

July 16, 2018

## VIA ELECTRONIC FILING

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

Attn: Filing Center

**RE:** LC 67—PacifiCorp's Response

PacifiCorp d/b/a Pacific Power provides the enclosed response to Sierra Club's Written Objection to PacifiCorp's Confidential Designations, in accordance with Paragraph 9 of General Protective Order No. 16-461 issued by the Public Utility Commission of Oregon.

Please direct questions on this filing to Natasha Siores at (503) 813-6583.

Sincerely,

Etta Lockey

Vice President, Regulation

## BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

LC 67

In the Matter of PACIFICORP, d/b/a PACIFIC POWER, 2017 Integrated Resource Plan.

PACIFICORP'S RESPONSE TO SIERRA CLUB'S OBJECTION TO PACIFICORP'S CONFIDENTIAL DESIGNATIONS

### I. INTRODUCTION

In accordance with Paragraph 9 of the General Protective Order issued by the Public Utility Commission of Oregon (Commission) in this docket, PacifiCorp d/b/a Pacific Power, responds to Sierra Club's Written Objection to PacifiCorp's Confidential Designations.

On June 29, 2018, PacifiCorp filed results of its unit-by-unit coal analysis in compliance with Order No. 18-138, which acknowledged the company's 2017 integrated resource plan (IRP) (Acknowledgement Order).<sup>2</sup> PacifiCorp designated limited aspects of its filing confidential under the protective order. Sierra Club challenges this designation, claiming that the results of the coal unit economic analysis and the underlying cost assumptions are not confidential and must be publicly disclosed.

Because the challenged information qualifies as a protected "trade secret or other confidential research, development, or commercial information" under ORCP 36(C), the Commission should confirm the company's confidential designation. This designation protects customers against harmful, public disclosure of the company's trade secrets. It is consistent with long-standing and well-established Commission precedent recognizing the

<sup>&</sup>lt;sup>1</sup> In the Matter of PacifiCorp, dba Pacific Power, 2017 Integrated Resource Plan, Docket No. LC 67, Order No. 16-461 (Dec. 5, 2016).

<sup>&</sup>lt;sup>2</sup> *In the Matter of PacifiCorp, dba Pacific Power, 2017 Integrated Resource Plan, Docket No. LC 67, Order No.* 18-138 at 11-12 (Apr. 27, 2018).

commercially sensitive nature of coal plant economic analysis and cost data. PacifiCorp has provided the confidential information to all parties qualified under the protective order, including Sierra Club, which appropriately balances the need to protect against harmful disclosure with the need for transparency and access. The Commission should deny Sierra Club's objection.

#### II. BACKGROUND

As part of its 2017 IRP process, PacifiCorp agreed to provide additional economic analysis of its coal units in response to requests from Staff and intervenors. Specifically, PacifiCorp agreed to perform 25 system optimizer (SO) runs, one for each coal unit and a base case.<sup>3</sup> The company further agreed to summarize the results by providing a table of the difference in present value of revenue requirement (PVRR(d)) resulting from the early retirement of each unit, an itemized list of coal unit retirement cost assumptions used in each SO run, and a list of coal units that would, if retired, free up transmission along the path from the Company's proposed, new Wyoming wind projects. In its Acknowledgement Order, the Commission directed PacifiCorp to provide this information by June 30, 2018.<sup>4</sup>

In compliance with the Acknowledgement Order, on June 29, 2018, PacifiCorp filed its unit-by-unit coal studies presentation and supporting materials (Coal Analysis).

PacifiCorp performed SO runs for each coal unit with an assumed retirement date of December 31, 2022.<sup>5</sup> PacifiCorp presented this analysis to all stakeholders qualified to review confidential information, including Sierra Club, in a 2019 IRP public input meeting

<sup>&</sup>lt;sup>3</sup> Order No. 18-138 at 11-12.

<sup>&</sup>lt;sup>4</sup> Order No. 18-138 at 12.

