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August 24, 2017

Via Electronic Filing

Public Utility Commission of Oregon
Attn: Filing Center
201 High St. SE, Suite 100
Salem, OR 97301

Re: In the Matter of PACIFICORP's 2017 Integrated Resource Plan
Docket No. LC 67

Dear Filing Center:

Please find enclosed the Comments on Energy Vision 2020 Update of the Industrial Customers of Northwest Utilities in the above-referenced docket.

Thank you for your assistance. If you have any questions, please do not hesitate to call.

Sincerely,

/s/ Jesse O. Gorsuch
Jesse O. Gorsuch

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

LC 67

In the Matter of)	
)	
PACIFICORP, dba PACIFIC POWER,)	COMMENTS ON ENERGY VISION
)	2020 UPDATE OF THE INDUSTRIAL
2017 Integrated Resource Plan.)	CUSTOMERS OF NORTHWEST
)	UTILITIES
_____)	

I. INTRODUCTION

Pursuant to Administrative Law Judge Sarah Rowe’s August 16, 2017 Prehearing Conference Memorandum, the Industrial Customers of Northwest Utilities (“ICNU”) submits the following comments regarding PacifiCorp’s (or the “Company”) Energy Vision 2020 Update (“Update”) to the 2017 Integrated Resource Plan (“IRP”). Other than comments directly responsive to the Update here, ICNU will reserve all further discussion of IRP acknowledgment issues for comments responsive to Public Utility Commission Oregon (“OPUC” or the “Commission”) Staff’s Final Comments and Recommendations.

II. COMMENTS

In short, the Update does not contain any new information that would prompt ICNU to modify concerns expressed in Opening Comments. Even accounting for relatively modest variations in IRP cost/benefit projections, the Company’s proposed Energy Vision 2020 investment still presents very considerable risk for ratepayers, offset by an underwhelming benefit potential. Accordingly, ICNU continues to request that the Commission take express note of such risk potential in any future acknowledgment determination, preferably by declining

to formally acknowledge near-term wind repowering and resource acquisition plans, which are not driven by actual capacity or energy need.

For example, PacifiCorp has reduced in-service capital cost assumptions for Energy Vision 2020 projects from \$3.54 billion to \$3.21 billion.^{1/} Nevertheless, the Company still projects *no* customer benefits, for any component of Energy Vision 2020 investment, in what ICNU considers to be the reasonably likely scenarios of low natural gas prices, combined with medium-to-low carbon price assumptions. Specifically, new wind and transmission investment would cost ratepayers anywhere between \$26 million to \$121 million under these scenarios.^{2/} Likewise, wind repowering plans under these scenarios would at best produce a \$0 result, but possibly cost ratepayers as much as \$44 million based on various modeling assumptions.^{3/}

Against this considerable potential for ratepayer harm, PacifiCorp's updated benefit projections continue to be insufficiently substantial, relative to overall Energy Vision 2020 cost, to merit customer assumption of risk. Over the next 20 years, the Company now projects maximum ratepayer benefits of \$103 million for wind repowering,^{4/} and \$437 million for new wind and transmission.^{5/} Standing alone, ICNU does not consider these optimal projection updates to be adequate, relative to \$3.21 billion in Energy Vision 2020 investment projections and risk potential, to justify ratepayer support in the absence of capacity or energy

^{1/} Update at 12, Table 2.2.

^{2/} Id. at 23, Table 4.1.

^{3/} Id. at 16, Table 3.1.

^{4/} Id.

^{5/} Id. at 23, Table 4.1.

need. Yet, even these “best case scenario” projections seem entirely unlikely, as they are each based upon “High Gas, High CO₂” assumptions.^{6/}

PacifiCorp contends that “[t]he updated economic analysis of the new wind and transmission in the 2017 IRP preferred portfolio demonstrates that net benefits *more than outweigh* net project costs.”^{7/} However, ICNU could not disagree more. Quite simply, nothing has changed through the Update that would demonstrate that ratepayer risk under Energy Vision 2020 is any more justified than when the Company initially presented its plan. Thus, ICNU continues to recommend that 2017 IRP action plan items associated with Energy Vision 2020 projects not be acknowledged by the Commission.

III. CONCLUSION

ICNU looks forward to the opportunity to address broader IRP issues in response to Staff’s Final Comments and Recommendations. But, the Update does not assuage any of the concerns ICNU raised in Opening Comments.

Dated this 24th day of August, 2017.

Respectfully submitted,

/s/ Jesse E. Cowell

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^{6/} Id.; id. at 16, Table 3.1.

^{7/} Id. at 28 (emphasis added).