

January 28, 2022

***VIA ELECTRONIC MAIL***

**RE: Docket UE 390  
2023 Transition Adjustment Mechanism – PacifiCorp’s Notice of Methodology  
Changes**

Under the Transition Adjustment Mechanism (TAM) Guidelines, PacifiCorp d/b/a Pacific Power provides this Notice of Methodology Changes for the 2023 TAM. This notice complies with an amendment to the TAM Guidelines adopted by the Public Utility Commission of Oregon (Commission) in Order No. 09-432. This amendment provides that “[t]he Company will provide notice of substantial changes to the methodologies used to calculate the cost elements and other inputs to the Aurora model or to the logic of the Aurora model by March 1<sup>st</sup> of the year of a stand-alone TAM filing.”<sup>1</sup> Consistent with Order No. 21-379, PacifiCorp will be filing the TAM on March 1, 2022. As a result, the company is providing this notice to comply with the pre-filing review requirement and the methodology change notice requirement on January 28, 2022.

PacifiCorp provides notice of the following planned changes to the 2023 TAM:

- The Aurora optimization model will replace the GRID<sup>2</sup> model for evaluating Net Power Costs
- Wholesale sales market caps will be based on the four-year historical average of short-term firm, balancing and spot, differentiated by on- and off-peak hours. This was completed consistent with the Commission’s continued review of this issued as identified in Order No. 21-379.<sup>3</sup>
- The day-ahead real-time price adder will be changed to a percentage of market prices
- The regulating reserve requirement will be updated to reflect higher reliability and resource adequacy standards consistent with the company’s 2021 integrated resource plan.
- The trapped energy revenue will be updated to more accurately reflect its value.
- The planned maintenance outages will be based on the Company’s budgeted outage plan.

---

<sup>1</sup> *In the Matter of PacifiCorp d/b/a Pacific Power 2010 Transition Adjustment Mechanism*, Docket UE-207, Order No. 09-432, Appendix A at 4-5 (Oct. 30, 2009).

<sup>2</sup> Generation and Regulation Initiative Decision Tools model.

<sup>3</sup> *In the Matter of PacifiCorp d/b/a Pacific Power 2022 Transition Adjustment Mechanism*, Docket UE 390, Order No. 21-379 at 28 (Nov. 1, 2021).

Public Utility Commission of Oregon

January 28, 2022

Page 2

Please direct any questions regarding this notice to Cathie Allen, regulatory affairs manager at 503-813-5934.

Sincerely,

A handwritten signature in blue ink that reads "Shelley McCoy". The signature is written in a cursive, flowing style.

Shelley McCoy  
Director, Regulation

cc: UE 390 Service List