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Portland, Oregon 97232

December 27, 2019

***VIA ELECTRONIC FILING***

Public Utility Commission of Oregon  
201 High Street SE, Suite 100  
Salem, OR 97301-1166

Attn: Filing Center

**Re: UE 356—PacifiCorp's Motion to Amend Order No. 19-351**

PacifiCorp d/b/a Pacific Power encloses for filing in the above-referenced docket PacifiCorp's Motion to Amend Order No. 19-351.

Please direct informal questions to Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

Sincerely,

A handwritten signature in black ink, appearing to read "Etta Lockey", with a long, sweeping horizontal line extending to the right.

Etta Lockey  
Vice President, Regulation

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE 356**

In the Matter of  
PACIFICORP d/b/a PACIFIC POWER,  
2020 Transition Adjustment Mechanism

**MOTION TO AMEND  
ORDER NO. 19-351**

**INTRODUCTION**

1  
2           PacifiCorp d/b/a Pacific Power (PacifiCorp) consistent with ORS 756.568 respectfully  
3 requests the Public Utility Commission of Oregon (Commission) amend Order No. 19-351.  
4 Order No. 19-351 directed PacifiCorp to update the Jim Bridger fuel plan in light of earlier end-  
5 of-life dates. PacifiCorp now requests that the Commission modify this order to allow for  
6 testimony and a Commissioner workshop in the 2021 Transition Adjustment Mechanism (TAM)  
7 proceeding rather than requiring an update to the Jim Bridger fuel plan be included in the 2021  
8 TAM filing. This modification will provide an opportunity to discuss how PacifiCorp is  
9 planning for flexible fueling arrangements to avoid minimum take penalties such as those  
10 incurred for lower volumes of coal deliveries at the Naughton plant.

**BACKGROUND**

11  
12           The TAM is PacifiCorp’s annual filing to update its net power costs in rates and to set the  
13 transition adjustments for customers who choose direct access during the open enrollment  
14 window in November. On April 1, 2019, PacifiCorp filed its 2020 TAM, which included  
15 testimony detailing the level of coal costs included in fuel expense. This testimony included an  
16 update to the Jim Bridger fuel plan with an alternative analysis based upon a shortened life for  
17 the Jim Bridger plant of January 1, 2030 instead of January 1, 2037 as required by the stipulation

1 that was approved by the Commission in the 2019 TAM.<sup>1</sup> On September 23, 2019, PacifiCorp,  
2 the Staff of the Public Utility Commission of Oregon (Staff), the Citizens’ Utility Board (CUB),  
3 the Alliance of Western Energy Consumers (AWEC), and Calpine Energy Solutions, LLC  
4 (Calpine) filed a settlement resolving all the issues in the 2020 TAM, docket UE 356. On  
5 October 30, 2019, the Commission issued Order 19-351 adopting the settlement.<sup>2</sup> Through this  
6 order, the Commission required that PacifiCorp:

7 [U]pdate its Jim Bridger fuel plan in light of earlier end-of-life dates, with  
8 explanations of how PacifiCorp is planning ahead for flexible fueling arrangements  
9 to avoid minimum take penalties such as the penalties PacifiCorp incurred for lower  
10 volumes of coal deliveries at the Naughton plant in this TAM.<sup>3</sup>

11 Additionally, ordering paragraph 5 specifies that PacifiCorp “shall include the following  
12 additional information in its 2021 Transition Adjustment Mechanism filing: ...updated Jim  
13 Bridger plant fueling analysis and explanation of fuel plans in light of changing end-of-life  
14 dates.”<sup>4</sup>

15 **PROPOSED MODIFICATION**

16 PacifiCorp respectfully requests that the Commission modify Order No. 19-351 to  
17 provide for the following:

- 18 1) Allow PacifiCorp to file testimony in its 2021 TAM with an explanation of how  
19 PacifiCorp is planning ahead for flexible fueling arrangements to avoid minimum  
20 take penalties; and,

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<sup>1</sup> See PAC/201.

<sup>2</sup> *In the Matter of PacifiCorp, dba Pacific Power, 2020 Transition Adjustment Mechanism*, Docket No. UE 356, Order No. 19-351 at 1 (Oct. 30, 2019).

<sup>3</sup> *Id.* at 8.

<sup>4</sup> *Id.* at 9.

1           2) Schedule a Commissioner workshop after the 2021 TAM is filed to discuss the  
2           fueling arrangements for Jim Bridger and how any costs resulting from the changing  
3           end-of-life dates for Jim Bridger are reflected in the 2021 TAM.

