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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

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| Order Instituting Rulemaking to Develop a Successor to Existing Net Energy Metering Tariffs Pursuant to Public Utilities Code Section 2827.1, and to Address Other Issues Related to Net Energy Metering. | Rulemaking 14-07-002<br>(Filed July 10, 2014) |

# COMMENTS OF PACIFICORP (U 901-E) ON THE PROPOSED DECISION ADOPTING IMPLEMENTATION FRAMEWORK FOR ASSEMBLY BILL 693 AND CREATING THE SOLAR ON MULTIFAMILY AFFORDABLE HOUSING PROGRAM


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# COMMENTS OF PACIFICORP (U 901-E) ON THE PROPOSED DECISION ADOPTING IMPLEMENTATION FRAMEWORK FOR ASSEMBLY BILL 693 AND CREATING THE SOLAR ON MULTIFAMILY AFFORDABLE HOUSING PROGRAM

In accordance with Rule 14.3 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure, PacifiCorp (U 901-E), d/b/a Pacific Power (PacifiCorp) hereby provides comments on the Proposed Decision Adopting Implementation Framework for Assembly Bill 693 and Creating the Solar on Multifamily Affordable Housing Program (Proposed Decision). The Proposed Decision adopts a new Solar on Multifamily Affordable Housing (SOMAH) Program, and requires PacifiCorp to participate in and fund the SOMAH Program.

As described more fully below, under the SOMAH Program eligibility criteria enumerated in the Proposed Decision, PacifiCorp has no customers eligible for the SOMAH Program. Any necessary modifications to ensure PacifiCorp's customers could potentially satisfy program eligibility criteria would be overly burdensome to implement and require significant administrative costs that vastly outweigh any potential benefits, if any, to PacifiCorp's customers. Accordingly, PacifiCorp should be exempted from the SOMAH Program.

## I. Introduction and Background

PacifiCorp serves more than 1.7 million customers in six western states (California, Idaho, Oregon, Utah, Washington, and Wyoming) and operates its two balancing authority areas that encompass its six-state service territory. However, PacifiCorp only has approximately 45,000 retail customers in northern California, approximately 36,000 of which are residential. PacifiCorp is uniquely situated in comparison to the other investor-owned utilities (IOUs) in California because not only is there limited demand for distributed resources in PacifiCorp's service territory, but none of PacifiCorp's customers satisfy the SOMAH Program's eligibility requirements as described in the Proposed Decision.

PacifiCorp's unique characteristics have been recognized by the Legislature and the Commission to ensure that PacifiCorp's customers are not unduly burdened through the imposition of inefficient and uneconomical programs and requirements.[1] Indeed, when designing and implementing the California Solar Initiative (CSI) and the Multifamily Affordable Solar Housing (MASH) programs, the Commission only required California's three largest IOUs, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company (collectively, the Large IOUs) to participate in the CSI and MASH

[1] The Commission has routinely found that "the small size of [PacifiCorp] and the nature of [its] operations" make it inappropriate and burdensome for the Commission to impose certain requirements on PacifiCorp or instead require that the Commission allow PacifiCorp to take a more limited approach than that required for California's largest IOUs. (D.09-12-046, p. 2, exempting PacifiCorp from certain smart grid-related requirements.) The Commission has noted that imposing certain planning requirements on PacifiCorp "would only impose costs and inefficiencies … while producing no benefits." (D.09-12-046, p. 27; *see also* D.08-05-028 (allowing PacifiCorp to use its integrated resource plan filed in other states in lieu of submitting an RPS procurement plan).

programs.[2] PacifiCorp was never required to implement either the CSI or MASH programs.[3] Similarly, PacifiCorp was never required to implement Virtual Net Energy Metering (VNEM).[4]

It must also be noted that PacifiCorp has been statutorily exempted from the net energy metering (NEM) successor program, which is only required for California's Large IOUs.[5] This was similarly recognized by the Commission, as D.16-01-044 only applies to the Large IOUs and not PacifiCorp. As PacifiCorp is exempted from Public Utilities Code § 2827.1, PacifiCorp's NEM program remains subject to the 5% NEM cap, which PacifiCorp is expected to reach next year, if not sooner.[6]

Given the goals and eligibility requirements of the SOMAH Program, as outlined in the Proposed Decision, the Commission must similarly avoid requiring PacifiCorp to implement or contribute to the SOMAH Program. As outlined below, no PacifiCorp customers are eligible for the SOMAH Program. While additional programs could be implemented to potentially increase customer eligibility, when taking into account PacifiCorp's unique characteristics, such efforts

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[2] *See*, *e.g.,* D.06-01-024, D.06-08-028, D.06-12-033, D.08-10-036, and D.15-01-027.

