



825 NE Multnomah Street, Suite 2000  
Portland, Oregon 97232

April 12, 2023

***VIA ELECTRONIC FILING***

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

**Re: UM 1050—PacifiCorp’s Motion to Amend Order No. 20-024 and Extend the 2020 Protocol**

PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) submits for filing its Motion to amend Order No. 20-024 and allow for the extension of the 2020 Inter-Jurisdictional Allocation Protocol (2020 Protocol) from December 31, 2023, to December 31, 2025.

Please direct informal correspondence and questions regarding this filing to Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

Sincerely,

Matthew McVee  
Vice President, Regulatory Policy and Operations

Enclosures

Cc: UM 1050 Service List

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1050**

In the Matter of

PACIFICORP, dba PACIFIC POWER,

Request to Initiate an Investigation of  
Multi-Jurisdictional Issues and Approve an  
Inter-Jurisdictional Cost Allocation Protocol.

**MOTION TO AMEND  
ORDER NO. 20-024 AND  
EXTEND THE 2020 PROTOCOL**

PacifiCorp, d/b/a Pacific Power (PacifiCorp or Company), files this Motion (Motion) under ORS §756.568 to amend Order No. 20-024 and allow for the extension of the 2020 Inter-Jurisdictional Allocation Protocol (2020 Protocol) from December 31, 2023, to December 31, 2025. Order No. 20-024 approved the use of the 2020 Protocol as PacifiCorp’s inter-jurisdictional allocation methodology. Since that time, PacifiCorp has been working with the signatories of the 2020 Protocol (Framework Issues Workgroup) to develop the successor to the 2020 Protocol. Negotiations on developing the successor to the 2020 Protocol are continuing, but the Framework Issues Workgroup needs additional time to develop the issues and negotiate the next allocation methodology. As a result, stakeholders have executed the First Amendment and Extension (First Amendment) to the 2020 Protocol. The First Amendment will ensure PacifiCorp has an approved inter-jurisdictional allocation methodology until December 31, 2025.<sup>1</sup> PacifiCorp respectfully requests the approval of the Public Utility Commission of Oregon (Commission) of the First Amendment.

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<sup>1</sup> The First Amendment is included as Attachment A to this Motion.

## I. BACKGROUND

PacifiCorp provides retail electric service to more than 2.0 million customers in Oregon and five other western states. PacifiCorp owns substantial generation, transmission, and distribution facilities. Augmented with wholesale power purchases and long-term transmission contracts, these facilities operate as a single system on an integrated basis to provide service to all customers in a cost-effective manner. PacifiCorp recovers costs of owning and operating its generation, transmission, and distribution system in retail prices established in state regulatory proceedings.

In such state regulatory proceedings, it is customary to first determine what assets are used and useful in providing service to customers and the prudence of associated costs to be included in the Company's revenue requirement in the state conducting the proceeding. Because the Company's generation and transmission resources and other common or general functions are deemed to be used to serve the Company's customers in all of its state jurisdictions, it is necessary to determine what portion of these costs should be allocated to customers in the state for which prices are being established. If different state commissions make different decisions regarding what resources should be included in PacifiCorp's rates or if different state commissions adopt different policies for allocating the costs of resources among states, the Company may not be afforded a reasonable opportunity to recover its full cost of providing electric service.

Each of PacifiCorp's state regulatory commissions has the ability to pursue policies

that it believes are in the public interest in its state. It is also important, however, for PacifiCorp to be able to make business decisions in an environment where differing state policies do not result in preemptively denying the Company a reasonable opportunity to recover its prudently incurred costs. This would create a disincentive for PacifiCorp to invest in its system. As a result, PacifiCorp uses an inter-jurisdictional allocation methodology to allocate costs. The current methodology is the 2020 Protocol.

Negotiations on the 2020 Protocol began in 2017, and an agreement was executed by stakeholders in November of 2019. The 2020 Protocol was approved by the Commission on January 23, 2020, through Order No. 20-024. The 2020 Protocol was designed as a temporary cost allocation methodology scheduled to expire on December 31, 2023. Through the negotiations leading up to the 2020 Protocol, the Multi-State Process Workgroup also worked on a more durable allocation methodology that would allow for greater flexibility among the states to integrate state energy policies while maintaining the benefits of operating as a single system.

The 2020 Protocol has four main sections: the Interim Allocation Methodology and three sections that detail categories of issues for the development of a future allocation methodology. Those three categories are: Implemented Issues, Resolved Issues, and Framework Issues.

After the execution of the 2020 Protocol, the Framework Issues Workgroup began investigating and working through the Framework Issues to develop the successor to the

2020 Protocol. PacifiCorp and the Framework Issues Workgroup have been discussing and considering those issues in meetings every other month. These negotiations are confidential as the meetings involve analysis of proprietary company information and also promote the free-flow of discussion and compromise among stakeholders.

