PACIFIC POWER
A DIVISION OF PACIFICORP

825 NE Multnomah, Suite 2000
Portland, Oregon 97232

July 9, 2020

VIA ELECTRONIC FILING

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

Re: UE 374—PacifiCorp Errata Filing

PacifiCorp d/b/a Pacific Power (PacifiCorp or the Company) hereby submits the attached Errata to the Reply Testimony (PAC/2300) of Mr. Rick T. Link in the above-referenced docket.

Following review of a recent data request, the Company determined that certain statements made in Mr. Link's testimony needed to be corrected. This Errata corrects Mr. Link's testimony on page Link/15, line 21 and Link/16, lines 1 and 2, related to the 2013 Integrated Resource Plan analysis regarding early retirement of Jim Bridger Unit 3 and Unit 4. For convenience, both a red-line and clean version of the corrected testimony are enclosed.

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

Sincerely,

Michael Wilding
Director, Net Power Costs and Regulatory Policy

Enclosure

ERRATA
Docket No. UE 374
Exhibit PAC/2300
Witness: Rick T. Link

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

PACIFICORP

ERRATA
Reply Testimony of Rick T. Link

July 2020

units. The Company's modeling showed that retirement in 2015 and 2016 was the least economic option available and therefore it would have been imprudent to risk such an outcome in pursuit of a regulatory outcome that was unlikely to be successful.

Q. AWEC argues that the Company should have also analyzed a scenario that that assumed Units 3 and 4 were retired in 2024 and 2025, respectively, while CUB argues that the Company should have also analyzed retirement in 2023 and 2024, respectively or natural gas conversion in 2024 and 2025.[13] Why did you not perform this analysis?

A. As discussed above, those were not realistic compliance scenarios given the time constraints applicable to Units 3 and 4. Even if economic modeling would have shown that those were potentially lower cost options, if the Company could not achieve those outcomes in the real world then the modeling is irrelevant to the underlying decision-making process.

Q. CUB claims that the Company never "seriously" considered retiring Units 3 and 4 early instead of installing SCRs.[14] Do you agree?

A. No. CUB claims that the Company did not analyze early retirement in 2023 and 2024 before applying for a CPCN in Wyoming and therefore the decision to invest in the SCRs was made without having performed that analysis. But the 2013 IRP analysis did consider early retirement in 2020 and 2021 and the SCRs remained the least cost alternative. ~~As explained in my direct testimony,[15] w~~When the SO model was forced

[13] AWEC/300, Kaufman/38; CUB/100, Jenks/13-14.
[14] CUB/100, Jenks/13-14.
~~[15] PAC/700, Link/109-110.~~

to retire Units 3 and 4 ~~early~~in 2020 and 2021, ~~the model added a new natural gas resource in 2017, which caused~~ the PVRR(d) was ~~to be~~ $174~~588~~ million in favor of the SCRs.

Q. Staff also claims that the Company "should at least have analyzed" potential transmission system benefits associated with retiring Units 3 and 4 "to provide the Commission with more information regarding the least-cost option."[16] Is this a fair criticism?

A. No, because Staff ignores the analysis the Company provided on this point. As Staff points out, Sierra Club raised this issue in the 2013 IRP. Sierra Club also raised this issue in the Utah and Wyoming pre-approval cases, where it argued that Energy Gateway transmission costs should be considered a benefit to early retirement outcomes. As background, the Company's scenario analysis assumed in all cases that all segments of the Energy Gateway project would be implemented. In response to Sierra Club's concern, the Company conducted a sensitivity study that removed the Energy Gateway transmission investments and Wyoming wind resources that were able to interconnect because of Energy Gateway from both the SCR and gas conversion alternative model runs. The sensitivity resulted in a PVRR(d) of $230 million favorable to the SCR. The Company included this sensitivity analysis in both its Utah and Wyoming approval cases. The Utah commission found that the "Company's sensitivity case which retires Bridger Units 3 and 4 and cancels certain Energy Gateway transmission investment, and consequential wind resource

[16] Staff/700, Soldavini/48.

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A. No. CUB claims that the Company did not analyze early retirement in 2023 and 2024 before applying for a CPCN in Wyoming and therefore the decision to invest in the SCRs was made without having performed that analysis. But the 2013 IRP analysis did consider early retirement in 2020 and 2021 and the SCRs remained the least cost alternative. When the SO model was forced to retire Units 3 and 4 in 2020 and 2021, the PVRR(d) was $174 million in favor of the SCRs.

[13] AWEC/300, Kaufman/38; CUB/100, Jenks/13-14.
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[16] Staff/700, Soldavini/48.
[17] *In the Matter of the Voluntary Request of Rocky Mountain Power for Approval of Resource Decision to Construct Selective Catalytic Reduction Systems on Jim Bridger Units 3 and 4,* Utah PSC Docket No. 12-035-092, Redacted Report and Order at 30 (May 10, 2013) (hereinafter Utah SCR Order).