

April 29, 2020

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, OR 97301-3398

Attn: Filing Center

RE: LC 70—PacifiCorp's Response to Staff's Public Meeting Report

PacifiCorp d/b/a Pacific Power encloses for filing its Response to Staff's Public Meeting Report in the above-referenced docket.

Informal inquiries may be directed to Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

Sincerely,



Michael Wilding
Director, Regulation

Enclosures

CERTIFICATE OF SERVICE

I certify that I filed a true and correct copy of PacifiCorp’s **Response to Staff’s Public Meeting Report** on the parties listed below via electronic mail in compliance with OAR 860-001-0180.

Service List LC 70

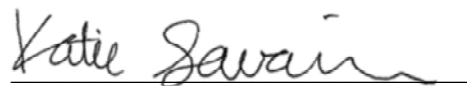
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Dated April 29, 2020.



Katie Savarin
Coordinator, Regulatory Operations

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

LC 70

In the Matter of
PACIFICORP d/b/a PACIFIC POWER
2019 Integrated Resource Plan

PACIFICORP'S
RESPONSE TO STAFF'S PUBLIC
MEETING REPORT

I. INTRODUCTION AND SUMMARY

PacifiCorp d/b/a Pacific Power (PacifiCorp) filed its 2019 Integrated Resource Plan (IRP) with the Public Utility Commission of Oregon (Commission) on October 18, 2019. Following two rounds of comments by PacifiCorp and stakeholders, numerous discovery requests, and several workshops, Commission Staff filed a Public Meeting Report on April 17, 2020, setting forth its recommendations to the Commission regarding acknowledgment of the 2019 IRP (Report). The Report recommends acknowledgement of PacifiCorp's 2019 IRP Action Items with the exception of Action Item 3g (Transmission project Gateway Energy West Segment D.2). The company is appreciative of Staff and other stakeholders' efforts in this proceeding and provides only limited comments below in response to the acknowledgment conditions recommended by Staff.

II. CONDITIONS TO ACKNOWLEDGMENT

As referenced above, the Report recommends acknowledgement of certain action items subject to specific conditions. The company requests that any conditions be imposed by the Commission as conditions rather than revisions to PacifiCorp's 2019 IRP action plan. As a multi-jurisdictional utility that develops its IRP on a system-wide basis, any revisions to specific action items at this time may trigger additional regulatory process in other

jurisdictions that could result in delay to implementation of the 2019 IRP. For this reason, the company respectfully requests that the Commission, in its final order, specify that its acknowledgement is contingent upon any conditions ultimately adopted. The company also notes that it previously suggested changes to its action plan in its Reply and Final Comments; PacifiCorp clarifies that while it still agrees to implement the proposed changes, the changes should be memorialized as conditions to acknowledgment instead of revisions to the action plan.¹

PacifiCorp responds to the specific recommendations presented by Staff in its Report below.²

A. New Resource Action Items

As detailed in Staff's Report, Staff is recommending acknowledgement of the two new resource action items: (2a) a Customer Preference Request for Proposals (RFP); and (2b) an All-Source RFP.³ The company appreciates Staff's thoughtful consideration of these action items but does not recommend adoption of the conditions applicable to action item 2a or action item 2b.

¹ In PacifiCorp's Reply Comments it proposed a language revision to Action Item 6b to make clear that only renewable energy credits allocated to states without renewable portfolio standard requirements would be sold. Staff continues to have questions regarding this Action Item that will be addressed at the public meeting, including the need for any conditions to acknowledgment. PacifiCorp's Final Comments proposed changes to Action Item 2b (to reflect the extension of production tax credits through December 31, 2024) and 4a (to agree to conduct a Class 3 demand side management workshop). The change to Action Item 2b has already been incorporated into the draft 2020 All-Source Request for Proposals (2020AS RFP) pending before the Commission in docket UM 2059. PacifiCorp suggests that a workshop be added as a condition to acknowledgment of Action Item 4a.

² These comments do not respond to Staff's recommendations regarding the Existing Resource Action Items (Action Items 1(a)-(e)), Transmission Action Item 3(f), Front Office Transaction Action Item 5(a), and Renewable Energy Credit Action Item 6(a) because Staff recommends acknowledgment of these items without condition.

