1,575) |
| Goodnoe Hills | (3,043) |
| High Plains | (3,340) |
| Marengo | (5,182) |

⁴ The incremental cost analysis assumptions include (1) \$8 carbon dioxide (CO₂), (2) October 2008 Price Curve, (3) Discount Rate from 2008 IRP of 7.40%, (4) and Oregon SG allocation factor of 25.50% for 2011.

**PacifiCorp
Renewable Portfolio Standard
Oregon Implementation Plan
2011 through 2015**

| 2011-2015 Summary – Oregon Allocated Incremental Costs ⁴ | |
|---|--|
| Resource | Levelized Incremental Cost (\$000s) |
| Marengo II | (2,235) |
| McFadden Ridge | (1,101) |
| Mountain Wind Power | (1,822) |
| Mountain Wind Power II | (2,139) |
| Seven Mile Hill I | (5,252) |
| Seven Mile Hill II | (990) |
| Top of the World | (5,773) |

OAR 860-083-0400(2)(e)

A forecast of the expected incremental cost of compliance, the costs of using unbundled renewable energy certificates and alternative compliance payments for compliance, compared to annual revenue requirements, consistent with the methodologies in OAR 860-083-0100 and 860-083-0200, absent consideration of the cost limit in OAR 860-083-0300.

Response: As previously stated and demonstrated in **Attachment A**, the Company expects to meet the RPS during the 2011 through 2015 compliance period using bundled RECs. **Table 3** above demonstrates that there are no incremental costs for the qualifying electricity during the compliance years. As a result, this requirement is not applicable at this time since there are no costs.

OAR 860-083-0400(2)(f)

A forecast of the number and cost of bundled renewable energy certificates issued, consistent with the methodology in OAR 860-083-0100.

Response: **Attachment A** provides the forecasted number of bundled RECs. Consistent with the definition for the “cost of bundled RECs” in OAR 860-083-0010(12), and the analysis provided in response to OAR 860-083-0400(2)(d) above, there are no levelized incremental costs for the renewable resources included in this implementation plan.

PacifiCorp
Renewable Portfolio Standard
Oregon Implementation Plan
2011 through 2015

OAR 860-083-0400(4)

If there are material differences in the planned actions in [OAR 860-083-0400(2)] of this rule from the action plan in the most recently filed or updated integrated resource plan by the electric company, or if conditions have materially changed from the conditions assumed in such filing, the company must provide sufficient documentation to demonstrate how the implementation plan appropriately balances risks and expected costs as required by the integrated resource planning guidelines in 1.b and c. of Commission Order No. 07-047 and subsequent guidelines related to implementation plans set forth by the Commission. Unless provided in the most recently filed or updated integrated resource plan, an implementation plan for an electric company subject to ORS 469A.052 must include the following information: (a) At least two forecasts for subsections (2)(d), (e), and (f) of this rule: one forecast assuming existing government incentives continue beyond their current expiration date and another forecast assuming existing government incentives do not continue beyond their current expiration date; (b) A reasonable range of estimates for the forecasts in subsections (2)(d), (e), and (f) of this rule, consistent with subsection (4)(a) of this rule and the analyses or methodologies in the company's most recently filed or updated integrated resource plan.

Response: The Company relied on its actual acquired renewable resources to-date in preparing this implementation plan, all of which have been acquired consistent with the 2008 IRP action plan. The Company did not include additional projected IRP proxy resources in the IRP preferred portfolio since additional resources were not required to meet the plan requirements through 2015. The Company remains committed to acquiring cost-effective renewable resources. The 2008 IRP and the IRP action plan is based upon the most current available information at the time the portfolio study analysis is conducted. The Company is aware that this information reflects a snapshot view of the future that accounts for a wide range of uncertainties. The current economic and regulatory environments are continually changing and may require changes to the resource plan as specific events, legislation and regulations evolve and could materially impact resource acquisitions and the timing of those acquisitions. The company utilized information for the incremental cost calculations in this implementation plan for the proxy resource and forward price curve scenarios fully consistent with its 2008 IRP.

