

January 17, 2023

VIA ELECTRONIC FILING

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

RE: PCN 5—PacifiCorp's Opening Testimony

PacifiCorp d/b/a Pacific Power encloses for filing its Opening Testimony in the above referenced docket.

If you have questions about this filing, please contact Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

Sincerely,

Matthew McVee

Vice President, Regulatory Policy and Operations

Enclosure

CERTIFICATE OF SERVICE

I certify that I delivered a true and correct copy of **PacifiCorp's Opening Testimony** on the parties listed below via electronic mail in compliance with OAR 860-001-0180.

Service List PCN 5

KAYE BISHOP FOSS 7JBLIVINGTRUST 774 PHEASANT RD ADRIAN, OR 97901 Onthehoof1@gmail.com JAMES FOSS 7JBLIVINGTRUST	MEG COOKE WHITETAIL FOREST LLV 1601 OAK ST LA GRANDE, OR 97850 meganlatebird@hotmail.com JASON GASKILL OWYHEE OASIS
774 PHEASANT RD ADRIAN, OR 97901 Onthehoof1@gmail.com SUSAN GEER	914 TUPELO DR NYSSA, OR 97913 jgaskill@providedholdings.capital
WHITETAIL FOREST LLC 906 OENN AVE LA GRANDE, OR 97850 susanmgeer@gmail.com	F STEVEN KNUDSON (C) FSK ENERGY 2015 SE SLAMON ST PORTLAND, OR 97214 sknudson@threeboys.com
GREG LARKIN (C) Larkingreg34@gmail.com	MARGIE MARIE LYON (C) 878 COYOTE GULCH RD ADRIAN, OR 97901 Marie.lyon@gmail.com
CARL MORTON MORTON CATTLE & HAY 1248 KLAMATH AVE NYSSA, OR 97913 cnjmorton@gmail.com	JULIE MORTON MORTON CATTLE & HAY 1248 KLAMATH AVE NYSSA, OR 97913 cnjmorton@gmail.com
SAM MYERS GENERATION FARM COMPANY Sam.myers84@gmail.com	SKYLAN MYERS GENERATION FARM COMPANY 68477 LITTLE BUTTE CREEK RD HEPPNER, OR 97836 myers.skylan@gmail.com
TIMOTHY PROESCH (C) OWYHEE OASIS 2104 OWYHEE LAKE ROAD NYSSA, OR 97913 owyheeoasis@gmail.com	JOHN WILLIAMS (USPS DELIVERY) PO BOX 1384 LA GRANDE, OR 97850

D. CITY CODD	
PACIFICORP	
PACIFICORP, DBA PACIFIC POWER	MATTHEW MCVEE (C)
825 NE MULTNOMAH ST, STE 2000	PACIFICORP
PORTLAND, OR 97232	825 NE MULTNOMAH ST, STE 2000
oregondockets@pacificorp.com	PORTLAND, OR 97232
	matthew.mcvee@pacificorp.com
CARLA SCARSELLA (C)	
PACIFICORP	
825 NE MULTNOMAH ST, STE 2000	
PORTLAND, OR 97232	
carla.scarsella@pacificorp.com	
STAFF	1
SUDESHNA PAL (C)(HC)	YASSIR RASHID (C)(HC)
PUBLIC UTILITY COMMISSION OF	PUBLIC UTILITY COMMISSION OF OREGON
OREGON	PO BOX 1088
PO BOX 1088	SALEM, OR 97308
SALEM, OR 97308	yassir.rashid@puc.oregon.gov
Sudeshna.pal@puc.oregon.gov	yassii.iasiiia@pac.oregoii.gov
Sudesima.par@puc.oregon.gov	
JOHANNA RIEMENSCHNEIDER (C) (HC)	
PUC STAFF - DEPARTMENT OF JUSTICE	
BUSINESS ACTIVITIES SECTION	
1162 COURT ST NE	
SALEM, OR 97301-4796	
johanna.riemenschneider@doj.state.or.us	
jonanna.remensennerder@doj.state.or.us	
IDAHO POWER	
JOCELYN C. PEASE (C)(HC)	DONOVAN E. WALKER (C)
MCDOWELL RACKNER & Gibson	IDAHO POWER COMPANY
419 SW 11 th AVE STE 400	PO BOX 70
PORTLAND, OR 97205	BOISE, ID 83707
jocelyn@mrg-law.com; dockets@mrg-law.com	dockets@idahopower.com;
, done is a minimum, done is a minimum	dwalker@idahopower.com
	S. Marie Commoportorio
STOP B2H	
JIM KREIDER (C)	
60366 MARVIN RD	
LA GRANDE, OR 97850	
jkreider@campblackdog.org	

Dated this 17th day of January 2023.