[3] Although PacifiCorp did implement a solar incentive program, that program was different from the CSI and MASH programs and was designed to meet the needs of PacifiCorp's unique service territory. (*See* A.10-03-002 and D.11-03-007.)

[4] As described above, PacifiCorp has not implemented a CSI or MASH program, which first established VNEM. D.11-07-031 expanded VNEM, but that decision only applied to the Large IOUs, and did not require PacifiCorp to implement VNEM.

[5] Public Utilities Code § 2827.1(b) describes how the NEM successor program is only required for customers of "a large electrical corporation", which is defined as "an electrical corporation with more than 100,000 service connections in California." (*See* Pub. Util. Code § 2827(b)(5).) PacifiCorp has less than 100,000 California customers, and is accordingly not statutorily required to offer a NEM successor tariff.

[6] *See* Pub. Util. Code § 2827(c)(1); *see also* Pub. Util. Code § 2827(c)(4)(A): "An electric utility that is not a large electrical corporation is not obligated to provide net energy metering to additional eligible customer-generators in its service area when the combined total peak demand of all electricity used by eligible customer-generators served by all the electric utilities in that service area furnishing net energy metering to eligible customer-generators exceeds 5 percent of the aggregate customer peak demand of those electric utilities."

and associated administrative costs far outweigh any potential SOMAH Program benefits for PacifiCorp and its customers.

## II. PacifiCorp Should Be Exempted from the SOMAH Program as PacifiCorp Has No Customers Eligible for the SOMAH Program

According to the Proposed Decision, "PacifiCorp should only be exempted from the [SOMAH] program if [it] can show that [it has] no eligible properties in [its] service territor[y]."[7] The Proposed Decision further concludes that PacifiCorp is "likely to meet the eligibility requirements for SOMAH", based on limited "information currently available to Energy Division Staff."[8] This determination, however, appears to be based solely on information relating to customers receiving "the LIHTC or USDA Rural Development Multifamily funding", and fails to evaluate some of the broader SOMAH Program eligibility requirements established by the Proposed Decision.[9] Namely, the Proposed Decision fails to account for the fact that none of PacifiCorp's customers can satisfy certain general eligibility requirements for the SOMAH Program.

The Proposed Decision established seven general eligibility requirements for SOMAH participation.[10] One general eligibility requirement is that "[u]nits must be separately metered and eligible for a virtual NEM (VNEM) tariff."[11] As noted in the Proposed Decision:

> [Public Utilities Code] Section 2870(g)(1) requires that the utility bill reductions in the SOMAH program must be:
>
> > … achieved through tariffs that allow for the allocation of credits, such as virtual net metering tariffs designed for Multifamily Affordable Solar

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[7] Proposed Decision, p. 43; *see also* Finding of Fact 18.

[8] Proposed Decision, p. 43.

[9] Proposed Decision, p. 43.

[10] Proposed Decision, pp. 11-13.

[11] Proposed Decision, p. 11.

> Housing Program Participants, or other tariffs that may be adopted by the commission pursuant to Section 2827.1.[12]

The Proposed Decision accordingly concludes that "the SOMAH program will use the VNEM tariffs to provide benefits to tenants through the allocation of credits."[13]

As described above, PacifiCorp has never been required to implement a VNEM tariff and does not offer a VNEM tariff. Accordingly, none of PacifiCorp's customers can meet the SOMAH Program eligibility requirements, as no customers are eligible for a VNEM tariff. Furthermore, even if the Commission sought to achieve SOMAH Program bill reductions via other tariffs that may be adopted in accordance with Public Utilities Code § 2827.1, as authorized by Public Utilities Code § 2870(g), PacifiCorp is exempt from Public Utilities Code Section 2827.1. Accordingly, any potential other Section 2827.1 tariffs would not apply to, or exist for, PacifiCorp. This means that none of PacifiCorp's customers are eligible for the SOMAH Program.[14] Given that PacifiCorp's customers are not eligible for the SOMAH Program, the Commission should exempt PacifiCorp from the program.

## III. Additional Factors Justify Exempting PacifiCorp from the SOMAH Program

PacifiCorp maintains that it should be exempted from SOMAH Program participation given that no PacifiCorp customers are eligible for a VNEM tariff. However, if the Commission concludes otherwise, additional justifications warrant exempting PacifiCorp from the SOMAH Program.

