

1 **Q. Please state your name, business address and present position with**
2 **PacifiCorp or (“the Company”).**

3 A. My name is Stacey J. Kusters. My business address is 825 NE Multnomah Street,
4 Suite 600, Portland, Oregon 97232. I am Director of Origination in Commercial
5 and Trading for the Company.

6 **Q. Please describe your education and professional background.**

7 A. I hold a B.A. in political science from Simon Fraser University and an EMBA
8 from the University of British Columbia. I joined PacifiCorp Energy in January
9 2001 as a manager of origination and assumed my current position as Director of
10 Origination in 2006. From 1996 to 2001, I was employed at Powerex, the
11 marketing arm for BC Hydro in Vancouver, British Columbia as the marketing
12 manager to develop the Northwest and California regions. I held various positions
13 at Powerex, which included business development, energy trading and
14 origination. In addition to my positions, I also represented Powerex on the board
15 of both the California Independent Operator (“CAISO”) and the California Power
16 Exchange (“CalPX”) from 1999 through January 1, 2001.

17 **Q. Please explain your responsibilities as PacifiCorp’s Director of Origination.**

18 A. I manage the procurement of new generation resources, contract administration,
19 market forecast group, the integrated resource plan (“IRP”), and structuring and
20 pricing. Most relevant to this docket, I manage PacifiCorp’s renewable energy
21 credit (“REC” or “RECs”) portfolio (also known as the “green book”), including
22 the sale of RECs in excess of compliance requirements.

23 **Summary of Testimony**

24 **Q. Please summarize your testimony.**

25 A. My testimony presents the actual PacifiCorp Total Company 2012 Renewable
26 Energy Credit (“REC”) Revenues that will be used in the calculation to set the
27 Schedule 98 Renewable Balancing Account (“RBA”) credit that will become
28 effective June 1, 2012. Mr. Steven R. McDougal and Ms. Joelle R. Steward
29 address the other issues related to the development and application of the RBA.

30 **Q. What was the actual REC revenue for calendar year 2012?**

31 A. Actual REC revenue for calendar year 2012 was [REDACTED] on a Total
32 Company basis and \$47.8 million on a Utah-allocated basis. The calculation of the
33 Utah-allocated amount is discussed in the testimony of Mr. McDougal.

34 **Q. Please explain the total volume and price that was executed in 2012
35 compared to the existing contracts?**

36 A. In 2012, the actual total REC revenue for 2012 was [REDACTED] of which [REDACTED]
37 [REDACTED], or [REDACTED] percent, was generated from three existing contracts, [REDACTED]
38 [REDACTED]; collectively
39 the “Large Prior Contracts” which expired December 31, 2012. Of the [REDACTED]
40 [REDACTED], and not attributed to Large Prior Contracts, [REDACTED] was generated
41 through the sale of [REDACTED] RECs at an average price of [REDACTED] per REC. The
42 market conditions in the REC market and the RPS rules and guidelines for
43 compliance have substantially changed over the past three years impacting both
44 the volumes and pricing on any future transactions.

45 **Q. Is the REC revenue amount allocated to Utah ratepayers for calendar year**
46 **2012 a final number?**

47 A. No. The booked REC revenue is determined from the contracts in 2012; however,
48 those contracts rely on the RECs that are transferred using the Western Renewable
49 Energy Generation Information System (“WREGIS”) system. After the Company
50 transfers the RECs to WREGIS it takes approximately 90 days for WREGIS to
51 verify the RECs and transfer them to the counterparties WREGIS account. Thus,
52 the resources related to the RECs for REC revenue in November and December
53 2012 will not be known until March and April 2013, respectively. Any difference
54 related to the resource allocation in WREGIS will flow through in subsequent true
55 ups as we expect these true ups to be minimal.

56 **Q. Have you prepared an exhibit that provides the details of the 2012 actual REC**
57 **revenue?**

58 A. Yes. Total Company 2012 REC revenue is detailed in Confidential Exhibits
59 RMP__(SJK-1), RMP__(SJK-2), and RMP__(SJK-2.5).

60 **Detailed Accounting of REC Revenues**

61 **Q. Please explain Confidential Exhibits RMP__(SJK-1), RMP__(SJK-2), and**
62 **RMP__(SJK-2.5).**

63 A. Confidential Exhibits RMP__(SJK-1), RMP__(SJK-2), and RMP__(SJK-2.5)
64 provide a detailed accounting of REC revenues received for calendar year 2012.
65 Confidential Exhibit RMP__(SJK-1) contains a summary table of actual REC
66 revenues by month and by resource for calendar year 2012 on a Total Company
67 basis. As I previously stated, the resource assignments for November and

68 December 2012 are estimated and will be updated in subsequent true ups.
69 Confidential Exhibit RMP____(SJK-2) provides a summary table of actual REC
70 Sales by entity, tag price, resource, and vintage for January through October 2012.
71 Confidential Exhibit RMP____(SJK-2.5) provides a summary of RECs sold by
72 entity, per REC price, resource, and vintage estimated for November to December
73 2012.

74 **Q. Have you prepared an exhibit that provides the details of the final November
75 and December 2011 actual REC revenue? Please explain.**

76 A. Yes. Total Company November and December 2011 REC revenue by resource is
77 detailed in Confidential Exhibit RMP____(SJK-3). At the time of filing the 2012
78 RBA, the Company did not know the resource allocation of the REC revenue for
79 these months due to the timing in the WREGIS system described above. In that
80 filing, the Company utilized estimates of the resources for those months and
81 committed to provide a subsequent true up of those numbers. The true up of the
82 November and December 2011 actual amounts is included in this filing. The
83 difference between the estimates for those months that was used to calculate
84 Utah-allocated REC revenue in the 2012 RBA and the actual resource allocations
85 is discussed in the testimony of Mr. McDougal.

86 **Q. Does this conclude your direct testimony?**

87 A. Yes.