Carrie Meyer

Adviser, Regulatory Operations

Docket No. PCN 5 Exhibit PAC/100 Witness: Rick T. Link

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

PACIFICORP

Opening Testimony of Rick T. Link

January 2023

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1		I. INTRODUCTION AND QUALIFICATIONS
2	Q.	Please state your name, business address, and position with PacifiCorp d/b/a
3		Pacific Power (PacifiCorp or the Company).
4	A.	My name is Rick T. Link. My business address is 825 NE Multnomah Street, Suite
5		600, Portland, Oregon 97232. My position is Senior Vice President, Resource
6		Planning, Procurement and Optimization.
7	Q.	Please describe the responsibilities of your current position.
8	A.	I am responsible for PacifiCorp's energy supply management and resource planning
9		and procurement functions.
10	Q.	Please describe your professional experience and education.
11	A.	I joined PacifiCorp in December 2003 and assumed the responsibilities of my current
12		position in September 2021. Over this period, I held several analytical and leadership
13		positions responsible for developing long-term commodity price forecasts, pricing
14		structured commercial contract opportunities and developing financial models to
15		evaluate resource investment opportunities, negotiating commercial contract terms,
16		and overseeing development of PacifiCorp's resource plans. Before joining
17		PacifiCorp, I was an energy and environmental economics consultant with ICF
18		Consulting (now ICF International) from 1999 to 2003, where I performed electric
19		sector financial modeling of environmental policies and resource investment
20		opportunities for utility clients. I received a Bachelor of Science degree in
21		Environmental Science from the Ohio State University in 1996 and a Masters of
22		Environmental Management from Duke University in 1999.

1	Q.	Have you testified in previous regulatory proceedings?
2	A.	Yes. I have testified in proceedings before the Public Utility Commission of Oregon
3		(Commission), the California Public Utilities Commission, the Idaho Public Utilities
4		Commission, the Utah Public Service Commission, the Washington Utilities and
5		Transportation Commission, and the Wyoming Public Service Commission.
6		II. PURPOSE OF TESTIMONY
7	Q.	What is the purpose of your opening testimony?
8	A.	The purpose of my testimony is to support Idaho Power Company's (Idaho Power)
9		request for a Certificate of Public Convenience and Necessity (CPCN) for the
10		Boardman to Hemingway Transmission line (B2H Transmission line or B2H Project)
11		In particular, I respond to the direct testimony of Idaho Power witness Mr. Jared L.
12		Ellsworth, who in part provides Idaho Power's justifications for the B2H Project.
13		III. JUSTIFICATION FOR B2H PROJECT
14	Q.	Please describe the B2H Transmission line.
15	A.	The B2H Transmission line is an approximately 298-mile-long, 500-kilovolt (kV)
16		electric transmission line that will extend from a switching station proposed to be
17		constructed near Boardman, Oregon to the existing Hemingway Substation located in
18		Owyhee County, Idaho. Approximately 274 miles of the B2H Transmission line is in
19		Oregon. A 24-mile segment of the B2H Project will be in Idaho. Construction of the
20		B2H Project would also require rebuilding just less than one mile of an existing 230-
21		kV transmission line and 1.1 miles of an existing 138-kV transmission line. A

¹ Idaho Power/100.