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[12] Proposed Decision, p. 13.

[13] Proposed Decision, p. 14.

[14] It must also be noted that the Proposed Decision would have SOMAH Program participants "remain subject to TOU rate requirements" for the "'generating account' (generally, the account serving common areas in participating multifamily buildings)". (Proposed Decision, p. 19; *see also* Conclusion of Law 6.) However, PacifiCorp has no TOU rate, thereby making it impossible for the generating account to remain subject to TOU rates.

### A. Even if PacifiCorp's Customers Could Qualify for a VNEM Tariff, it is Unclear Whether Any Customers Would Otherwise Qualify for the SOMAH Program.

Even assuming PacifiCorp was able to quickly implement a VNEM or similar tariff to allow customers to participate in the SOMAH Program, it remains unclear whether any eligible customers actually exist in PacifiCorp's California service territory. While the Proposed Decision asserts that "[b]ased on information currently available to Energy Division staff, … PacifiCorp [has] properties in [its] service territor[y] that receive the LIHTC or USDA Rural Development Multifamily funding, and therefore are likely to meet the eligibility requirements for SOMAH,"[15] receipt of LIHTC or USDA Rural Development Multifamily funding is not indicative of eligibility for the SOMAH Program.

The Proposed Decision provides that in order to be eligible for the SOMAH Program, "either the property must be located in a disadvantaged community (DAC) as identified by CalEPA pursuant to Health and Safety Code (HSC) Section 39711, or at least 80% of the households in the building must have household incomes at or below 60% of the area median income."[16] No DACs, as identified by the CalEPA, exist in PacifiCorp's service territory.[17] While PacifiCorp does have a "higher percentage than in the large IOUs' territories" of low income customers (approximately 39% of PacifiCorp's California customers are low income),[18] only 4% of PacifiCorp's California customers are multifamily customers, though not all of PacifiCorp's multifamily customers are low income customers. Based on the data PacifiCorp

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[15] Proposed Decision, p. 43.

[16] Proposed Decision, p. 10, footnotes omitted.

[17] *See* CalEPA DAC map, available at https://oehha.ca.gov/calenviroscreen/sb535.

[18] Proposed Decision, p. 43.

gathered in response to a data request from the Energy Division, PacifiCorp estimates that only 21 customers are low income multifamily customers.

To qualify for the SOMAH Program, these 21 customers would have to satisfy additional eligibility criteria. Specifically, the Proposed Decision requires that these customers satisfy the following eligibility requirements:

1) Property must have at least five residential housing units.
2) Property must be subject to either a deed restriction or regulatory agreement between the property owner and a financing agency under which the property is classified as affordable housing.
3) There must be at least 10 years remaining on the term of the property's affordability restrictions.
4) Rent for low-income tenants shall be maintained within required limits, as determined by the agency regulating the property as affordable housing.
5) Units must be separately metered and eligible for a virtual NEM (VNEM) tariff.
6) Buildings with CCA customers may participate if the serving CCA has a VNEM tariff.
7) Only existing buildings are eligible; other programs (through CEC, such as NSHP exist to assist new construction projects).[19]

Furthermore, the Proposed Decision properly bars SOMAH Program participation by customers with "Federally financed or subsidized housing arrangements that do not allow the tenant the benefit of utility bill reductions."[20] As described above, PacifiCorp has no customers eligible for a VNEM tariff. Barring this, however, it is unclear if any of the 21 customers otherwise eligible for the SOMAH Program satisfy any of the other eligibility requirements required by the Proposed Decision.

As described in PacifiCorp's August 3, 2016 comments, it is unlikely that properties exist in PacifiCorp's California service territory that satisfy the deed restriction or regulatory agreement eligibility criterion. Such income-related deed restricted properties are more frequently found in larger cities and are designed to combat gentrification, to name one intention.

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[19] Proposed Decision, p. 11.

[20] Proposed Decision, pp. 20-21.

However, PacifiCorp's California customers are geographically-dispersed (approximately four customers per square mile) and gentrification is less of an issue compared to what occurs in large urban parts of the service territories of the Large IOUs. Accordingly, few, if any, eligible SOMAH Program customers are likely to exist in PacifiCorp's service territory. Because few, if any, eligible SOMAH Program customers are likely to exist in PacifiCorp's California service territory, and because PacifiCorp only has approximately 45,000 customers (36,000 of which are residential), the administrative costs of implementing and managing the SOMAH Program far outweigh any SOMAH Program benefits.

