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May 31, 2011

California Energy Commission  
Docket 2010-PSDR-01  
Docket Unit, MS-4  
1516 Ninth Street  
Sacramento, CA 95814-5504

Via Email:  
Docket@energy.state.ca.us

<b>DOCKET</b>	
<b>10-PSDR-01</b>	
DATE	May 31 2011
RECD.	May 31 2011

Re: Docket 2010-PSDR-01: Comments of PacifiCorp regarding the Second Draft of Power Source Disclosure Program Draft Regulations (2<sup>nd</sup> Draft PSD Regs).

Dear Chairman Weisenmiller and Presiding Member Boyd:

PacifiCorp, d.b.a. Pacific Power (PacifiCorp or the Company), provides these comments on the Second Draft of the Power Source Disclosure Program Draft Regulations (2<sup>nd</sup> Draft PSD Regs), released for comment on May 5, 2011. PacifiCorp is California's sole multi-jurisdictional utility (MJU), serving retail customers in northern California counties located within its balancing authority. Because of this MJU status, elements of the initial draft PSD regulations did not suit the nature of the Company's integrated, multi-state operations. PacifiCorp met with Staff and discussed an approach that better reflects the nature of its operations and provided suggested language revisions on February 17, 2011. The goal of the proposed revisions is to provide meaningful information regarding the mix of resources PacifiCorp uses to serve its California retail customers with an approach that is administratively efficient and that will minimize potential inconsistencies with resource reporting made to other California agencies as well as other jurisdictions served by PacifiCorp. The Company wishes to express its appreciation to Staff for its cooperative efforts in working through these issues.

PacifiCorp's primary concern was how the reporting would be calculated in light of the Company's allocation approach for resource costs. PacifiCorp operates an integrated system, and, for the most part allocates resource costs to its retail customers based upon dynamic load-based allocation factors. Under the allocation methodology, less than two percent of system-wide generation costs are allocated to California retail customers. To accommodate this MJU status, PacifiCorp proposed a definition of "multi-jurisdictional utility" for section 1391, a MJU-specific calculation approach for Sections 1393 and 1394.

PacifiCorp appreciates the additional language in proposed sections 1391(n), 1393(c)(1)(F), 1393(c)(1)(I) and 1394(a)(2)(E). While these changes generally acknowledge the system allocation approach used by PacifiCorp, some minor adjustments suggested in Attachment A will help clarify the calculations.

To avoid potential confusion, it should be clear that for a MJU, the power source disclosure should reflect the set of resources whose costs are allocated to its California retail customers. For example, the definition of “total California system electricity” (§1391(x)) does not work with the system resource cost allocation because there are no “net imports” made to provide service to California retail customers since they are included as part of PacifiCorp’s existing balancing authority area. Similarly, the disclosure required under §1393(c)(2), which references §1391(x), is problematic. To address this issue, PacifiCorp proposes a modification of the “total California system electricity” definition, provided in Attachment A, that will allow it to simply report an allocation of the mix of resources consistent with the cost allocation methodology.

PacifiCorp also notes that the new language appearing in §§1394(a)(2)(A)(1)-(3) will require revisions in light of its MJU operations. PacifiCorp’s resource planning and operations are done on an integrated system basis across its two balancing authorities. PacifiCorp’s resources are not tracked in a way that would show any particular generation source delivered to its California customers. Moreover, PacifiCorp does not make any wholesale sales delivered by PacifiCorp within California, and PacifiCorp makes no wholesale purchases inside California. The new language at the end of §1394(a)(2)(A)(1) calls for the reporting of “each wholesale sale of electricity [the retail supplier] makes, including identification of any generating facility to which the sold electricity is traceable.” PacifiCorp should be exempt from this requirement as it would be unnecessarily burdensome and unrelated to its total California system electricity. As previously noted, PacifiCorp has retail operations in a number of states, and California’s share of resources falls below 2% of PacifiCorp’s total system generation. Moreover, requiring PacifiCorp to report on its wholesale sales, which only involved transactions unrelated to sales into or from California, will not advance the purpose of disclosing to California customers their sources of power.