<sup>&</sup>lt;sup>5</sup> Naughton Unit 3 and Cholla Unit 4 have earlier retirement date assumptions of January 30, 2019, and December 31, 2020, in the reference case and were not included in the Coal Analysis.

held on June 28, 2018. This session included parties to both dockets LC 67 and LC 70 (the 2019 IRP docket).

The Coal Analysis includes the three components the Commission specified in the Acknowledgment Order. PacifiCorp addressed the first two items, a table of PVRR(d) results from early retirement of each unit, and a list of coal units that would, if retired, free up transmission along the path from the proposed Wyoming wind projects, in the confidential presentation filed on June 29, 2018. The company provided the third item, an itemized list of coal unit retirement cost assumptions used in each SO run, in its confidential workpapers.

PacifiCorp's filing expressly cautioned that the results of the Coal Analysis do not provide a complete, portfolio-level view of the economics of PacifiCorp's coal units. While the Coal Analysis on its own provides limited insight into a least-cost, least-risk resource portfolio, it will inform further work with stakeholders in the 2019 IRP process regarding PacifiCorp's economic modeling of its coal fleet.

The Coal Analysis reflects narrowly-tailored redactions of confidential information on only three of nine pages of the presentation. The redacted information is limited to PVRR(d) results for each unit and the commercially sensitive cost information used to develop the PVRR(d) results.

After PacifiCorp filed its Coal Analysis, Sierra Club contacted PacifiCorp and objected to the confidential designation of the PVRR(d) results. After conferring with PacifiCorp on the confidential designations included in the Coal Analysis, on July 9, 2018, Sierra Club filed its written objections to "all of the company's designations of protected information in the" Coal Analysis.<sup>6</sup>

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<sup>&</sup>lt;sup>6</sup> Sierra Club's Written Objection to PacifiCorp's Confidential Designations at 1 (Sierra Club Objection).

#### III. LEGAL STANDARD

The Commission's general protective order is "specifically tailored to safeguard confidential commercial information from unauthorized disclosure." Under the terms of the Commission's general protective order, "a party may designate as Protected Information any information that the party reasonably determines: (1) Falls within the scope of ORCP 36(C)(7) (a trade secret or other confidential research, development, or commercial information); and (2) Is not publicly available." ORCP 36(C) limits disclosure of "a trade secret or other confidential research, development, or commercial information." Under ORS 646.461(4), "trade secrets" are defined as

information, including a drawing, cost data, customer list, formula, pattern, compilation, program, device, method, technique or process that: (a) Derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use; and (b) Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.<sup>10</sup>

Oregon courts examine six factors when determining whether information constitutes a trade secret:

(1) the extent to which the information is known outside the business; (2) the extent to which it is known by employees and others involved in the business; (3) the extent of measures taken to safeguard the secrecy of the information; (4) the value of the information to the business or its competitors; (5) the

<sup>&</sup>lt;sup>7</sup> In re: Qwest Corp., Docket No. UM 1205, Order No. 03-533 at 6 (Aug. 28, 2003).

<sup>&</sup>lt;sup>8</sup> Order No. 16-461, App. A at 1.

<sup>&</sup>lt;sup>9</sup> ORCP 36C(1). The Council on Court Procedures amended ORCP 36(C) by renumbering the subsections. The relevant provisions of subsection (7), however, were unaffected and are now included in subsection (1). <sup>10</sup> In addition, "trade secrets" is a defined term in the Oregon Public Records Act. ORS 192.345(2) (defining "trade secrets" to include "any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented, which is known only to certain individuals within an organization and which is used in a business it conducts, having actual or potential commercial value, and which gives its user an opportunity to obtain a business advantage over competitors who do not know or use it."). The two definitions are substantively similar, and Order No. 16-461 requires the company to demonstrate that the confidential material is protected under *either* ORS 646.461(4) *or* ORS 192.345(2). Order No. 16-461, App. A at 2.

amount of effort or money expended by the business in developing the information; and (6) the ease or difficulty with which the information could be properly acquired or duplicated by others.<sup>11</sup>