PacifiCorp customers are likely to fail other eligibility criteria for the SOMAH Program as well, meaning that even fewer, if any, customers are likely to be eligible at all. Given this uncertainty regarding customer eligibility, coupled with the limited number of potentially eligible customers (only 21), there is not enough justification to implement the SOMAH Program in PacifiCorp's territory. The lack of justification for the SOMAH Program is further compounded given the fact that: (1) PacifiCorp is about to reach its NEM cap (as described below); (2) PacifiCorp has no VNEM tariff; and (3) the administrative burdens required to implement a new tariff and the corresponding costs that will fall to PacifiCorp's limited number of California customers, particularly given the extremely limited number of potential SOMAH Program participants. These factors all justify exempting PacifiCorp from the SOMAH Program, a program that PacifiCorp customers currently are ineligible to participate in, and, even if new tariffs were implemented, may not result in any program participation.

### B. PacifiCorp Should Be Exempted from the SOMAH Program Given that PacifiCorp Will Soon Reach its NEM Cap.

The Proposed Decision fails to acknowledge that the NEM successor program is only required for California's Large IOUs, and not for PacifiCorp. As described above, this means that not only is PacifiCorp not required to offer a NEM successor tariff, but PacifiCorp's NEM program remains subject to the 5% NEM cap. Currently, PacifiCorp anticipates reaching its 5% NEM cap in the near future based on current customers queued for NEM participation. At the latest, the 5% NEM cap will be reached in 2018. Once this 5% NEM cap is reached, PacifiCorp is no longer obligated to offer NEM to additional customers.[21]

If the SOMAH Program were implemented for PacifiCorp, SOMAH Program customers would presumably utilize PacifiCorp's NEM tariff in order to achieve bill reductions. However, PacifiCorp is not required to offer NEM to additional customers once it reaches its 5% NEM cap. PacifiCorp will achieve its NEM cap soon, which means that any potential SOMAH Program customers could be barred from NEM participation and therefore any SOMAH Program benefits, even before the SOMAH Program is implemented. To avoid this absurd result and ensure the Commission advances AB 693's goals of administrative efficiency, PacifiCorp should be exempted from the SOMAH Program.

### C. SOMAH Program Implementation is Overly Complex and Administratively Burdensome for PacifiCorp.

Public Utilities Code Section 2870(g)(1) includes the following requirement:

> The commission shall ensure that utility bill reductions are achieved through tariffs that allow for the allocation of credits, such as virtual net metering tariffs designed for Multifamily Affordable Solar Housing Program participants, or other tariffs that may be adopted by the commission pursuant to Section 2827.1.

As noted above, not only has PacifiCorp been exempted from the MASH program, but the VNEM tariff required by the SOMAH Program is not required for, and therefore not offered by, PacifiCorp. Furthermore, PacifiCorp is exempt from Public Utilities Code Section 2827.1. This means that in order for PacifiCorp to have customers eligible for the SOMAH Program,

[21] D.13-11-026 provides that upon reaching the NEM cap, "no new customers can sign up for the NEM tariff offered by that utility." (D.13-11-026, p. 2.)

PacifiCorp would have to develop and implement a new tariff to allow SOMAH Program participants to achieve bill reductions.

Developing a new tariff is a complex and timely undertaking in the best circumstances. In order to ensure the goals and timeframes specified in Public Utilities Code Section 2870 are achieved, the development and implementation of a new tariff will have to move incredibly expeditiously. Rushing to adopt a new tariff risks failing to properly account for the unique characteristics of PacifiCorp, which could harm not only SOMAH Program participants, but all of PacifiCorp's customers.

PacifiCorp believes that any requirement to implement a new tariff so the SOMAH program could function in PacifiCorp's territory would be overly burdensome and outweigh any potential benefits of the SOMAH Program. This is particularly true based on the additional considerations described in these comments. Namely, given that PacifiCorp will soon reach its 5% NEM cap, coupled with the fact that, as described in greater detail above, even if a new tariff were adopted PacifiCorp may have limited or no customers actually eligible for the SOMAH Program, PacifiCorp believes that the administrative burdens and corresponding costs to its limited California customers far outweigh any potential benefits of participating in the SOMAH Program. The creation of a new tariff is simply too burdensome and costly to justify minimal, if any, participation in the SOMAH Program in PacifiCorp's territory. Instead, it makes much more sense for the Commission to exempt PacifiCorp from the SOMAH Program.