³ Staff Report at 11-12.

1. Action Item 2a: Customer Preference RFP

Action item 2a is in reference to a customer preference RFP targeting procurement of a 15-year, 80 megawatt (MW) solar power-purchase agreement (PPA) for six Utah Schedule 34 customers. Action item 2a also targets executing two 20-year PPAs for a large Utah Schedule 34 customer by the end of 2019.⁴ PacifiCorp d/b/a Rocky Mountain Power administers Utah Schedule 34—Renewable Energy Purchase tariff for qualified customers. Qualified customers are defined as 5,000 kilowatts and over. In its discussion of this action item, Staff also notes that the company filed two notices of exception in docket LC 70 related to Customer Preference resource acquisitions for Oregon customers.⁵ Staff argues that these notices of exception filings lacked sufficient supporting work papers or analysis.

In response to this desire for additional support, Staff recommends that acknowledgement of the customer preference RFP be subject to a condition that PacifiCorp be required to file all relevant work papers for resource acquisition and rate setting in the customer-preference RFP with the Commission in docket LC 70, 60 days before the acquisition is complete. Staff argues that this supporting information will be necessary to determine that customer preference programs are not creating additional costs for non-participating customers.⁶ Staff's second condition to acknowledgment of this item is a requirement that before the 2021 IRP is filed, PacifiCorp file the resource acquisition and rate setting work papers in docket LC 70 for any customer preference resources acquired in accordance with a notice of exception 60 days before the acquisition is complete.⁷

⁴ 2019 IRP at 23.

⁵ The Commission's competitive bidding rules provide an exception where there is a time-limited opportunity that provides unique value to customers. OAR § 860-089-0100(3)(b). PacifiCorp has submitted two notices of exception in Docket No. LC 70.

⁶ Staff Report at 9-10.

⁷ OAR § 860-089-0100(3)(b) provides an exception to the Commission's competitive bidding rules where there is a time-limited opportunity to acquire a resource of unique value to customers.

While the company agrees that additional information could be beneficial to Staff's review of a future notice of exception submitted to the Commission, it does not agree that this additional support is appropriate when a resource acquisition is specifically for non-Oregon customers. Action item 2a seeks to acquire resources for Utah customers only. It would be inappropriate and overly burdensome to require the company to provide additional information regarding these contracts to the Commission where the Commission does not have jurisdiction over these contracts. PacifiCorp therefore seeks clarification that any requirement to provide additional supporting documentation be limited to resources acquired in accordance with a notice of exception from the Commission's competitive bidding rules.

Further, Staff's suggestion to require additional work papers 60 days before the acquisition is complete is problematic and PacifiCorp suggests that if this recommendation is adopted the supporting work papers should be filed together with the notice of exception. It would be difficult to determine the deadline to submit the supporting material because it may not be clear when the acquisition will be complete (and by making the deadline before the acquisition is complete, Staff is requiring the company to predict the future). Contract negotiations can be unpredictable and it would be difficult to satisfy an obligation that is based on a timeframe before the date of a future milestone is known. It would be more consistent and clear to require the supporting documentation together with the notice of exception. If the supporting documentation is intended to support a determination that the notice of exception was appropriate there is no advantage to providing the supporting work papers at a different point in time. PacifiCorp also requests clarification as to whether Staff is requesting this additional documentation for notices of exception already filed or if this recommendation is for future notices only.

2. *All-Source RFP*

Action item 2b is in reference to the company's 2020AS RFP.⁸ Staff raises concerns with PacifiCorp's market forecast asserting that the forecast is subject to change based on resource acquisitions but the impacts of these acquisitions has not been assessed. Staff therefore recommends that an additional analysis be performed and provided to the Commission (in this docket and in the RFP docket) before the company requests acknowledgment of its RFP final shortlist. Staff also includes the following two additional conditions: (1) limit procurement under the RFP to no more than 110 percent of the resources selected to come online in 2024; and (2) include an informational sensitivity for the initial and final shortlist analysis that is the same as the IRP but with an updated forecast of market prices for each market hub in the 2019 IRP based on a new Western Electricity Coordinating Counsel capacity expansion buildout in Aurora that assumes all resources in the 2019 IRP preferred portfolio through 2024 will be constructed.