### **III. DISCUSSION**

#### **A. The Need for an Extension to the 2020 Protocol**

As the negotiations to develop a successor to the 2020 Protocol have progressed, new regulatory actions from federal agencies, along with operational and market considerations, have impacted negotiations in the Framework Issues Workgroup. Specifically, new federal legislation and environmental rule changes are expected to impact the costs and benefits of PacifiCorp's generation fleet. At the same time, the Parties began considering alternative resource allocation methodologies, and the Parties would like to continue to explore these options. As a result, the Parties are requesting a two-year extension to the 2020 Protocol. Included as Attachment B to this motion is a report developed by the Company that provides an update on the status of these discussions and an explanation of the key provisions that amend the 2020 Protocol. The First Amendment has been executed by all of the Oregon stakeholders that are signatories to the 2020 Protocol. These stakeholders are the Staff of the Oregon Public Utility Commission, the Oregon Citizens' Utility Board, the Alliance of Western Energy Consumers, and Sierra Club.

#### **B. Proposed Commission Process**

The 2020 Protocol and the First Amendment have been developed and negotiated by

the Parties as an integrated, interdependent whole. Support by any Party of the 2020 Protocol and the First Amendment is expressly conditioned upon approval without material alteration of the 2020 Protocol or First Amendment by all commissions in the states that PacifiCorp has sought approval. The Parties recommend that the Commission approve the First Amendment to the 2020 Protocol and that the approval be conditioned on the other commissions approving the First Amendment to the 2020 Protocol without change.

PacifiCorp respectfully requests that the Commission approve the extension of the 2020 Protocol for inter-jurisdictional cost-allocation purposes effective January 1, 2024. The company also proposes that within 30 days of receipt of the Motion, the Commission establish a schedule for this proceeding.

#### **IV. REQUEST FOR RELIEF**

For the reasons described above and in the attachments supporting this Motion, PacifiCorp respectfully requests that the Commission issue an order approving the First Amendment to the 2020 Protocol.

Respectfully submitted this 12<sup>th</sup> day of April, 2023.

By:



\_\_\_\_\_  
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Assistant General Counsel  
Phone: (503) 813-5161  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
Email: [ajay.kumar@pacificorp.com](mailto:ajay.kumar@pacificorp.com)

*Attorney for PacifiCorp*

# **Attachment A**

## First Amendment and Extension to the 2020 PacifiCorp Inter-Jurisdictional Allocation Protocol

### 1 1. Introduction

2 On November 22, 2019, the 2020 PacifiCorp Inter-Jurisdictional Allocation Protocol  
 3 Agreement (the “2020 Protocol” or this “Agreement”) was executed. The 2020 Protocol reflects  
 4 the agreement among PacifiCorp (or the “Company”), state regulatory agencies, customers,  
 5 consumer advocates, conservation organizations, and other interested parties from California,  
 6 Idaho, Oregon, Utah, Washington, and Wyoming (collectively referred to as the “States” or  
 7 individually as a “State”) who have executed this Agreement (collectively referred to as the  
 8 “Parties” or individually as a “Party”) on an interim allocation and assignment method and a  
 9 process for determining a long-term replacement of existing inter-jurisdictional allocation and  
 10 assignment methodologies. The 2020 Protocol was approved and adopted by the Commissions<sup>1</sup> as  
 11 identified in Table 1 below.

State	Docket Number	Order Date
California	A.22-05-006	TBD <sup>2</sup>
Idaho	PAC-E-19-20	April 22, 2020
Oregon	UM 1050	January 23, 2020
Utah	19-035-42	April 15, 2020
Washington	UE-191024	December 14, 2020
Wyoming	20000-572-EA-19 (Record 15400)	December 3, 2020

12 The 2020 Protocol defined certain unresolved issues as “Framework Issues”<sup>3</sup> and established a  
 13 “Framework Issues Workgroup”<sup>4</sup> to address these unresolved issues. The Parties have engaged in  
 14 negotiations of the Framework Issues under the Framework Issues Workgroup. As these

<sup>1</sup> Capitalized terms in this First Amendment and Extension continue to be defined consistent with the definitions identified in the 2020 Protocol.

<sup>2</sup> PacifiCorp has requested approval of the 2020 Protocol in the most recent ongoing general rate case and an order has yet to be issued.

<sup>3</sup> 2020 Protocol at 38:794-43:913.

<sup>4</sup> 2020 Protocol at 44:926-929.