### D. There is No Guarantee that SOMAH Program Funding Will be Allocated to PacifiCorp's Customers.

As written, the Proposed Decision creates funding for the SOMAH Program, provided by the IOUs, with no clear direction as to how overall program funding will be spent or allocated between utilities. This is problematic, particularly as PacifiCorp currently has no customers eligible for the SOMAH Program. As noted in the Proposed Decision:

> The revenues described in Section 748.5 are the proceeds from the sale of greenhouse gas (GHG) allowances allocated to California's investor-owned electric utilities ***for the benefit of their ratepayers***.[22]

While the Proposed Decision requires PacifiCorp to contribute portions of its GHG allowance proceeds to the SOMAH Program, it does not ensure that such proceeds will benefit PacifiCorp's customers. This directly contradicts the mandate in Public Utilities Code Section 748.5 that a utility's GHG allowance proceeds benefit the customers of that utility. Without ensuring that funding be used for the benefit of the contributing utility's customers, the Proposed Decision violates the Public Utilities Code, while also shifting costs between utililty customers, without benefiting the customers paying those costs.

To ensure the SOMAH Program adheres to statutory requirements, any program funding must be earmarked for use by the funding utility. So if PacifiCorp contributes to the SOMAH Program, those contributions should only be used for the benefit of PacifiCorp's customers. Given that PacifiCorp currently has no customers eligible for the SOMAH Program, there is no reason for PacifiCorp to contribute to, or participate in, the program. Therefore, the Commission should exempt PacifiCorp from contributing to and participating in the SOMAH Program. This will ensure that GHG allowance proceeds can be provided directly to PacifiCorp's customers without additional unnecessary burdens of participating in the SOMAH Program which, as described throughout these comments, will have minimal, if any, benefit to PacifiCorp and its customers.

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[22] Proposed Decision, p. 25, emphasis added.

Exempting PacifiCorp from the SOMAH Program is consistent with Commission precedent, as well as the Commission's "discretion to determine program rules and implementation procedures."[23] Historically, the Commission has determined that it is more beneficial for PacifiCorp and its customers to return all revenues, rather than allocate revenues towards specific programs. Specifically, the Commission has allowed PacifiCorp to return to its residential and small business customers the entirety of the GHG allowance proceeds through the Climate Credit (Credit) and until this year has not required PacifiCorp to allocate any of the GHG allowance proceeds to other purposes.

In PacifiCorp's 2017 Energy Cost Adjustment Clause and GHG-related forecast application filed on August 1, 2016 (2017 ECAC), PacifiCorp set aside funds for the SOMAH Program in accordance with the Commission directive.[24] As expected, setting funds aside for the SOMAH Program has reduced the proposed semi-annual Credit in 2017 for its California customers. The Credit is paid twice during the year in April and October. For 2016 the semi-annual Credit for PacifiCorp's residential customers was \$143.47. In the 2017 ECAC, taking into account the funds set aside for the SOMAH Program, the proposed semi-annual Credit for 2017 is only \$106.94. The semi-annual Credit would be approximately \$127 if funds had not been set aside for the SOMAH Program. With a larger Credit, customers have more funds to invest in energy efficiency measures for their homes and it helps reduce the burden of energy costs on PacifiCorp's low-income customers. Consistent with prior determinations by the Commission, PacifiCorp's California customers are best served by receiving all of the GHG

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[23] Proposed Decision, p. 5.

[24] *See* A.16-08-001 Application of PacifiCorp (U 901E) For Approval of its 2017 Energy Cost Adjustment Clause and Greenhouse Gas-related Forecast and Reconciliation of Costs and Revenue. Also see Administrative Law Judge ruling issued March 18, 2016 in R.14-07-002 naming PacifiCorp a respondent to the net metering proceeding and directing utilities to set aside five percent of the recorded 2016 GHG allowance proceeds and 10% of the 2017 GHG allowance proceeds.

auction revenues through the Credit. Therefore, the Credit should not be reduced for PacifiCorp customers for the purpose of funding the SOMAH Program.

Exempting PacifiCorp from the SOMAH Program is not only justified for the reasons described above, but is consistent with the Commission's historical treatment and recognition of PacifiCorp and its unique characteristics. The Commission has routinely determined that given PacifiCorp's size, certain requirements imposed upon the Large IOUs are too burdensome and result in too few benefits to warrant similarly imposing those requirements on PacifiCorp.[25] The same rationale applies with respect to the SOMAH Program.