A party may challenge the designation of information as confidential under the Commission's general protective order.<sup>12</sup> Once a designation is challenged, the party seeking protection must demonstrate that the challenged information is covered under ORCP 36(C).<sup>13</sup> If the parties are unable to resolve a dispute over a confidential designation informally, a party may file an objection to the confidential designation.<sup>14</sup>

### IV. ARGUMENT

## A. The information designated as confidential is covered by ORCP 36(C).

The limited information that PacifiCorp designated as confidential in its Coal Analysis clearly falls within the scope of ORCP 36(C) and constitutes a "trade secret" under ORS 646.461(4) and ORS 192.345(2) because it is non-public information that is highly proprietary and commercially sensitive. Disclosure of the confidential information would harm customers by placing the company at a commercial disadvantage in numerous potential scenarios.

First, it is undisputed that the PVRR(d) results and the underlying cost assumptions are not public information "known outside [PacifiCorp]."<sup>15</sup> Indeed, that is the heart of Sierra Club's objection. Only a limited number of PacifiCorp's employees have access to PacifiCorp's Coal Analysis filing, as demonstrated by the signatory pages PacifiCorp has filed under the protective order.

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<sup>&</sup>lt;sup>11</sup> Citizens' Util. Bd. of Oregon v. Oregon Pub. Util. Comm'n, 128 Or. App. 650, 658-59 (1994) (internal citations omitted).

<sup>&</sup>lt;sup>12</sup> Order No. 16-461, App. A at 2.

<sup>&</sup>lt;sup>13</sup> Order No. 16-461, App. A at 2.

<sup>&</sup>lt;sup>14</sup> Order No. 16-461, App. A at 2.

<sup>&</sup>lt;sup>15</sup> CUB, 128 Or. App. at 659.

Second, PacifiCorp has taken reasonable efforts to "maintain the secrecy" of the PVRR(d) inputs and results. As discussed in more detail below, PacifiCorp has relied on Commission-issued protective orders and non-disclosure agreements and successfully defended the confidential designation of substantially similar studies over Sierra Club's past objections.

PacifiCorp has never publicly disclosed comparable PVRR(d) inputs in any other proceeding. The company has publicly released PVRR(d) results of previous coal studies where those studies are based on final, comprehensive portfolio analyses that definitively and reliably informs the company's resource planning process. For example, in PacifiCorp's 2017 IRP and 2017 IRP Update, the company presented PVRR(d) results for Regional Haze studies for specific coal units based on a complete, final portfolio analysis. But the company has never publicly disclosed preliminary and incomplete coal studies, like the Coal Analysis, which could mislead, rather than inform, the public.

Third, disclosure of the PVRR(d) results and underlying assumptions would harm PacifiCorp and its customers because "other persons . . . can obtain economic value from its disclosure or use." In determining whether to make a resource decision, such as whether to retire a generating plant early, PacifiCorp typically analyzes the PVRR(d) of the potential resource decision versus other alternatives across a range of scenarios defined by input variables. In the Coal Analysis, the company performed a limited study by focusing on only one alternative base case that assumed no change in the current retirement date for each coal unit. But that limited analysis did not affect the commercially sensitive nature of the inputs

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<sup>&</sup>lt;sup>16</sup> ORS 646.461(4).

 $<sup>^{17}</sup>$  See, e.g., Tables 6.2 – 6.5 in the 2017 IRP Update.

<sup>&</sup>lt;sup>18</sup> ORS 646.461(4); *CUB*, 128 Or. App. at 659 (examining "the value of the information to the business or its competitors" to establish trade secret).

and PVRR(d) results. It also creates additional sensitivities given the preliminary nature of the analysis, and the potential for confusion if the results are taken out of context.