Second, §1394(a)(2)(A)(2) requires reporting of unspecified sources of power, including “purchases of unspecified sources of power resold or consumed on-site ....” This language requires clarification. The Company makes contracted and owned resources available to its system, and consistent with the allocation methodology described above, resource costs are not assigned to any particular customer in any of the six states that PacifiCorp serves. Moreover, generation production is reported on a net basis after deducting any self-provided station power service occurring when the generator operates. This net generation value is consistent with other output reporting made to other entities. PacifiCorp would like clarification that the term “resale” means the resale of wholesale power and not its retail sales. Clarification is also sought with respect to the term “consumed on-site” and what type of use is to be reported under this term. For example, how does the term “consumed on-site” apply to the self-supplied energy consumed by the facility when it operates, as opposed energy supplied by the system and consumed when the facility is off-line.

Third, §1394(a)(2)(A)(3) requires reporting of “REC only” purchases (WREGIS Certificates without purchase of electricity) as well as “null power” purchases (purchases of electricity from resources used to create WREGIS Certificates, but where those WREGIS Certificates are not conveyed). PacifiCorp seeks clarification that if the purchase of a non-electricity product for a voluntary program is made no reporting is required. PacifiCorp offers its California customers its “Blue Sky” product, where the customer can subscribe for procurement of a block of renewable energy credits, separate and distinct from its energy use. The Blue Sky product is not an “electricity product” as defined in §1391(a). While the Company has previously disclosed information regarding

the provision of RECs in its reports, it did so out of caution, and not because it believed the product met the definition of an "electricity product" or a "specific purchase" as defined in §1391. Accordingly, PacifiCorp requests verification that there is no reporting requirement for a product or service that does not meet the "electricity product" definition.

Fourth, with respect to the reporting of "null power" transactions, the Company's MJU status creates some particular issues. It is not apparent to PacifiCorp that it will have information from counterparties supplying unspecified wholesale power whether the purchase could be considered null power. It is administratively burdensome to require a wholesale purchaser of a generic energy product to seek information about whether a resource is registered with the CEC as RPS eligible or if it is registered in WREGIS and whether a WREGIS Certificate was created for the power if the Company is not making a CEC-certified renewable purchase. Moreover, in the case of PacifiCorp, there are a number of facilities in its six state territory from which it buys power that the Company believes could be or become registered in WREGIS (for California or other states' programs). Requiring PacifiCorp to undertake a determination of WREGIS Certification for its specified or unspecified wholesale purchases where it is not also procuring the renewable attributes would be administratively burdensome and of marginal value given the small size of its California loads in proportion to the rest of its operations. Accordingly, §1394(a)(2)(A)(3) should not apply to MJUs such as PacifiCorp if the Company is not aware that the source of the power is a renewable resource or whether the environmental attributes have been sold separately. Alternatively, the Company could make a reasonable assumption for the reporting of null power associated specified and unspecified purchases in the report.

PacifiCorp thanks Staff for its attention to this matter. Should there be any questions concerning these comments, please do not hesitate to contact me.

Respectfully submitted,



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ATTACHMENT A  
PROPOSED LANGUAGE CHANGES

Proposed section 1391(x) should be modified to read:

(x) “Total California system electricity” means, for retail suppliers other than multi-jurisdictional retail suppliers, the sum of all in-state generation and net electricity imports by fuel type, and for multi-jurisdictional retail suppliers means that portion of its generation portfolio allocated to its retail California customers.

Proposed section 1393(c)(1)(I) should be moved, modified, and inserted into §1393(c) so that it reads as follows:

(c) Each retail supplier shall use a power content label to provide marketing disclosures and annual disclosures for each electricity product offered. For multi-jurisdictional retail suppliers, information included in the power content label from subdivisions (c)(1) and (2) shall reflect the allocation of fuel mix of the entire portfolio of resources providing electricity to the retail consumers of the multi-jurisdictional utility. All power content labels shall include the following information:

Proposed section 1394(a)(1)(F) should be added to read:

(F) Multi-jurisdictional retail suppliers shall not be required to provide data described in section 1394(a)(2) where the purchase or sale is not related to its operations in California, or where its California service territory constitutes less than 5% of its system requirements.