In its draft 2020AS RFP, PacifiCorp has stated that it is seeking to procure incremental resources up to the amount of capacity (on a capacity-contribution basis) included in its 2019 IRP preferred portfolio. In the April 27, 2020 commissioner workshop in docket UM 2059, the company further explained how the 2020AS RFP could support a final shortlist containing resources with an aggregate capacity that is below the level of resources in the 2019 IRP preferred portfolio (i.e., if market bids are higher cost than assumed in the IRP) or potentially support a procurement level with an aggregate capacity that is above the level of resources in the 2019 IRP preferred portfolio (i.e., if market bids are

⁸ The company filed an application to open a docket for selection of an independent evaluator in accordance with competitive bidding rules on February 24, 2020. The Commission opened Docket No. UM 2059 and on April 22, 2020, the final draft version of the 2020AS RFP was filed for comment and approval.

lower cost than assumed in the IRP). Staff's recommendation to limit procurement levels in the 2020AS RFP would limit procurement at an arbitrary cap in advance of receiving bids that could prematurely eliminate low cost resource opportunities. For this reason, PacifiCorp does not support Staff's recommended condition.

Nonetheless, PacifiCorp is sensitive to the concerns raised by parties in this proceeding regarding the level of resource procurement that might arise from the 2020AS RFP. At the March 10, 2020 Commission workshop in this proceeding, the Oregon Citizens' Utility Board (CUB) suggested that these concerns might be met by limiting procurement to the level of projected capacity need. Should the Commission wish to provide guidance on the level of resource procurement coming out of the 2020AS RFP, the company proposes it tie such conditions to need, consistent with CUB's recommendation, while not artificially eliminating the potential for procuring additional low-cost resources before the 2020AS RFP is even issued to the market. Specifically, PacifiCorp recommends the following as a potential alternative to Staff's recommended condition:

- a. PacifiCorp will target procurement of resources that will meet shortfalls in its projected capacity position, accounting for planned resource retirements and incremental energy efficiency savings, as updated to reflect changes to load projections and resource changes implemented during the 2020AS RFP.
- b. Should PacifiCorp propose a final shortlist with aggregate capacity in excess of the capacity as set forth in condition one above, it will identify the marginal bids that would be eliminated from the final shortlist if it were capped at levels necessary to meet its projected capacity position and provide support for why

these resources should be procured when seeking acknowledgement of the final shortlist.

PacifiCorp disagrees that Staff's recommended condition to perform additional price curve analysis is necessary. As communicated during the April 27, 2020 commissioner workshop in docket UM 2059, PacifiCorp intends to update its price curve assumptions when evaluating bids in the 2020AS RFP consistent with the official forward price curve that will be developed at the end of June 2020 when evaluating bids in the 2020AS RFP. Rather than require additional sensitivity analysis in the midst of the RFP process, the company is supportive of a condition that clarifies it will use updated price curves when evaluating bids in the 2020AS RFP and that these price curves will be developed assuming 2019 IRP preferred portfolio resources through 2024 will be constructed.

The company does confirm that it will be prepared to address any potential impacts of the COVID-19 pandemic at the Commission's acknowledgement deliberation public meeting.⁹

B. Transmission Action Items

Staff recommends acknowledgement of the company's transmission action items subject to certain conditions. These conditions are as follows: (1) provide itemized cost information; and (2) conditionally acknowledge any RFP-dependent transmission items pending selection of such items in the 2020AS RFP. PacifiCorp provided the requested cost information in response to Data Request OPUC 234 (*see* Attachment OPUC 234) but provides the table below that shows cost information for each transmission project included in the action plan. Additionally, PacifiCorp will provide updated data following selection of

⁹ Staff Report at 12.

a final short list in the 2020AS RFP that support selection of the transmission projects that are RFP-dependent (Energy Gateway South, the Utah valley reinforcements, Northern Utah reinforcements, Utah South reinforcements, and Yakima, WA reinforcements). The information will provide cost data for the project and updated financial information as required to capture changes due to the final selection of resources that support the project.