Disclosure of either the inputs (that include long-term assumptions developed by PacifiCorp) or the results (that show estimated costs and benefits of changing the retirement date of individual coal units) would place the company at a competitive disadvantage in the marketplace. For example:

- Disclosure of the company's estimated environmental compliance costs included in the PVRR results, could disadvantage PacifiCorp in contract negotiations with third-party contractors to build and install any equipment necessary to meet environmental mandates.
- Disclosure could harm the company's negotiating position with federal and state agencies responsible for determining the necessary emissions control equipment at the individual coal units.
- Disclosure could negatively impact the company's ability to maintain its existing workforce and labor agreements.
- Disclosure could disadvantage the company when it negotiates with other
  parties to purchase coal for its plants by disclosing to potential counterparties
  the company's underlying economic assumptions and analysis (including coal
  cost assumptions).
- Disclosure of PVRR(d) results for the early retirement scenarios could hurt PacifiCorp in potential discussions with other parties related to the sale of PacifiCorp's interest in any of its coal units or in the potential sale of assets or equipment related to its coal plants.

Each of these potential harms to PacifiCorp would flow through to its customers because they face increased costs when the company is economically disadvantaged in commercial transactions.

Sierra Club claims that "PacifiCorp cannot meet its burden of showing it properly designated the study results" confidential because PacifiCorp is a "regulated monopoly" so

there is no risk of a "competitor moving in and undercutting its rates." This argument ignores the existence of direct access on Oregon. In addition, Sierra Club's narrow focus on competition for retail service disregards PacifiCorp's need to contract for goods and services related to its coal facilities. The company and its customers will be harmed if counterparties learn commercially sensitive information that provides a negotiating advantage. Indeed, according to Sierra Club's reasoning, because PacifiCorp has no competitors, its information could never constitute a confidential trade secret. The Commission's consistent recognition that certain utility information constitutes protected trade secrets—even though Oregon utilities are regulated monopolies—demonstrates the basic flaw in Sierra Club's reasoning.<sup>20</sup>

Fourth, PacifiCorp has expended significant resources to develop the modeling techniques and input assumptions underlying its PVRR(d) inputs and results.<sup>21</sup>

Fifth, it would be extremely difficult for the PVRR(d) inputs and results to be "properly acquired or duplicated by others" because the inputs rely on proprietary and internally developed studies and analyses.<sup>22</sup>

#### B. PacifiCorp's limited designation of confidential information is consistent with the Commission's IRP guidelines and precedent.

Sierra Club claims that the confidential designation of PVRR(d) results is "inconsistent with both standard IRP planning practice, prior PacifiCorp practice, and the intent and spirit of Order No. 18-138."<sup>23</sup> Each of these claims is incorrect. The Commission has consistently protected information related to the company's economic analysis and

<sup>&</sup>lt;sup>19</sup> Sierra Club Objection at 3-4.

<sup>&</sup>lt;sup>20</sup> See, e.g., In the Matter of the Public Utility Commission of Oregon Investigation into Integrated Resource Planning, Docket No. UM 1056, Order No. 07-002 at 1-2 (Jan. 8, 2007) (recognizing that resource planning must preserve trade secrets).

<sup>&</sup>lt;sup>21</sup> CUB, 128 Or. App. at 659 (examining the amount of effort or money expended by the business in developing the information" to establish trade secret).

<sup>&</sup>lt;sup>22</sup> CUB, 128 Or. App. at 659 (system that "could not be easily duplicated by others" found to be a trade secret).

<sup>&</sup>lt;sup>23</sup> Sierra Club Objection at 2.

supply costs for its coal plants, and Sierra Club provides no compelling justification for the Commission to change course.