15 discussions have progressed, new regulatory actions from federal agencies, along with operational  
16 and market considerations, have impacted discussions in the Framework Issues Workgroup. These  
17 events have resulted in the consideration of alternative resource allocation methods, and the Parties  
18 would like to continue to explore these options. As a result, the Parties have agreed to amend and  
19 extend the 2020 Protocol an additional two years to resolve the outstanding Framework Issues and  
20 finalize a Post-Interim Period Method that can be presented to the Commissions for approval. This  
21 amendment is not a new inter-jurisdictional protocol, it simply presents the necessary changes to  
22 extend the existing 2020 Protocol.

23         The Parties have entered into this First Amendment and Extension to the 2020 Protocol  
24 (“First Amendment”). The modifications to the 2020 Protocol that are necessary to implement  
25 these changes are identified below. Consistent with section 8.4 of the 2020 Protocol, the First  
26 Amendment has been submitted to, discussed, and agreed to by the Parties participating in the  
27 Framework Issues Workgroup. Unless modified in the manner identified below, the provisions of  
28 the 2020 Protocol remain in force and will continue in effect for the extended duration of this  
29 agreement until December 31, 2025.

30 **2. Modifications to the 2020 Protocol**

31 **2.1. Extension of the Agreement**

32         As identified in Section 1, 2.1, and 2.2.1 (lines 21, 94, 103, 105, and 106), the termination  
33 date of the Interim Period will be extended from December 31, 2023 to December 31, 2025. The  
34 date, December 31, 2023, located in footnote 3, page 5 shall also be revised to be December 31,  
35 2025.

36 **2.2. Clarification on Oregon Exit Dates**

37         In section 4.1.3.2, a clarification will apply to Jim Bridger Units 1 and 2. For Jim Bridger

38 Unit 1, the 2020 Protocol will note that “Based on the settlement reached and adopted in Docket  
39 No. UE 399 in Oregon, this Exit Order only applies to Jim Bridger 1 as a coal-fired Unit.<sup>5</sup> To the  
40 extent that Jim Bridger Unit 1 is not converted to natural gas, PacifiCorp will make appropriate  
41 filings in Oregon to change the date of the Exit Order.” For Jim Bridger Unit 2, the 2020  
42 Protocol will note that “PacifiCorp did not seek an Exit Order for Jim Bridger Unit 2 because of  
43 the anticipated conversion to natural gas.” Section 4.1.3.3. shall be amended to revise the date  
44 located on line 458 from December 31, 2023, to December 31, 2025. Section 4.2.2 shall be  
45 amended to revise the dates located on lines 503-504 from June 30, 2024, and December 31,  
46 2023, to June 30, 2026, and December 31, 2025.

47 **2.3. Changes to Appendix C**


48 The Division Generation – Utah Factor located on page 5 of Appendix C shall be  
49 modified to note that after the Interim Period, the factor is fixed by the average of the four-year  
50 historical value immediately preceding the end of the Interim Period.

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<sup>5</sup> *In the Matter of PacifiCorp, d/b/a Pacific Power, Request for a General Rate Revision*, Docket No. UE 399, Order No. 22-491 (Dec. 16, 2022).


51 **3. Signatures of the Parties to the First Amendment and Extension to the 2020 Protocol**

52 This First Amendment and Extension to the 2020 Protocol is entered into by each Party on  
53 the date entered below such Party's signature.

<p>PACIFICORP</p> <p>By: <u></u></p> <p>Title: <u>Senior Vice President, Regulation and Customer/Community Solutions</u></p> <p>Date: <u>Mar 31, 2023</u></p>	<p>ALLIANCE OF WESTERN ENERGY CONSUMERS</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>IDAHO CONSERVATION LEAGUE</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>IDAHO PUBLIC UTILITIES COMMISSION STAFF</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>IDAHO IRRIGATION PUMPERS ASSOCIATION</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>INTERWEST ENERGY ALLIANCE</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>

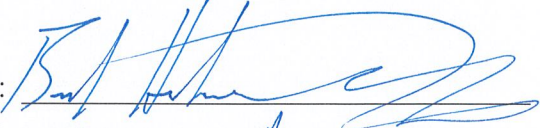
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<p>PACIFICORP</p> <p>By: _____</p> <p>Senior Vice President, Regulation Title: <u>and Customer/Community Solutions</u></p> <p>Date: _____</p>	<p>ALLIANCE OF WESTERN ENERGY CONSUMERS</p> <p>By: <u></u></p> <p>Title: <u>Counsel - AWE C</u></p> <p>Date: <u>3/27/23</u></p>
<p>IDAHO CONSERVATION LEAGUE</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>IDAHO PUBLIC UTILITIES COMMISSION STAFF</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>IDAHO IRRIGATION PUMPERS ASSOCIATION</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>INTERWEST ENERGY ALLIANCE</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>