Staff recommends that transmission Action Item 3g, Energy Gateway West Action Item 3g not be acknowledged. After additional consideration, the company agrees that the Commission can clarify in its order that the D.2 segment, which is already under construction does not need to be acknowledged, but requests acknowledgement of the action item as it relates to segments D.3 and E of Energy Gateway West, which calls for continued permitting and funding plans. Unlike segment D.2, these segments are not substantially complete and were appropriately included in the 2019 IRP action plan consistent with action items for Energy Gateway segments in past IRPs. The company also notes that the rebuild of the Mona-Clover lines #1 and #2 is part of the Energy Gateway South transmission line project, with planned in-service by the end of 2023. As such this project should not be included in the list of projects that Staff identifies as complete or substantially complete.¹⁰

The company further agrees that the Commission could clarify that the following projects do not require acknowledgment because they are similarly substantially complete:

- Spanish Fork 345 kilovolt (kV)/138 kV transformer upgrade-forecasted in-service July, 2020
- Rebuild approximately five miles of the Spanish Fork – Timp 138 kV line- forecasted in-service November, 2020
- The Vantage-Pomona Heights 230 kV line- forecasted in-service May, 2020

¹⁰ The company will ensure that this project is listed as part of Energy Gateway South if and when included in any future IRP Action Plans.

Transmission Cost Estimates by Action Item¹¹

Transmission Action Items		Cost Estimate (\$m)
3a-Energy Gateway South (EGS) built by end of 2023		██████████
3b – Utah Valley reinforcements as necessary to facilitate customer-preference resource interconnection.		Substantially complete
	Spanish Fork 345 kV/138 kV transformer upgrade	Substantially complete
	Rebuild approximately five miles of the Spanish Fork – Timp 138 kV line	Substantially complete
3c – Northern Utah reinforcements		██████████
	Rebuild two miles of Morton Court 138 kV line	██████████
	Loop Populus-Terminal 345 kV line into Bridgerland and Ben Lomond, build 345 kV yard and ancillary circuit breakers.	██████████
	Complete plan of service in time to support resource acquisitions from 2019 IRP in region.	██████████
3d – Utah South reinforcements		██████████
	Complete rebuild of Mona- Clover lines #1 and #2.	Scope included in 3a- EGS estimate.
	Identify route and terminals for 70-mile 345 kV line.	██████████
	Develop plan of service to support new resources in southern Utah.	██████████
3e – Yakima WA reinforcements		██████████
	Facilitate interconnection of preferred portfolio resources with upgrades to local substations	██████████
	Complete Vantage-Pomona Heights 230 kV line.	Substantially complete
	Establish type and location of new resources.	██████████
3f – Continue to support Boardman-to-Hemingway (B2H) process.		██████████
3g – Energy Gateway West		██████████
	Segment D.2 completed by end of 2020.	██████████
	Continue permitting and funding plans for Segments D.3.	██████████
	Continue permitting and funding plans for Segments E.	██████████

¹¹ As noted above, the costs provided in this table were previously provided by the company in response to Data Request OPUC 234 as Attachment OPUC 234. While preparing these comments, PacifiCorp identified a few inadvertent errors in the cost information provided in Attachment OPUC 234 with respect to EGS, Utah South reinforcements, Yakima, WA reinforcements, and continued support for the Boardman to Hemingway Project. The costs included in this table should be considered the correct costs, not the costs provided in Attachment OPUC 234.

With inclusion of the table and providing the future data PacifiCorp requests full acknowledgement of the projects identified in Action Items 3.a, b, c, and e.

C. IRP Inputs

1. Coal Study

As an initial matter, PacifiCorp already plans to include an updated analysis identifying the most cost-effective coal retirements as part of the development of the 2021 IRP. This will provide confirmation of all coal unit retirements dates, including Jim Bridger units 3 and 4, and address the portfolio analysis corrections identified in the 2019 IRP. PacifiCorp also agrees, if requested by the Commission, to provide a presentation to the Commission, Staff, and any interested stakeholders (subject to the modified protective order issued in this proceeding) regarding the drivers of Jim Bridger coal cost forecasts.