- (a) **Confidential Attachment C** assumes that the existing government incentives continue in accordance with their current expiration date. A separate forecast assuming existing government incentives do not continue beyond their current expiration date is not applicable as there are no applicable resources included in the Company's implementation plan during 2012 through 2015. Accordingly, the Company's incremental cost analysis, whether or not existing government incentives continue beyond their current expiration date would be identical.
- (b) A range of forecasts for incremental costs consistent with the 2008 IRP are included in **Confidential Attachment D**.

**PacifiCorp
Renewable Portfolio Standard
Oregon Implementation Plan
2011 through 2015**

OAR 860-083-0400(5)

Under the following circumstances, the electric company must, for the applicable compliance year, provide sufficient documentation or citations to demonstrate how the implementation plan appropriately balances risks and expected costs as required by the integrated resource planning guidelines in 1.b. and c. of Commission Order No. 07-047 and subsequent guidelines related to implementation plans set forth by the Commission.

- (a) The sum of costs in subsection (2)(e) of this rule is expected to be four percent or more of the annual revenue requirement in subsection (2)(e) of this rule for any compliance year covered by the implementation plan,*
- (b) The company plans, for reasons other than to meet unanticipated contingencies that arise during a compliance year, to use any of the following compliance methods: (A) Unbundled renewable energy certificates; (B) Bundled renewable energy certificates issued between January 1 through March 31 of the year following the compliance year; or (C) Alternative compliance payments, or*
- (c) The company plans to sell any bundled renewable energy certificates included in the rates of Oregon retail electricity consumers.*

Response: The Company provides the following responses:

- (a) This requirement is not applicable at this time since there are no costs applicable to subsection (2)(e) at this time.
- (b) The Company plans to comply with the RPS using bundled RECs during the report period, and does not plan to use (A) unbundled renewable energy certificates; (B) bundled renewable energy certificates issued between January 1 through March 31 of the year following the compliance year; or (C) alternative compliance payments. Therefore, this requirement is not applicable at this time because the Company does not plan to use any of the listed compliance methods.
- (c) This requirement is not applicable at this time because the Company's plan does not include the sale of bundled RECs included in the rates of Oregon customers.

OAR 860-083-0400(6)

An implementation plan must provide a detailed explanation of how the implementation plan complies, or does not comply, with any conditions specified in a Commission acknowledgement order on the previous implementation plan and any relevant conditions specified in the most recent acknowledgement order on an integrated resource plan filed or updated by the electric company.

Response: Since this document represents the Company's initial implementation plan pursuant to ORS 469A.075 and OAR 860-083-0400, this requirement is not applicable at this time.

**PacifiCorp
Renewable Portfolio Standard
Oregon Implementation Plan
2011 through 2015**

OAR 860-083-0400(7)

If there are funds in holding accounts under ORS 469A.180(4) and if the electric company has not filed a proposal for expending such funds for the purposes allowed under ORS 469A.180(5), the implementation plan must include the electric company's plans for expending or holding such funds. If the plan is to hold such funds, the plan should indicate under what conditions such funds should be expended.

Response: The Company has no funds in any holding accounts authorized pursuant to ORS 469A.180(4). Accordingly, this requirement is not applicable at this time.