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<p>IDAHO CONSERVATION LEAGUE</p> <p>By: </p> <p>Title: <u>Energy Associate</u></p> <p>Date: <u>MARCH 27, 2023</u></p>	<p>IDAHO PUBLIC UTILITIES COMMISSION STAFF</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>IDAHO IRRIGATION PUMPERS ASSOCIATION</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>INTERWEST ENERGY ALLIANCE</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>

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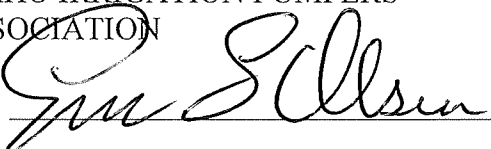
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<p>IDAHO CONSERVATION LEAGUE</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>IDAHO PUBLIC UTILITIES COMMISSION STAFF</p> <p>By: <u>Jeri Carlock</u></p> <p>Title: <u>Administrator Utilities Division</u></p> <p>Date: <u>March 27, 2023</u></p>
<p>IDAHO IRRIGATION PUMPERS ASSOCIATION</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>INTERWEST ENERGY ALLIANCE</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>

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<p>IDAHO CONSERVATION LEAGUE</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>IDAHO PUBLIC UTILITIES COMMISSION STAFF</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>IDAHO IRRIGATION PUMPERS ASSOCIATION</p> <p>By: <u></u></p> <p>Title: <u>Attorney</u></p> <p>Date: <u>4/11/23</u></p>	<p>INTERWEST ENERGY ALLIANCE</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>

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<p>IDAHO IRRIGATION PUMPERS ASSOCIATION</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>INTERWEST ENERGY ALLIANCE</p> <p align="center"></p> <p>By: _____</p> <p>Title: Executive Director</p> <p>Date: March 31, 2023</p>



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<p>P4 Production, L.L.C</p> <p>By: <u>Brad Oxenbale</u></p> <p>Title: <u>SITE LEADER</u></p> <p>Date: <u>4/1/23</u></p>	<p>NORTHWEST &amp; INTERMOUNTAIN POWER PRODUCERS</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>NORTHWEST ENERGY COALITION</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>NUCOR</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>OREGON CITIZENS' UTILITY BOARD</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>OREGON PUBLIC UTILITY COMMISSION STAFF</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>PACIFICORP IDAHO INDUSTRIAL CUSTOMERS</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>PACKAGING CORPORATION OF AMERICA</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>

**FINAL EXECUTION VERSION**

<p>MONSANTO COMPANY</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>NORTHWEST &amp; INTERMOUNTAIN POWER PRODUCERS</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>NORTHWEST ENERGY COALITION</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>NUCOR</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>OREGON CITIZENS' UTILITY BOARD</p> <p>By: <u></u></p> <p>Title: <u>General Counsel</u></p> <p>Date: <u>3/27/2023</u></p>	<p>OREGON PUBLIC UTILITY COMMISSION STAFF</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>PACIFICORP IDAHO INDUSTRIAL CUSTOMERS</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>PACKAGING CORPORATION OF AMERICA</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>

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<p>OREGON CITIZENS' UTILITY BOARD</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>OREGON PUBLIC UTILITY COMMISSION STAFF</p> <p>By: <u>Stephanie Andrus</u></p> <p>Title: <u>Sr. Assistant Attorney General</u></p> <p>Date: <u>March 27, 2023</u></p>
<p>PACIFICORP IDAHO INDUSTRIAL CUSTOMERS</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>PACKAGING CORPORATION OF AMERICA</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>

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<p>PACIFICORP IDAHO INDUSTRIAL CUSTOMERS</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>PACKAGING CORPORATION OF AMERICA</p> <p>By: <u>Tyler Pepple</u></p> <p>Title: <u>Attorney</u></p> <p>Date: <u>3/24/23</u></p>

FINAL EXECUTION VERSION

<p>POWDER RIVER BASIN RESOURCE COUNCIL</p> <p>By: <u>Shannon KA</u></p> <p>Title: <u>Staff Attorney</u></p> <p>Date: <u>3/24/23</u></p>	<p>RENEWABLE NORTHWEST</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>SIERRA CLUB</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>UTAH ASSOCIATION OF ENERGY USERS</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>UTAH CLEAN ENERGY</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>UTAH DIVISION OF PUBLIC UTILITIES</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>UTAH INDUSTRIAL ENERGY CONSUMERS</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>UTAH OFFICE OF CONSUMER SERVICES</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>