2. Changes to PacifiCorp's System

Staff correctly notes that potential changes to PacifiCorp's system could impact resource dispatch and costs. Staff points to the possibilities that PacifiCorp could join the California Independent System Operator extended day ahead market (EDAM) and also begin to use nodal pricing to allocate the variable cost of its resources. In light of these possibilities, Staff recommends that the company be directed to work with interested stakeholders in the early stages of IRP development to determine the type of analysis or sensitivity that would best allow PacifiCorp to consider the future cost-effectiveness of specific coal units (*e.g.*, Hunter, Huntington, and Wyodak) if these changes occur. Staff recommends that such an assessment be included in the 2021 IRP.

As an initial matter, the company does not expect nodal pricing to materially affect its coal units. The nodal pricing model is simply a least-cost dispatch system for PacifiCorp's

resources. It is also premature to attempt to assess the impacts of the EDAM on the company's resources. Until design parameters have been developed, with resource sufficiency requirements and long-term commitment capability being most important, it would be difficult to make any assumptions related to an EDAM impact on PacifiCorp's coal units. Similarly, the company would not expect to have sufficient greenhouse gas policy information to inform such an analysis as part of the 2021 IRP. As a result, the company does not find that it is appropriate to include any assessment or analysis requirements as part of the development of the 2021 IRP; however PacifiCorp will continue to update the Commission on developments to its system and consider how such developments should be incorporated into future IRP development.

D. Demand Side Management

Staff makes recommendations regarding three categories of demand-side management (DSM): Class 1 (demand response), Class 2 (energy efficiency) and Class 3 (price response and load shifting). Staff's only recommendation for Class 3 is to direct PacifiCorp to report in the 2021 IRP on the timeframes and participation rates of any existing or planned Class 3 DSM pilots or schedules.¹² The company appreciates Staff's consideration of its determination that obtaining a third-party study to evaluate PacifiCorp's Class 3 DSM as part of the 2021 IRP is premature because there will not be sufficient data. The company will include an update on its progress with Class 3 DSM as part of its 2021 IRP and engage with interested stakeholders to determine the appropriateness and timing for any future third-party studies.

The company addresses Staff's recommendations for Class 1 and 2 DSM below.

¹² Staff Report at 42.

1. Class 1 DSM: Demand Response

Staff makes the following recommendations with respect to demand response (DR) in the 2019 IRP: (1) that the Commission should affirm that acquiring all cost-effective DR is a high priority of the Oregon Commission; (2) that PacifiCorp should provide its DR RFP report to the Commission in time to be integrated with the 2020AS RFP; (3) that PacifiCorp should include an explanation in its 2021 IRP that details how the company is planning to acquire all cost-effective DR; (4) that PacifiCorp should continue to engage with Staff and interested stakeholders regarding additional DR pilots and/or programs; and (5) that the company should continue to engage Staff and interested stakeholders in discussion and review of PacifiCorp's methodology for DR cost-effectiveness as presented in the IRP and conservation potential assessment (CPA).

As explained in PacifiCorp's Reply Comments, the company's 2019 IRP already includes the full amount of economic DR within the supply and costs identified through the CPA.¹³ Demand response resources are represented in the company's System Optimizer (SO) model as proxy resources after they are developed across the six-state service territory within the CPA. The SO model selects economic DR resources based on the resource's ability to compete against other supply-side resources and energy-efficiency resources to achieve a least-cost, least-risk portfolio of resources that meets customer need. Despite PacifiCorp's explanations Staff states that it remains concerned that the requirement to pair solar with storage in SO may be limiting the amount of DR chosen, while creating additional costs for ratepayers.¹⁴ Staff suggests that it may be necessary to conduct an RFP that allows solar to be paired with storage and/or a limited amount of DR. Staff requests that the

¹³ PacifiCorp Reply Comments at 23.

¹⁴ Staff Report at 36.

company discuss the feasibility of this suggestion in a report to the Commission; PacifiCorp suggests that this requirement be modified such that the company be required to provide an update to the Commission at a regularly scheduled public meeting regarding the company's determination on whether a DR RFP or pilot is an appropriate option for acquisition of additional Class1 DSM, including a proposed timeline for any such RFP. The company is engaging in a stakeholder workshop process that easily lends itself to discussion and input during which PacifiCorp can continue to develop this determination.