**PacifiCorp
Renewable Portfolio Standard Oregon
Implementation Plan
2011-2015**

Attachment A

| | 2007 | 2008 | 2009 | 2010 | MWh 2011 | 2012 | 2013 | 2014 ⁽⁴⁾ | 2015 ⁽⁵⁾ |
|---|---------|---------|-----------|-----------|-------------|-----------|-----------|---------------------|---------------------|
| | Actual | Actual | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
| Oregon Renewable Portfolio Standard Requirement⁽¹⁾ | - | - | - | - | 700,568 | 707,702 | 719,983 | 732,453 | 2,228,292 |
| Planned Compliance Method | | | | | | | | | |
| RECs by year of issuance ⁽²⁾ | 339,250 | 547,509 | 791,700 | 1,048,847 | 1,261,408 | 1,230,423 | 1,214,852 | 1,235,333 | 1,224,674 |
| Cumulative Banked RECs minus RPS requirement by year of compliance ⁽³⁾ | 339,250 | 886,759 | 1,678,460 | 2,727,306 | 3,288,146 | 3,810,867 | 4,305,735 | 4,808,615 | 3,804,997 |
| Alternative compliance payments | | | | | - | - | - | - | - |
| Number of (un)bundled RECs | | | | | - | - | - | - | - |

Notes

(1) PacifiCorp 2008 IRP - Appendix A - Detail Capacity Expansion Results, page 103 page 2

(2) 2011-2015 Implementation Plan - Attachment B - Oregon's Share Per Allocation Factors - Renewable Portfolio Standard Renewable Energy Credits (MWh), page 2

(3) Oldest RECs retired first for RPS compliance in year of compliance

(4) At this time, there is no forecast for 2014. For the purposes of this implementation plan, the data shown for 2014 is a 3-year rolling average of 2011, 2012 and 2013 data.

(5) At this time, there is no forecast for 2015. For the purposes of this implementation plan, the data shown for 2015 is a 3-year rolling average of 2012, 2013 and 2014 data.

**PacifiCorp
Renewable Portfolio Standard Oregon
Implementation Plan
2011-2015**

Attachment B

| Total Company Generated Renewable Energy Credits (MWh) | | | | | | | | | | | | |
|--|----------------------------|-------|--------------------|---------|-----------|-----------|-----------|-----------|-----------|-----------|---------------------|---------------------|
| | | State | COD ⁽¹⁾ | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 ⁽²⁾ | 2015 ⁽³⁾ |
| | | | | Actual | Actual | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
| BIOGAS | Hill Air Force Base | UT | 2005 | 8,432 | 7,710 | 11,200 | 11,200 | 11,200 | 11,200 | 11,200 | 11,200 | 11,200 |
| GEO THERMAL | Blundell II | UT | 2007 | 3,830 | 66,777 | 82,492 | 70,484 | 70,488 | 64,667 | 70,757 | 68,637 | 68,020 |