**FINAL EXECUTION VERSION**

<p>POWDER RIVER BASIN RESOURCE COUNCIL</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>RENEWABLE NORTHWEST</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>SIERRA CLUB</p> <p>By: <u>RM</u> _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>UTAH ASSOCIATION OF ENERGY USERS</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>UTAH CLEAN ENERGY</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>UTAH DIVISION OF PUBLIC UTILITIES</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>UTAH INDUSTRIAL ENERGY CONSUMERS</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>UTAH OFFICE OF CONSUMER SERVICES</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>

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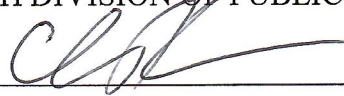
<p>POWDER RIVER BASIN RESOURCE COUNCIL</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>RENEWABLE NORTHWEST</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>SIERRA CLUB</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>UTAH ASSOCIATION OF ENERGY USERS</p> <p><i>Priscilla J. Russell</i></p> <p>By: _____</p> <p>Title: <u>Attorney</u></p> <p>Date: <u>March 22, 2023</u></p>
<p>UTAH CLEAN ENERGY</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>UTAH DIVISION OF PUBLIC UTILITIES</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>UTAH INDUSTRIAL ENERGY CONSUMERS</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>UTAH OFFICE OF CONSUMER SERVICES</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>

FINAL EXECUTION VERSION

<p>POWDER RIVER BASIN RESOURCE COUNCIL</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>RENEWABLE NORTHWEST</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>SIERRA CLUB</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>UTAH ASSOCIATION OF ENERGY USERS</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>UTAH CLEAN ENERGY</p> <p>By: <i>Sarah W. A.</i></p> <p>Title: <i>Chief Executive Officer</i></p> <p>Date: <i>3-28-2023</i></p>	<p>UTAH DIVISION OF PUBLIC UTILITIES</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>UTAH INDUSTRIAL ENERGY CONSUMERS</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>UTAH OFFICE OF CONSUMER SERVICES</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>




FINAL EXECUTION VERSION

<p>POWDER RIVER BASIN RESOURCE COUNCIL</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>RENEWABLE NORTHWEST</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>SIERRA CLUB</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>UTAH ASSOCIATION OF ENERGY USERS</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>UTAH CLEAN ENERGY</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>UTAH DIVISION OF PUBLIC UTILITIES</p> <p>By:  _____</p> <p>Title: <u>DIRECTOR</u></p> <p>Date: <u>3/27/23</u></p>
<p>UTAH INDUSTRIAL ENERGY CONSUMERS</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>UTAH OFFICE OF CONSUMER SERVICES</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>


FINAL EXECUTION VERSION

Title: _____ Date: _____	Title: _____ Date: _____
SIERRA CLUB By: _____ Title: _____ Date: _____	UTAH ASSOCIATION OF ENERGY USERS By: _____ Title: _____ Date: _____
UTAH CLEAN ENERGY By: _____ Title: _____ Date: _____	UTAH DIVISION OF PUBLIC UTILITIES By: _____ Title: _____ Date: _____
UTAH INDUSTRIAL ENERGY CONSUMERS By: _____ Title: _____ Date: _____	UTAH OFFICE OF CONSUMER SERVICES By: <u>Wadeen Seena</u> Title: <u>Director</u> Date: <u>3-28-23</u>
VOTE SOLAR By: _____ Title: _____ Date: _____	WASHINGTON PUBLIC COUNSEL By: _____ Title: _____ Date: _____

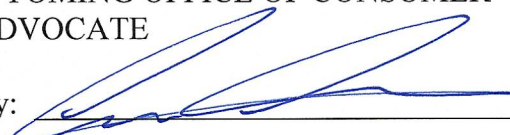
**FINAL EXECUTION VERSION**

<p>VOTE SOLAR</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>WASHINGTON PUBLIC COUNSEL</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>WASHINGTON UTILITIES &amp; TRANSPORTATION COMMISSION STAFF</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>WESTERN RESOURCE ADVOCATES</p> <p>By:  _____</p> <p>Title: <u>Sophie Hayes, Senior Staff Attorney</u></p> <p>Date: <u>March 21, 2023</u></p>
<p>WOLVERINE FUELS</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>WYOMING INDUSTRIAL ENERGY CONSUMERS</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>WYOMING OFFICE OF CONSUMER ADVOCATE</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>WYOMING PUBLIC SERVICE COMMISSION STAFF</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>