2. *Class 2 DSM: Energy Efficiency*

Staff makes two recommendations with respect to the energy efficiency (EE) analysis included in the 2019 IRP. The first recommendation is that PacifiCorp's EE targets be acknowledged contingent on continued collaboration with Staff and interested stakeholders toward a methodology that will determine and allow the company to acquire all cost-effective DR. The company reiterates that its energy efficiency analysis is robust; thus, EE target acknowledgement should not be tied to DR.¹⁵ While the company is committed to working with Staff and interested stakeholders (see above), this connection is not appropriate. The company's EE analysis included in the 2019 IRP should be evaluated on its own merits.

Staff's second recommendation is that PacifiCorp should be directed to pursue alternative bundling strategies in the 2021 IRP and review these results with stakeholders to identify the appropriate and optimized combination of strategies.¹⁶ PacifiCorp has committed to pursuing alternative bundling strategies and is thus not concerned with the overall goal of this recommendation. However, the company cautions that the

¹⁵ Staff Report at 40.

¹⁶ Staff Report at 40.

recommendation may be too specific as currently written. By prematurely identifying a solution or preferred approach, the resulting discussions may be unintentionally limited. PacifiCorp recommends eliminating the directive to start with optimizing bundles based on each major factor that will be evaluated. This will ensure that all solutions can be explored.

E. Renewable Energy Credit Action Items

PacifiCorp's 2019 IRP action plan includes two items related to renewable energy credits (RECs). The second item, action item 6b, states that the company will maximize the sale of RECs that are not required to meet state renewable portfolio standard (RPS) compliance obligations. Staff states that what the company means by maximizing the sale of RECs is not clear and recommends acknowledgement of this Action Item subject to a satisfactory explanation for this item at the Commission acknowledgement meeting. As discussed below, the company will be prepared to respond to any questions regarding this recommendation from the Commission, Staff or any other stakeholder at the upcoming public meetings. However, the company also addresses this action item in these comments to allow consideration of this item.

The 2019 IRP is a resource plan for all states in which PacifiCorp operates, and RPS requirements do not apply to all jurisdictions.¹⁷ As a result, the company engages in the sale of RECs that are allocated to such states (states without RPS requirements) when appropriate, for the benefit of customers in those jurisdictions. For states that are subject to RPS requirements, including Oregon, the company's current practice is to retain all RPS-eligible RECs to satisfy current and future compliance obligations. Maintaining a REC bank provides the company with flexibility to respond to changing requirements and market

¹⁷ PacifiCorp d/b/a Rocky Mountain Power operates in Idaho, Utah, and Wyoming. Only Utah has an RPS standard and it is not compulsory.

conditions. Thus, the company requests that action item 6b be acknowledged, without conditions.

F. Treatment of Qualifying Facility (QF) Renewals

As has been discussed extensively during the review of the 2019 IRP, the company did not model any new QF contracts or renewal of existing QF contracts. Staff asserts that QFs have some value over the long-term and should be included in long-term planning but also recognizes that additional analysis is necessary before such value can be determined.¹⁸ In recognition of these unknowns, Staff does not recommend including QF contract renewal or a new QF contract forecast in the next IRP. Instead, Staff recommends that the Commission affirm that QF contract renewals provide some capacity value but also recommends that the Commission direct an investigation by Staff to determine if there is a way to provide utilities greater assurance of QF contract renewal.¹⁹ Staff appears to recognize that these issues may not be completely resolved ahead of the 2021 IRP development and recommends a directive that if PacifiCorp does not forecast QF renewals as part of the preferred portfolio, the company should provide an informational sensitivity showing the impact of QF renewals on the preferred portfolio, inclusive of reporting on the types, quantities, and durations of resource deferrals.

The company continues to assert that its treatment of QFs is consistent with its obligations under Public Utility Regulatory Policies Act (PURPA), consistent with contractual limitations (PacifiCorp cannot require a QF to renew a contract at its conclusion) ensures retail customer indifference, and is aligned with the use of the preferred portfolio to determine avoided cost. PacifiCorp will continue to work with Staff and interested

¹⁸ Staff Report at 29-30.