4           Updating the Jim Bridger fuel plan is premature prior to PacifiCorp and Idaho Power  
5 Company (Idaho Power) agreeing on common planned closure dates of the four different coal  
6 units at Jim Bridger. However, PacifiCorp intends to work closely with the Commission and  
7 stakeholders to provide the information requested through testimony and suggests a  
8 Commissioner workshop to ensure that Commissioners are provided with the information they  
9 need regarding PacifiCorp’s fueling arrangements at the Jim Bridger plant. PacifiCorp is  
10 authorized to represent that the following parties that signed the stipulation do not oppose the  
11 modifications proposed in this motion, but reserve the right to argue prudence of any costs  
12 proposed in future TAM proceedings: Staff, CUB, AWEC, and Calpine.

13           **A. It is premature to update the Jim Bridger fuel plan until PacifiCorp and Idaho**  
14           **Power come to an agreement regarding common planned closure dates.**

15           The Jim Bridger plant and Bridger Coal Company are jointly owned assets of PacifiCorp  
16 and Idaho Power. Currently, the owners have disparate assumptions regarding the closure of two  
17 Jim Bridger plant units. PacifiCorp’s integrated resource plan (IRP) preferred portfolio calls for  
18 the closure of Unit 1 by December 31, 2023 and Unit 2 by December 31, 2028.<sup>5</sup> Idaho Power’s  
19 preferred portfolio and action plan calls for the closure of one Jim Bridger unit during 2022 and  
20 another Jim Bridger unit during 2026.<sup>6</sup>

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<sup>5</sup> *In the Matter of PacifiCorp, dba Pacific Power, 2019 Integrated Resource Plan*, Docket No. LC 70, PacifiCorp’s 2019 Integrated Resource Plan, Vol I at 13 (Oct. 18, 2019).

<sup>6</sup> *In the Matter of Idaho Power Company, 2019 Integrated Resource Plan*, Docket No. LC 74, Idaho Power Company’s 2019 Integrated Resource Plan at 113 (June 28, 2019).

1 Adjustments to the Jim Bridger plant fuel plan will require changing the Bridger Coal  
2 Company mine plan. Absent the consent of the other owner, neither PacifiCorp nor Idaho Power  
3 have the right to change the Bridger Coal Company mine plan. As a result, it is premature to  
4 adjust the Jim Bridger plant fueling plan prior to PacifiCorp and Idaho Power coming to an  
5 agreement regarding common planned closure dates for the two Jim Bridger plant units. While  
6 PacifiCorp and Idaho Power will be discussing this issue and may make a determination  
7 regarding Unit 1 by the end of 2021, it is unlikely that the owners will be able to reach such an  
8 agreement prior to the required filing deadline for the upcoming 2021 TAM filing. Until such an  
9 agreement is reached, any updates to the Jim Bridger fuel plan would not have sufficient  
10 certainty to provide useful information for the Commission.

11 **B. PacifiCorp’s proposed testimony and Commissioner Workshop will be a better**  
12 **means to provide information on Jim Bridger’s fueling arrangements.**

13 PacifiCorp proposes the 2020 TAM order be amended so that PacifiCorp will provide  
14 testimony in the 2021 TAM on how PacifiCorp is planning ahead for flexible fuel arrangements  
15 to avoid minimum take penalties in light of the earlier end-of-life dates. This testimony would  
16 be provided in place of requiring the company to update the Jim Bridger fuel plan in its 2021  
17 TAM filing. In order to ensure that PacifiCorp provides the most relevant information and  
18 answers the Commissioner’s questions, PacifiCorp would also propose to hold a Commissioner  
19 workshop after filing the 2021 TAM. At this workshop PacifiCorp would provide information  
20 and context on minimum take penalties in general, and specifically discuss the flexibility of the  
21 fueling arrangements with the company-owned and third-party coal suppliers for the Jim Bridger  
22 plant in light of the earlier end-of-life dates for Unit 1 and Unit 2. This proposal will allow  
23 PacifiCorp to provide the Commission with more complete information related to the concerns

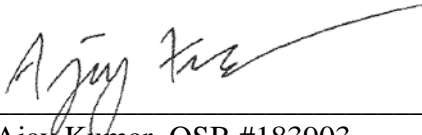
1 expressed in the 2020 TAM order. This is a better means for providing this information because  
2 an updated fuel plan most likely will not provide the detail and information around minimum  
3 take penalties, and how the fueling strategy will be used to provide the maximum flexibility for  
4 PacifiCorp and its customers.

5 **CONCLUSION**

6 For the reasons described in this motion, PacifiCorp respectfully requests the  
7 Commission adopt the modifications to Order No. 19-351 proposed in this filing to provide the  
8 Commission with the information requested regarding Jim Bridger without updating the Jim  
9 Bridger fuel plan.

Respectfully submitted this 27<sup>th</sup> day of December, 2019.

By:



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