

December 23, 2013

Administrative Law Judge Anne E. Simon  
Administrative Law Judge Regina M. DeAngelis  
California Public Utilities Commission  
505 Van Ness Street  
San Francisco, CA 94102

**RE: PacifiCorp's (U 901-E) Final RPS Closing Report for the 20% Program**

Dear Administrative Law Judge Simon and Administrative Law Judge DeAngelis:

Pursuant to Decision (“D.”) 12-06-038 and the “Instructions” tab of the Final Closing Report for the California Renewables Portfolio Standard 20% Program (“Final Closing Report”), PacifiCorp (U 901-E) (“PacifiCorp”) submits the following Final Closing Report. PacifiCorp disagrees with certain aspects and calculations of the Final Closing Report, and notes in comments added to the “ITS REC Retirements (2008-2010)” and “WREGIS Retirements – Vintage ‘08” tabs how those tabs fail to account for the retirement rules in place at the time RECs were retired for 2008.

Specifically, PacifiCorp notes that the “ITS REC Retirements (2008-2010)” tab requires that any procured RECs “must be retired within 36 months of the initial date of the associated generation.” If RECs are not retired within 36 months, the reporting template deems that the RECs “Fail” the REC retirement rules. This is problematic for two reasons. First, retail sellers were never required to retire RECs tracked in the California Energy Commission’s (“CEC”) Interim Tracking System (“ITS”). Instead, those RECs were reported to and verified by the CEC. Indeed, the CEC’s RPS Eligibility Guidebook provides:

The ITS was utilized to verify all RPS generation and procurement while WREGIS was being developed. Retail sellers were initially required to report the quantity of RECs associated with RPS procurement to the Energy Commission using the ITS. The ITS is based on self-reported data and data collected from various other sources to verify RPS procurement claims and energy deliveries. (RPS Eligibility Guidebook, p. 86.)

Neither the ITS or the CEC ever required any RECs tracked in the ITS to be retired. Accordingly, the Final Closing Report improperly lists certain RECs as failing retirement rules, even though there were never any retirement rules for the ITS to begin with.

Secondly, even assuming that RECs in the ITS did need to be retired, the “ITS REC Retirements (2008-2010)” tab fails to account for the extension to the REC retirement requirements. Pursuant to the February 18, 2011 letter from California Public Utilities

Commission (“CPUC” or “Commission”) Executive Director Paul Clanon, “2008 RECs otherwise required to be retired by December 31, 2010 for RPS compliance shall be retired no later than February 28, 2011.” This extension was necessary based on the Commission’s stay of D.10-03-021 and because the CEC “had not yet issued final guidelines by December 31, 2010 on the retirement of RECs.”<sup>1</sup> Accordingly, RECs retired beyond 36 months, but within the February 28, 2011 extended retirement deadline, are improperly listed as failing the REC retirement rules. Because those RECs were properly retired in accordance with Executive Director Clanon’s extension, the RECs should be listed as passing the retirement requirements.

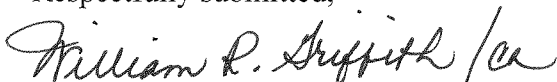
The “WREGIS Retirements – Vintage ‘08” tab similarly fails to recognize Executive Director Clanon’s extension to the REC retirement deadline until February 28, 2011. Therefore, the “WREGIS Retirements – Vintage ‘08” tab also improperly lists procured RECs as failing retirement rules, even when such RECs were retired pursuant to CEC and CPUC instructions, including Executive Director Clanon’s retirement extension. Indeed, retail sellers were awaiting retirement instructions and could not have properly retired RECs prior to receiving instructions from the CEC. This fact was recognized by Executive Director Clanon, hence the extension to the retirement deadline.

For these reasons, PacifiCorp notes that procurement listed on the “ITS REC Retirements (2008-2010)” and “WREGIS Retirements – Vintage ‘08” tabs of its Final Closing Report that the reporting template deems to “Fail” the REC retirement rules, do not actually fail as such procurement was retired in accordance with the retirement rules in effect at the time those RECs were retired. The formula in the reporting template improperly attempts to revisit this issue after the fact and retroactively determine that RECs cannot qualify for the RPS program. Such a retroactive requirement constitutes an inappropriate taking as retail sellers do not have the ability to change prior retirements to meet changed rules. Accordingly, all RECs retired pursuant to Executive Director Clanon’s REC retirement extension should count in full for the RPS program.

PacifiCorp looks forward to working with the Commission on this issue and is happy to discuss in greater detail if there are any questions or concerns.

If you have any questions concerning this report you may contact Cathie Allen, Regulatory Manager, at (503) 813-5934.

Respectfully submitted,



William R. Griffith  
Vice President, Regulation

Enclosure

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<sup>1</sup> See February 18, 2011 letter from Executive Director Paul Clanon.