¹⁹ Staff Report at 30.

stakeholders in the ongoing PURPA investigations (*e.g.*, docket UM 2038 investigating QF assumptions in IRP development) to determine if any changes are necessary, including the implications of any such changes on avoided cost pricing. PacifiCorp is committed to working with stakeholders to define the scope of sensitivities for the 2021 IRP, including a sensitivity that could explore how QF assumptions might influence the resource portfolio.

G. Capacity Contribution of Renewables

Staff's Report states that PacifiCorp has not provided a clear and readily understandable explanation of how the capacity contribution of renewables was calculated for the 2019 IRP.²⁰ While the company disagrees with this characterization, PacifiCorp agrees to provide a presentation as part of the 2021 IRP public input process on this topic. Specifically, PacifiCorp will address the calculation of renewables' capacity contribution as reflected in the load-and-resource balance and in capacity expansion modeling. PacifiCorp does note, however, that the capacity contribution of renewables in the load-and-resource balance is impacted by the reliability analysis. Thus, the contribution will change as the 2021 IRP is developed and it will be important for Staff and stakeholders to understand that while an in-depth presentation regarding the methodology for development of the capacity contribution can be provided as part of the public-input process, a final value consistent with resources in the preferred portfolio may not be available until the 2021 IRP is fully developed.

H. Climate Adaptation Plan

Staff's Report repeats its recommendation that PacifiCorp be directed to include a climate adaptation plan as part of a future IRP.²¹ As stated in the company's Reply

²⁰ Staff Report at 42.

²¹ Staff Report at 43.

Comments, PacifiCorp finds that any such requirement would be better suited for a Commission workshop and/or rulemaking that would allow a holistic approach. Staff's Report states that Portland General Electric has already developed a climate adaptation plan.²² If Staff is suggesting that climate adaptation plans are to become a new requirement, it would be beneficial to determine the objectives of such plans, the information to be included in such plans, and how Staff envisions these plans interacting with future IRPs and wildfire planning. As Staff notes, Oregon Executive Order 20-04 requires the Commission to evaluate wildfire protection plans and to prioritize actions that will assist with climate adaptation. In light of this recent Executive Order, the Commission should holistically determine any requirements for a climate adaptation plan. Some of the components identified by Staff (*e.g.*, assessment of vegetation management) appear outside the scope of a traditional IRP proceeding and more appropriate for a wildfire risk mitigation planning exercise.

Thus, while the company is not opposed to consideration of climate adaptation planning, it finds that imposing a requirement at this time would be premature and ambiguous. Requiring the utilities to develop climate adaptation plans as part of IRP proceedings without coordination or consideration of other efforts is likely to result in duplicative efforts. PacifiCorp recommends that the Commission not accept this recommendation but instead convene a working group to determine next steps on climate adaptation planning.

²² Staff Report at 42.

IV. NEXT STEPS

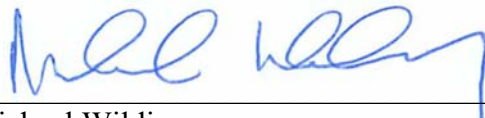
The Commission has a public meeting scheduled for May 5, 2020, to accept final comments on PacifiCorp's 2019 IRP. The company will be prepared to address the items identified above, including the potential impacts on the 2019 resource acquisition action items due to the ongoing COVID-19 pandemic. PacifiCorp will also be prepared to respond to any additional questions that may arise from the Commission, Staff, or other interested stakeholders. Following this final public meeting, the Commission is expected to reach its decision regarding the 2019 IRP at its special public meeting scheduled for May 7, 2020.

V. CONCLUSION

PacifiCorp's 2019 IRP complies with the Commission's standards and guidelines. The 2019 IRP includes robust portfolio modeling and prudent planning assumptions that led to selection of a least-cost, least-risk preferred portfolio. The 2019 IRP also includes an action plan that is consistent with the long-term public interest. PacifiCorp appreciates the comments received from an active and engaged stakeholder group and has fully responded to all concerns raised by these stakeholders, including Commission Staff.

Based on this robust analysis, PacifiCorp respectfully requests that the Commission acknowledge the 2019 IRP and the 2019 IRP action plan, in accordance with the recommendations set forth in these response comments.

Respectfully submitted this 29th day of April, 2020.



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Director, Regulation
PacifiCorp d/b/a Pacific Power