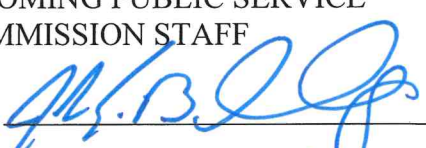
**FINAL EXECUTION VERSION**

<p>VOTE SOLAR</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>WASHINGTON PUBLIC COUNSEL</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>WASHINGTON UTILITIES &amp; TRANSPORTATION COMMISSION STAFF</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>WESTERN RESOURCE ADVOCATES</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>WOLVERINE FUELS</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>WYOMING INDUSTRIAL ENERGY CONSUMERS</p> <p>By:  _____</p> <p>Title: <u>Attorney</u></p> <p>Date: <u>March 24, 2023</u></p>
<p>WYOMING OFFICE OF CONSUMER ADVOCATE</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>WYOMING PUBLIC SERVICE COMMISSION STAFF</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>

FINAL EXECUTION VERSION

<p>VOTE SOLAR</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>WASHINGTON PUBLIC COUNSEL</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>WASHINGTON UTILITIES &amp; TRANSPORTATION COMMISSION STAFF</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>WESTERN RESOURCE ADVOCATES</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>WOLVERINE FUELS</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>WYOMING INDUSTRIAL ENERGY CONSUMERS</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>WYOMING OFFICE OF CONSUMER ADVOCATE</p> <p>By:  _____</p> <p>Title: <u>ADMINISTRATOR</u></p> <p>Date: <u>3/27/2023</u></p>	<p>WYOMING PUBLIC SERVICE COMMISSION STAFF</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>

FINAL EXECUTION VERSION

<p>VOTE SOLAR</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>WASHINGTON PUBLIC COUNSEL</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>WASHINGTON UTILITIES &amp; TRANSPORTATION COMMISSION STAFF</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>WESTERN RESOURCE ADVOCATES</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>WOLVERINE FUELS</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>WYOMING INDUSTRIAL ENERGY CONSUMERS</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>
<p>WYOMING OFFICE OF CONSUMER ADVOCATE</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p>	<p>WYOMING PUBLIC SERVICE COMMISSION STAFF</p> <p>By:  _____</p> <p>Title: <i>Secretary &amp; Chief Counsel</i> _____</p> <p>Date: <i>3.31.2023</i> _____</p>

## **Attachment B**

# PacifiCorp Report on the First Amendment and Extension of the 2020 Protocol

## Background:

PacifiCorp (or the Company) is a multi-jurisdictional electric utility operating in six states: California, Idaho, Oregon, Utah, Washington, and Wyoming. PacifiCorp serves its customers in all six of these states as a single system, and can access resources across the West and multiple trading hubs to minimize off-system wheeling costs to provide value to our customers. To maximize these system efficiencies, however, a single agreement must govern the allocation of the costs and benefits of shared generation and transmission resources among the states to realize the benefits of planning and operating as one system. PacifiCorp utilizes an inter-jurisdictional cost allocation methodology to allocate these system costs and benefits. This methodology is negotiated among a diverse array of stakeholders representing interests in PacifiCorp's service territory. The currently approved methodology is the 2020 PacifiCorp Inter-Jurisdictional Allocation Protocol (2020 Protocol).

The 2020 Protocol was executed by stakeholders in November of 2019. Through the negotiations leading to the 2020 Protocol, the Multi-State Process Workgroup worked on a more durable allocation methodology that would allow for greater flexibility among the states to integrate state energy policies while maintaining the benefits of operating as a single system. During the negotiations for the 2020 Protocol, the Company and stakeholders investigated many approaches to address divergent state interests including:

- Restructuring PacifiCorp through a legal separation
- One-time Reassignment of all coal generation resources
- Limited Realignment of resources to address individual states
- Alternatives proposed by parties such as green tariffs or east-side assignment of all coal assets
- Phased-in approaches to assigning existing generation resources

The result of the negotiations was the 2020 Protocol. The 2020 Protocol was designed as a temporary cost allocation methodology that would expire on December 31, 2023, and it has four main sections: the Interim Allocation Methodology and three sections that detail categories of issues for the development of a future allocation methodology. Those three categories are: Implemented Issues, Resolved Issues, and Framework Issues. The Implemented Issues are matters to be implemented during the Interim Period and cover the following topics:

- The process for states' decisions to exclude costs and benefits of coal-fueled resources from their respective retail rates (*i.e.*, exit);
- The Reassignment of coal-fueled resources through an approval process;
- Decommissioning costs; and
- Power Purchase Agreements with Qualifying Facilities.



Resolved Issues are issues that were agreed to and were expected to be implemented as part of the new allocation methodology. These include:

- Allocation of generation costs;
- Assignment of costs of new resources;
- Transmission costs;
- System overhead costs; and
- Allocation of distribution resources, demand-side management programs, and state-specific initiatives.

Framework Issues are issues actively being discussed by the Framework Issues Workgroup, a workgroup consisting of all signatories to the 2020 Protocol. These include:

- Resource planning and new resource assignment;
- Net Power Costs (NPC)/Nodal Pricing Model (NPM);
- Special contracts with large industrial customers;
- Limited Realignment; and
- Allocation and recovery of Post-Interim Period capital additions to coal-fueled generation resources.