| WIND | Campbell Hill-Three Buttes | WY | 2009 | | | 1,225 | 325,141 | 325,141 | 326,040 | 325,141 | 325,441 | 325,541 |
| | Chevron Casper Wind Farm | WY | 2009 | | | 1,764 | 9,192 | 9,192 | 9,192 | 9,192 | 8,426 | |
| | Combine Hills | OR | 2003 | 117,181 | 114,458 | 108,285 | 106,505 | 106,505 | 106,742 | 106,505 | 106,584 | 106,610 |
| | Dunlap I | WY | 2010 | | | | 79,584 | 353,612 | 354,942 | 353,612 | 354,055 | 354,203 |
| | Foote Creek I | WY | 1999 | 57,092 | 64,184 | 52,510 | 61,645 | 61,645 | 61,870 | 61,645 | 61,720 | 61,745 |
| | Glenrock I | WY | 2008 | | | 253,361 | 323,803 | 323,803 | 324,801 | 323,803 | 324,136 | 324,247 |
| | Glenrock III | WY | 2009 | | | 87,381 | 124,411 | 124,411 | 124,794 | 124,411 | 124,539 | 124,581 |
| | Goodnoe Hills | WA | 2008 | | 147,308 | 244,958 | 266,881 | 266,881 | 267,531 | 266,881 | 267,098 | 267,170 |
| | High Plains | WY | 2009 | | | 75,300 | 309,375 | 309,375 | 310,338 | 309,375 | 309,696 | 309,803 |
| | Leaning Juniper I | OR | 2006 | 289,452 | 312,614 | 270,936 | 305,462 | 305,462 | 306,086 | 305,462 | 305,670 | 305,739 |
| | Marengo | WA | 2007 | 160,636 | 400,244 | 332,806 | 393,131 | 393,131 | 394,333 | 393,131 | 393,532 | 393,665 |
| | Marengo II | WA | 2008 | | 78,457 | 162,130 | 187,223 | 187,223 | 187,888 | 187,223 | 187,445 | 187,519 |
| | McFadden Ridge | WY | 2009 | | | 20,089 | 86,063 | 86,063 | 86,345 | 86,063 | 86,157 | 86,188 |
| | Mountain Wind Power | WY | 2008 | | 77,659 | 129,928 | 155,786 | 155,786 | 156,269 | 155,786 | 155,947 | 156,001 |
| | Mountain Wind Power II | WY | 2008 | | 54,225 | 204,605 | 198,161 | 198,161 | 198,775 | 198,161 | 198,366 | 198,434 |
| | Rock River I | WY | 2001 | 140,904 | 156,957 | 133,362 | 142,104 | 142,104 | 142,593 | 142,104 | 142,267 | 142,321 |
| | Seven Mile Hill I | WY | 2008 | | | 307,323 | 349,601 | 349,601 | 350,692 | 349,601 | 349,965 | 350,086 |
| | Seven Mile Hill II | WY | 2008 | | | 62,002 | 68,863 | 68,863 | 69,078 | 68,863 | 68,935 | 68,959 |
| | Top of the World | WY | 2010 | | | | 2,720 | 609,786 | 611,946 | 609,786 | 610,506 | 610,746 |
| Wolverine Creek | ID | 2005 | 148,933 | 170,270 | 154,244 | 176,881 | 176,881 | 177,250 | 176,881 | 177,004 | 177,045 | |
| | Total Wind | | | 914,198 | 1,576,376 | 2,602,209 | 3,672,532 | 4,553,626 | 4,567,505 | 4,553,626 | 4,557,486 | 4,550,602 |
| Total | | | | 926,460 | 1,650,863 | 2,695,901 | 3,754,216 | 4,635,314 | 4,643,372 | 4,635,583 | 4,637,324 | 4,629,823 |