## IV. If the Commission Does Require PacifiCorp to Participate in the SOMAH Program, Additional Time Must be Allocated to Ensure PacifiCorp Can Implement Requisite Programs and/or Tariffs for the SOMAH Program to Function in PacifiCorp's Service Territory

As described throughout these comments, PacifiCorp's customers will not be eligible for the SOMAH Program until and unless PacifiCorp offers a VNEM or similar tariff. Implementation of such a tariff will require additional time and funding, and may benefit from public participation in a separate proceeding. If the Commission does require PacifiCorp to participate in the SOMAH Program and implement a new tariff, it must ensure that adequate time is allocated and proper considerations are afforded to address PacifiCorp's unique

[25] *See* D.09-12-046, pp. 2, 27; *see also* D.08-05-029. Similarly, the Commission has recognized that PacifiCorp may be at different stages than larger utilities with regard to infrastructure deployment or other initiatives and so meeting certain standards "could be overly burdensome on [PacifiCorp's] small ratepayer base." (Decision 09-12-046, at 50; *see also* D.03-07-011 (decision granting PacifiCorp an exemption from filing long-term procurement plans).) The Commission has similarly concluded that distribution resource planning requirements should be simpler for utilities like PacifiCorp. (*See* January 27, 2016 Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge, Including Deconsolidation of Certain Proceedings and a Different Consolidation of Other Proceedings, in A.15-07-005, p. 4 ("We have considered these issues and conclude that the applications of the SMJUs [including PacifiCorp] are sufficiently different and generally less complex than the applications of the larger IOUs, such that the DRPs of the SMJUs should be spun off into a separate set of consolidated applications."), available at http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M157/K902/157902794.PDF.)

characteristics. While PacifiCorp maintains that such an effort will far outweigh any potential benefits of SOMAH Program participation in PacifiCorp's service territory, if the Commission concludes otherwise, the Proposed Decision must be modified to provide additional time and include specific steps for PacifiCorp to implement any new programs and/or tariffs needed in order to offer the SOMAH Program.

## V. Conclusion

PacifiCorp appreciates this opportunity to submit comments on the Proposed Decision and respectfully requests, for the reasons described above, that the Commission exempt PacifiCorp from participating in, and contributing to, the SOMAH Program.

Dated: November 20, 2017

Respectfully submitted,

/s/

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**Appendix A**
**Proposed Modifications to Findings of Fact and Conclusions of Law**

Pursuant to Rule 14.3(b) of the Commission's Rules of Practice and Procedure, PacifiCorp provides the following proposed findings of fact and conclusions of law to the Proposed Decision. Language to be added is underlined and language to be removed is shown in strikethrough.

## Proposed Modifications to Findings of Fact

New Finding of Fact 9 should be added and subsequent Findings of Fact renumbered accordingly.

9. PacifiCorp is not required to offer and does not offer a VNEM tariff for its customers.

Current Finding of Fact 19 should be modified as follows:

19. Liberty ~~and PacifiCorp have~~ has not shown that there are no eligible properties in ~~their~~ its service territory~~ies~~.

New Finding of Fact 20 should be added and subsequent Findings of Fact renumbered accordingly.

20. PacifiCorp has shown that there are no eligible properties in its service territory.

## Proposed Modifications to Conclusions of Law

Conclusion of Law 7 should be modified as follows:

7. It is reasonable to require Liberty ~~and PacifiCorp~~ to participate in the SOMAH program, both by providing funding from ~~their~~ its GHG allowances and making the program available to ~~their~~ its customers.

New Conclusion of Law 8 should be added and subsequent Conclusions of Law renumbered accordingly.

8. It is reasonable to exempt PacifiCorp from participating in the SOMAH program. PacifiCorp is not required to provide funding for the SOMAH program from its GHG allowances and is not required to make the SOMAH program available to its customers.

Conclusions of Law 9 and 10 should be modified as follows:

9. It is reasonable for each IOU to reserve the full 10% of its allowance proceeds as part of its ERRA (or for Liberty ~~and PacifiCorp~~, ECAC) applications, updating those estimates if appropriate during the proceeding.

10. It is reasonable and consistent with Section 2870(c) to require PG&E, SDG&E, SCE, and Liberty~~, and PacifiCorp~~ each to contribute its proportionate share of $100,000,000 each year for the SOMAH program, calculated based on the total proceeds of the last four quarterly auctions.