1 complete description of the B2H Transmission line design is found in the direct 2 testimony of Idaho Power witness Ms. Lindsay Barretto.² Is PacifiCorp a participant in the B2H Project? 3 Q. 4 A. Yes, Idaho Power, PacifiCorp and the Bonneville Power Administration (BPA) are 5 participants in the B2H Project. Once definitive agreements among and between the 6 parties are executed, PacifiCorp will own 54.55 percent of the B2H Transmission 7 line. Idaho Power has the responsibility for construction of the B2H Transmission 8 line. 9 Q. What are Idaho Power's justifications supporting the need for the B2H 10 **Transmission line?** 11 As explained by Mr. Ellsworth, Idaho Power's justifications for the B2H Project A. 12 includes achieving clean energy goals; reliability and affordability; capacity to the 13 Four Corners market hub; Borah West and Midpoint West capacity upgrades; and 14 improving economic efficiency, renewable integration, grid reliability/resiliency, 15 resource reliability, contingency reserves, reduced electrical losses, flexibility, Energy Imbalance Market value, and economic value along the B2H Project route.³ 16 17 Q. What are PacifiCorp's justifications for its participation in the B2H 18 **Transmission line?** 19 A. There is great overlap between PacifiCorp's and Idaho Power's justifications for the 20 B2H Transmission line. For example, PacifiCorp's justifications include securing 21 firm transmission rights needed to serve load in Oregon, increasing the potential for

² Idaho Power/200.

³ Idaho Power/100, 34-45.

- economic transfers of energy between PacifiCorp's East and West balancing authority
 areas; and improving grid reliability.
- Q. Please explain the justifications regarding load-serving capability and the
 transfer of energy between PacifiCorp's two balancing authority areas.
- 5 A. PacifiCorp's 2021 Integrated Resource Plan (IRP) demonstrates the need for the B2H 6 Project in 2026 to avoid a shortfall in load-serving capability, which has only 7 increased since the 2021 IRP was filed. The B2H Project will allow PacifiCorp to 8 export 600 megawatts (MW) of additional generation capacity from its East balancing authority area to its West balancing authority area.⁴ Moreover, once the B2H Project 9 10 is energized, PacifiCorp will receive incremental firm transmission rights from BPA 11 needed to serve load in central Oregon. Thus, the B2H Transmission line is a 12 strategic project that can facilitate the transfer of energy of diverse resources between the Company's balancing authority areas.⁵ 13
 - Q. Will the B2H Transmission line help PacifiCorp integrate clean, renewable energy between its two balancing authority areas?
- 16 A. Yes. PacifiCorp's 2019 and 2021 IRPs have included accelerated coal plant
 17 retirements, which may further be accelerated with ongoing and future environmental
 18 rulemaking. With the retirement of these plants, it becomes increasingly important
 19 for the Company to maintain an electric system that allows it to integrate a growing
 20 portfolio of clean, renewable energy and storage resources across its two balancing
 21 authority areas. The transfer of renewable energy into Oregon is important due to

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⁴ PacifiCorp 2021 Integrated Resource Plan at pp. 89; *see* https://www.pacificorp.com/energy/integrated-resource-plan.html

⁵ *Id*.

⁶ *Id*.

1 House Bill (HB) 2021. Under HB 2021, PacifiCorp is required to reduce greenhouse 2 gas emissions below the baseline emissions levels by 80 percent by 2030; 90 percent 3 by 2035; and 100 percent by 2040. PacifiCorp is transitioning its generation 4 resources to a non-emitting renewable energy mix and has made substantial progress 5 to meet the requirements of HB 2021; however, a robust electric grid is essential to 6 move resources across PacifiCorp's system to help achieve these goals. 7 Q. Please explain how the B2H Transmission line will improve grid reliability. 8 A. The B2H Project will improve grid reliability and provide better operational control 9 of the backbone transmission system by interconnecting PacifiCorp's East and West 10 balancing authority areas. Currently, only one 500-kV transmission line connects 11 PacifiCorp's two balancing authority areas, the loss of which would reduce transfer 12 capability by 1,050 MW. The B2H Project also enhances PacifiCorp's ability to comply with mandated reliability and performance standards.⁸ 13 14 Do you recommend that the Commission approve Idaho Power's CPCN Q.

15 **Application?**

Yes. The B2H Transmission line will provide PacifiCorp and its customers a number A. of benefits, including securing firm transmission rights needed to serve load in Oregon, increasing the potential for economic transfers of energy between PacifiCorp's East and West balancing authority areas; and improving grid reliability.

Does this conclude your opening testimony? Q.

21 A. Yes.

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⁷ *Id.* at 90.

⁸ *Id*.