(1) COD means commercial operation date (year).

(2) At this time, there is no forecast for 2014. For the purposes of this implementation plan, the data shown for 2014 is a 3-year rolling average of 2011, 2012 and 2013 data.

(3) At this time, there is no forecast for 2015. For the purposes of this implementation plan, the data shown for 2015 is a 3-year rolling average of 2012, 2013 and 2014 data.

| Oregon's Share Per Allocation Factors ⁽⁴⁾ - Renewable Portfolio Standard Renewable Energy Credits (MWh) | | | | | | | | | | | | |
|--|----------------------------|-------|--------------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|---------------------|---------------------|
| | | State | COD ⁽¹⁾ | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 ⁽²⁾ | 2015 ⁽³⁾ |
| | | | | Actual | Actual | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast | Forecast |
| BIOGAS | Hill Air Force Base | UT | 2005 | 2,314 | 2,173 | 2,958 | 2,958 | 2,958 | 2,958 | 2,958 | 2,958 | 2,958 |
| GEOHERMAL | Blundell II | UT | 2007 | 1,051 | 18,822 | 21,787 | 18,207 | 17,974 | 16,015 | 17,312 | 17,100 | 16,809 |
| WIND | Campbell Hill-Three Buttes | WY | 2009 | | | 324 | 83,990 | 82,908 | 80,744 | 79,552 | 81,068 | 80,455 |
| | Chevron Casper Wind Farm | WY | 2009 | | | 466 | 2,374 | 2,344 | 2,276 | 2,249 | 2,062 | |
| | Combine Hills | OR | 2003 | 117,181 | 114,458 | 108,285 | 106,505 | 106,505 | 106,742 | 106,505 | 106,584 | 106,610 |
| | Dunlap I | WY | 2010 | | | | 20,558 | 90,168 | 87,901 | 86,518 | 88,196 | 87,538 |
| | Foot Creek I | WY | 1999 | 15,666 | 18,091 | 13,868 | 15,924 | 15,719 | 15,322 | 15,083 | 15,375 | 15,260 |
| | Glenrock I | WY | 2008 | | | 66,915 | 83,645 | 82,567 | 80,437 | 79,225 | 80,743 | 80,135 |
| | Glenrock III | WY | 2009 | | | 23,078 | 32,138 | 31,724 | 30,905 | 30,440 | 31,023 | 30,789 |
| | Goodnoe Hills | WA | 2008 | | 41,520 | 64,696 | 68,941 | 68,052 | 66,254 | 65,298 | 66,535 | 66,029 |
| | High Plains | WY | 2009 | | | 19,887 | 79,918 | 78,888 | 76,855 | 75,695 | 77,146 | 76,565 |
| | Leaning Juniper I | OR | 2006 | 79,427 | 88,113 | 71,557 | 78,907 | 77,890 | 75,802 | 74,737 | 76,143 | 75,561 |
| | Marengo | WA | 2007 | 44,079 | 112,813 | 87,897 | 101,554 | 100,244 | 97,657 | 96,187 | 98,029 | 97,291 |
| | Marengo II | WA | 2008 | | 22,114 | 42,820 | 48,363 | 47,740 | 46,530 | 45,808 | 46,693 | 46,344 |
| | McFadden Ridge | WY | 2009 | | | 5,306 | 22,232 | 21,945 | 21,383 | 21,057 | 21,462 | 21,301 |
| | Mountain Wind Power | WY | 2008 | | 21,889 | 34,315 | 40,243 | 39,724 | 38,700 | 38,116 | 38,847 | 38,554 |
| | Mountain Wind Power II | WY | 2008 | | 15,284 | 54,038 | 51,189 | 50,529 | 49,227 | 48,484 | 49,413 | 49,041 |
| | Rock River I | WY | 2001 | 38,665 | 44,240 | 35,222 | 36,708 | 36,235 | 35,313 | 34,769 | 35,439 | 35,174 |
| | Seven Mile Hill I | WY | 2008 | | | 81,167 | 90,309 | 89,145 | 86,849 | 85,537 | 87,177 | 86,521 |
| | Seven Mile Hill II | WY | 2008 | | | 16,375 | 17,789 | 17,559 | 17,107 | 16,849 | 17,172 | 17,043 |
| | Top of the World | WY | 2010 | | | | 703 | 155,489 | 151,548 | 149,196 | 152,078 | 150,941 |
| | Wolverine Creek | ID | 2005 | 40,868 | 47,992 | 40,737 | 45,692 | 45,103 | 43,896 | 43,277 | 44,092 | 43,755 |
| | Total Wind | | | 335,885 | 526,514 | 766,955 | 1,027,681 | 1,240,476 | 1,211,450 | 1,194,582 | 1,215,275 | 1,204,907 |
| Total | | | | 339,250 | 547,509 | 791,700 | 1,048,847 | 1,261,408 | 1,230,423 | 1,214,852 | 1,235,333 | 1,224,674 |
| Oregon's Share Based on SG Allocation Factors⁽⁴⁾ | | | | 27.44% | 28.19% | 26.41% | 25.83% | 25.50% | 24.77% | 24.47% | 24.91% | 24.71% |

(1) COD means commercial operation date (year).

(2) At this time, there is no forecast for 2014. For the purposes of this implementation plan, the data shown for 2014 is a 3-year rolling average of 2011, 2012 and 2013 data.

(3) At this time, there is no forecast for 2015. For the purposes of this implementation plan, the data shown for 2015 is a 3-year rolling average of 2012, 2013 and 2014 data.

(4) Oregon's share based on system generation (SG) allocation factors of March 2009.