After the execution of the 2020 Protocol, the Framework Issues Workgroup began investigating and working through the Framework Issues to develop the successor to the 2020 Protocol (identified as the Post-Interim Protocol Methodology). The Framework Issues Workgroup has been discussing and considering those issues in meetings every other month. These negotiations are confidential as the meetings involve analysis of proprietary company information and also promote the free-flow of discussion and compromise among stakeholders. As these discussions have progressed, new regulatory actions from federal agencies, along with operational and market considerations are impacting the costs and benefits of PacifiCorp's generation fleet. At the same time, the Framework Issues Workgroup has identified potential alternative resource allocation methodologies, and the Parties would like to continue to explore these options. As a result, the Parties are requesting a two-year extension to the 2020 Protocol, and this report provides an update on the status of these discussions and an explanation of the key provisions that amend the 2020 Protocol.

### **Update on the Current Status of Negotiations:**

This update represents the current status of negotiations and updates, but does not represent any agreed upon positions. The proposals that are discussed in this report could change when presented for approval to the utility commissions in the six states where PacifiCorp serves retail customers. Additionally, the topics below do not represent every topic that has been discussed, but provide an overview and update on some of the progress that has been made. This report presents the Company's view of the current status of negotiations and does not necessarily reflect the positions or opinions of any other individual stakeholder in the process.

*The Move to a Partial Dynamic Allocation Methodology:*

The 2020 Protocol contemplated fixing the allocation factors for all of PacifiCorp's existing and future generation assets. However, as discussions progressed, some stakeholders expressed concerns that this could create disparities in the cost and type of resources used to serve customers based on when an individual state's resource need arose, and add unnecessary complexity to the resource procurement process. Currently, stakeholders have been evaluating a partial dynamic allocation methodology, in which future resources would fall into one of three categories: System resources (shared by all six states), partially shared resources (resources shared by fewer than six states), and state-specific or situs resources. The distinctions between these categories could be drawn by state specific depreciable lives, fuel type, or other manner. However, these distinctions would need to fairly allocate costs and benefits so as not to disadvantage some states over others and continue to ensure reliability of the system and load service. Based on these three categories, certain stakeholders proposed a process by which system and partially shared resources would remain dynamically allocated based on the loads in individual states. Under this approach, the allocation of shared system resources would dynamically change with each state's actual load in proportion to system load. This partial dynamic allocation concept is intended retain the ability for states to share the costs and benefits of resources, when possible. Certain stakeholders identified this as a method to smooth out the disparities in cost and type of resource used to serve customers that occur solely based on the timing of an individual state's resource need. The Company and stakeholders are continuing to analyze data about various options and evaluating how such a methodology would be structured.

Under this potential allocation methodology, it is contemplated that PacifiCorp will continue to maintain a long-term resource planning approach that optimizes PacifiCorp's system for customers and the region. Planning would also incorporate analysis of customer choice initiatives, specific resource requirements, and state-specific policies and compliance to meet the needs and policies of all states.

*Extended Day-Ahead Market (EDAM) and the NPM:*

The NPM is a potential allocation methodology to be used for the inter-jurisdictional allocation of NPC that has been proposed by the Company, and is included as a Framework Issue in the 2020 Protocol. The 2020 Protocol defines the NPM as "a method for pricing electricity proposed by the Company that is based on the marginal cost (\$/MWh) of serving the next increment of demand at a given pricing node consistent with existing transmission constraints and the performance characteristics of resources." To have the information necessary (*i.e.*, day-ahead, hourly locational marginal price) to allocate actual NPC using the NPM, the Company contracted with the California Independent System Operator (CAISO) to receive optimized day-ahead advisory schedules that are used to inform the Company's day-ahead dispatch schedules. In other words, the NPM consists of two components: (1) the operational, "dispatch", or day-ahead schedules from the CAISO; and (2) the allocation methodology. In January of 2021, PacifiCorp began receiving the operational "dispatch" schedules from the CAISO and incorporating them into the dispatch process used by PacifiCorp's energy supply management team. Meanwhile, PacifiCorp has been using the information provided through that process to inform ongoing discussions for the allocation of NPC.

On December 7, 2022, PacifiCorp announced its plan to join the EDAM to be operated by the CAISO, which builds on the current Energy Imbalance Market. Much of the work that has been completed for the implementation of the NPM will be leveraged for entrance into the EDAM. Additionally, the implementation of the EDAM is expected to replace the NPM as the EDAM would provide the necessary settlement information to facilitate the net power cost allocation that was envisioned as part of the NPM. Stakeholders are in the process of evaluating how, or if, the EDAM might be used to allocate actual NPC.