**PacifiCorp
Renewable Portfolio Standard Oregon
Implementation Plan
2011-2015**

Attachment C

(Redacted Version)

**PacifiCorp
Renewable Portfolio Standard
Oregon Implementation Plan
2011-2015**

Key Assumptions – Incremental Cost Calculation

Background

As part of its compliance with ORS 469A, PacifiCorp is required to file an implementation plan by January 1, 2010, that provides, among other things, a forecast of incremental costs of renewable resources from 2011 through 2015. The incremental cost calculation compares the levelized cost of a renewable resource against the levelized cost of a proxy resource, a combined cycle combustion turbine. The proxy combined cycle combustion turbine used in this analysis reflects the characteristics of a wet-cooled, “F” style 2x1 with duct firing at the Lake Side II plant location. The annual incremental cost calculation for 2011 through 2015 is the difference between the levelized cost of the renewable resource and the levelized cost of the proxy resource.

Methodology

The levelized costs have been developed using the same approach as was used to create the Supply Side tables in Chapter 6 of the 2008 Integrated Resource Plan (IRP). For renewable resources currently in service, the capital investment values have been updated to the values in the 2009 Oregon Renewable Adjustment Clause filing, while operation and maintenance costs have been based on current forecasts. Data for renewable resources acquired through a Power Purchase Agreement (PPA) are from the Company’s Request for Proposal (RFP) analysis and reflect the associated contract terms. The cost for wind integration is based on the 2008 IRP (\$9.96 per megawatt hour).

Renewable resources under 20 megawatts have been included in the analysis where the total renewable additions for the year exceed a 20 megawatts threshold.

As with the Supply Side tables, capital costs have been stated on a real levelized basis with the effects of inflation removed. A discount rate of 7.4 percent has been used in this analysis, which is consistent with the discount rate used in the 2008 IRP.

Inflation has been generally modeled as 1.9 percent per year. For the proxy resource from 2009 to 2012 a weighted rate composed of forecast capital and O&M escalations have been used. The escalation rate for capital investments on the proxy resource has been modeled as 5 percent in 2009, 2010, and 2011, then 1.9 percent thereafter. Annual O&M escalation has been modeled at 1.9 percent.

**PacifiCorp
Renewable Portfolio Standard
Oregon Implementation Plan
2011-2015**

Key Assumptions – Incremental Cost Calculation

Renewable Resources

Table 1 provides the renewable resources that are included in the incremental cost calculation of this implementation plan:

Table 1 (Redacted)

| Resource | Capacity Factor (Percent) | In-Service Year | Average Capacity (MW) | Design Plant Life / Contract Term (Years) |
|----------------------------|---------------------------------|--------------------|-----------------------------|--|
| Blundell II | | 2007 | 11.0 | 26 |
| Campbell Hill-Three Buttes | | 2010 | 99.0 | 20 |
| Chevron Casper Wind Farm | | 2010 | 16.5 | 5 |
| Dunlap I | | 2010 | 111.0 | 25 |
| Glenrock I | | 2008 | 99.0 | 25 |
| Glenrock III | | 2009 | 39.0 | 25 |
| Goodnoe Hills | | 2008 | 94.0 | 25 |
| High Plains | | 2009 | 99.0 | 25 |
| Marengo | | 2007 | 140.4 | 25 |
| Marengo II | | 2008 | 70.2 | 25 |
| McFadden Ridge | | 2009 | 28.5 | 25 |
| Mountain Wind Power | | 2008 | 60.9 | 20 |
| Mountain Wind Power II | | 2008 | 79.8 | 25 |
| Seven Mile Hill I | | 2008 | 99.0 | 25 |
| Seven Mile Hill II | | 2008 | 19.5 | 25 |
| Top of the World | | 2011 | 200.2 | 20 |

**PacifiCorp
Renewable Portfolio Standard
Oregon Implementation Plan
2011-2015**

Key Assumptions – Incremental Cost Calculation

Table 2 provides the PPA nominal prices, which are based on bid evaluation in the applicable RFP. The nominal prices do not include the cost of wind integration, which are added as adjustments to this implementation plan.

Table 2 (Redacted)

| Resource | Contract Term (Years) | Average Capacity (MW) | PPA Contract Price (\$/MWh) |
|----------------------------|-----------------------|-----------------------|-----------------------------|
| Campbell Hill-Three Buttes | 20.6 | 99.0 | |
| Chevron Casper Wind Farm | 5 | 16.5 | |
| Mountain Wind Power | 20 | 60.9 | |
| Mountain Wind Power II | 25 | 79.8 | |
| Top of the World | 20 | 200.2 | |

PacifiCorp receives Production Tax Credits (PTC) associated with owned wind projects, whereas it does not from PPAs. PTC values have been adjusted by inflation to correspond to the in-service year of each resource.

The wind integration costs (\$ 9.96 per megawatt hour in 2009 dollars) are from Appendix F of the 2008 IRP and have been adjusted by inflation to correspond to the in-service year of each resource.

Capacity factors for the renewable resources correspond to the capacity factors indicative of what would be used in setting Oregon rates, subject to then-applicable Commission orders.

Bonneville Power Administration (BPA) transmission and integration costs have been included in the incremental cost calculation for Goodnoe Hills, which is located in BPA's control area.

The Rolling Hills wind project has been excluded from this analysis.

Proxy Resource

The proxy combined cycle combustion turbine resource, representative of Lake Side II, is the Utah wet-cooled, "F" style 2x1 with duct firing in the 2008 Integrated Resource Plan. The natural gas fuel prices have been updated to reflect the Lakeside location.

**PacifiCorp
Renewable Portfolio Standard
Oregon Implementation Plan
2011-2015**

Key Assumptions – Incremental Cost Calculation

IRP scenarios in the analysis include:

- \$8 CO₂ Business Plan October 2008 Price Curve
- \$45 CO₂ October 2008 Price Curve
- \$45 CO₂ Low Gas October 2008 Price Curve
- \$45 CO₂ High Gas October 2008 Price Curve
- \$100 CO₂ October 2008 Price Curve

Signed hedging agreement costs have been included in the gas price curves. Company policy allows hedging for a 48-month period. No forecast of hedging costs beyond this period has been included.

Levelized Calculation

The levelized calculation is based on the year that the renewable resource is placed into service. The levelized cost per megawatt hour from the supply side table feeds into a separate worksheet created for each renewable resource. Costs per megawatt hour are escalated over the economic life of the resource. The annual cost per megawatt hour is multiplied by the expected annual generation to develop the dollar cost in each year. Once the annual costs are calculated, the data are summed and discounted over the resource life. An annual levelized payment is then calculated from the discounted sum.

A similar methodology has been applied to the proxy resource. The calculations have accounted for the different resource lives/contract terms and start dates.

For ease and clarity, several simplifying assumptions have been made. For example, generation has been included for the full year in the renewable resource's start year. Economic life of resource has been rounded to a full year. In annual megawatt hour calculations, leap year effects have been ignored.

Allocation Factor

The analysis uses the 2011 forecasted system generation (SG) allocation factor from March 2009 to calculate Oregon's share of each levelized incremental cost. For the purposes of this implementation, the SG allocation factor used is 25.50%.

**PacifiCorp
Renewable Portfolio Standard
Oregon Implementation Plan
2011-2015**

Key Assumptions – Incremental Cost Calculation

Incremental Cost

The analysis has been completed for each of the five 2008 IRP scenarios mentioned in the above discussion of the proxy resource.

The annual calculated levelized cost of the renewable resource has been compared to the annual calculated levelized cost of the proxy resource. The difference between these values is the annual incremental levelized cost.

**PacifiCorp
Renewable Portfolio Standard Oregon
Implementation Plan
2011-2015**

Confidential Attachment D

**Subject to Protective Order
(not included)**