*Limited Realignment:*

Stakeholders are still considering Limited Realignment as described in the 2020 Protocol. The Limited Realignment of certain thermal resources in Washington and Oregon rates could present an opportunity to support the policy objectives in those states. However, significant analysis and work remains to assess these options.

**Overview of the First Amendment and Extension to the 2020 Protocol:**

The First Amendment and Extension to the 2020 Protocol contains three substantive sections: the Extension of the Agreement, Updated Exit Order Dates, and certain changes to Appendix C.

*Extension of the Agreement:*

This section simply extends the sunset date of the agreement from December 31, 2023, to December 31, 2025. The Framework Issues Workgroup anticipates that a filing will be made in early to mid-2025 to ensure that a new allocation protocol is in place when this agreement expires.

*Updated Exit Order Dates:*

While not specifically addressed in this Amendment, there have been updates to certain common coal plant closure dates based on revised information regarding certain jointly owned plants. Many of the units that had been anticipated for state Exit and Reassignment in the Interim Period now have common closure dates. As a result, no Reassignment filings have been necessary to this point. Attached to this Report as Exhibit 1 is a revised table that provides PacifiCorp's latest information on depreciable lives, closure dates, and Exit order dates. Based on more recent economics and environmental requirements, the 2023 Integrated Resource Plan is evaluating other potential changes to current system resources, including closure or fuel conversion dates. Additionally, with regards to the Colstrip generating facility, PacifiCorp is in discussions with the joint owners to modify the participation agreement and exit the project on January 1, 2030. PacifiCorp will still remove all costs and benefits associated with coal-fired resources from Washington rates by December 31, 2025.<sup>1</sup> Once an agreement is reached through those discussions, PacifiCorp will work with Oregon parties to determine if any revisions to the Exit order are necessary.

Additionally, based on the settlement agreement that has been reached and adopted by the Public Utility Commission of Oregon in PacifiCorp's 2022 general rate case in Oregon (Docket UE 399), PacifiCorp has clarified that the Exit order for Jim Bridger Unit 1 only applies to that unit

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<sup>1</sup> See §7.2 of Appendix F of the 2020 Protocol; RCW 19.405.030.

as a coal-fired unit (and not as a gas-fired unit), and that PacifiCorp will not be seeking an exit order for Jim Bridger Unit 2 because of the anticipated conversion to natural gas. Finally, this section extends the dates for the Reassignment process for coal-fired units based on the overall extension of this agreement.

*Changes to Appendix C:*

This change updates the definition of the Division Generation – Utah Factor to revise the calculation of that factor so that it is no longer dependent on specific dates and can be appropriately calculated based on the extension of this agreement.

Exhibit 1 to the Report on the Amendment and Extension to the 2020 Protocol

Unit	2018 Depr Study Lives	OR Adj Life – 2018 Depr Study	2019 IRP Lives (P-45CNW)	2021 IRP Lives	OR Exit Dates	Capacities (MW)	Comments
Colstrip - 3	2027		2027	2025	2027	74	See Report
Colstrip - 4	2027		2027	2025	2027	74	See Report
Craig - 1	2025		2025	2025	2025	82	Common Closure
Craig - 2	2026		2026	2028	September 2028	79	Joint owner closure in Sept 2028
Dave Johnston - 1	2027		2027	2027	2027	93	Common Closure
Dave Johnston - 2	2027		2027	2027	2027	102	Common Closure
Dave Johnston - 3	2027		2027	2027	2027	220	Common Closure
Dave Johnston - 4	2027		2027	2027	2027	330	Common Closure
Hayden - 1	2030	2023	2030	2028	2028	44	Joint owner closure in 2028
Hayden - 2	2030	2023	2030	2027	2027	33	Joint owner closure in 2027
Hunter - 1	2042	2029	2042	2042		418	
Hunter - 2	2042	2029	2042	2042		269	
Hunter - 3	2042	2029	2042	2042		471	
Huntington - 1	2036	2029	2036	2036		459	
Huntington - 2	2036	2029	2036	2036		450	
Jim Bridger - 1	2028	2023	2023	2037	2023 (if coal)	354	Convert to gas in 2023
Jim Bridger - 2	2032	2025	2028	2037		359	Convert to gas in 2023
Jim Bridger - 3	2037	2025	2037	2037		349	
Jim Bridger - 4	2037	2025	2037	2037		351	
Naughton - 1	2029	2025	2025	2025	2025	156	Common Closure
Naughton - 2	2029	2025	2025	2025	2025	201	Common Closure
Wyodak - 1	2039	2029	2039	2039		266	