## 1. The IRP guidelines allow confidential designations.

Sierra Club claims that the designation of confidential information "violates utility planning principles."<sup>24</sup> But the Commission has long-recognized that the resource planning process must protect competitive secrets. When the Commission first adopted integrated resource planning in 1989, it adopted "key procedural elements" of resource planning, including that "[c]ompetitive secrets must be protected, either through the procedures presently used by the Commission, such as protective orders, or through some other mechanism."<sup>25</sup>

When the Commission adopted its IRP guidelines in 2007, it affirmed that the protection of competitive secrets remained a "key procedural element" of utility resource planning.<sup>26</sup> Guideline 2 includes a specific provision related to the preservation of confidential information in the context of resource planning:

While confidential information must be protected, the utility should make public, in its plan, any non-confidential information that is relevant to its resource evaluation and action plan. *Confidential information may be protected through use of a protective order, through aggregation or shielding of data, or through any other mechanism approved by the Commission.*<sup>27</sup>

While resource planning involves extensive public participation and it is intended to be transparent and open, the Commission has consistently recognized that certain information

<sup>&</sup>lt;sup>24</sup> Sierra Club Objection at 3.

<sup>&</sup>lt;sup>25</sup> In the Matter of the Investigation into Least-Cost Planning for Resource Acquisitions by Energy Utilities in Oregon, Docket No. UM 180, Order No. 89-507 at 5 (Apr. 20, 1989).

<sup>&</sup>lt;sup>26</sup> Order No. 07-002 at 1-2.

<sup>&</sup>lt;sup>27</sup> Order No. 07-002 at 8 (emphasis added).

must be reasonably provided on a confidential basis as a trade secret when public disclosure would harm customers. Such is the case here.

## 2. The Commission has affirmed the confidential designation of substantially similar PVRR(d) results.

PacifiCorp's confidential designations here are consistent with long-standing treatment of PVRR(d) results related to economic analysis of the company's coal plants. In the 2013 IRP, the Commission upheld the company's confidential designation of substantially similar coal plant PVRR(d) results over Sierra Club's objection. In that case, PacifiCorp designated a PowerPoint presentation used at a Commission workshop as confidential in its entirety because it included the "company's economic analysis of emissions control investments" at its coal plants, which the company claimed "qualif[ied] as protected trade secrets or other confidential research or commercial information." Sierra Club challenged the confidential designations as overbroad, but did not challenge the specific confidential designation of the costs to build and install emission control equipment and the "results of PacifiCorp's economic analyses." Although the Commission directed

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<sup>&</sup>lt;sup>28</sup> In the Matter of PacifiCorp, dba Pacific Power, 2013 Integrated Resource Plan, Docket No. LC 57, Ruling at 1 (Oct. 17, 2014).

<sup>&</sup>lt;sup>29</sup> In the Matter of PacifiCorp, dba Pacific Power, 2013 Integrated Resource Plan, Docket No. LC 57, Sierra Club Reply to PacifiCorp's Redesignation of Workshop Presentation at 1-2 (Oct. 29, 2014) ("Sierra Club does not challenge PacifiCorp's confidential designation in the August 6 presentation of (1) the expected costs to build and install pollution controls at Craig and Hayden, (2) the results of PacifiCorp's economic analyses, or (3) the Company's conclusions related to its legal obligations as a co-owner of Craig and Hayden.").

PacifiCorp to limit its confidential designations,<sup>30</sup> it ultimately upheld the confidential designation of PVRR(d) results.<sup>31</sup>

The company's 2015 IRP included a specific volume (Volume III) describing economic analysis related to the ongoing operation and economics of certain coal plants, as required by the Commission in the 2013 IRP.<sup>32</sup> The PVRR(d) results described in Volume III, and the underlying cost assumptions informing those results, were designated confidential.<sup>33</sup> No party to the 2015 IRP challenged the confidential designation of the coal plant PVRR(d) results.<sup>34</sup>

Furthermore, in ratemaking proceedings, the company has consistently treated its plans and economic analysis for its coal plants as confidential, without objection from Sierra Club or other parties. For example, in the company's 2012 general rate case, the company's economic analysis related to the installation of certain emission control equipment was designated confidential.<sup>35</sup> In the 2017 Transition Adjustment Mechanism (TAM) proceeding, the Commission ordered PacifiCorp to develop a long-term fuel plan for the Jim

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<sup>&</sup>lt;sup>30</sup> In the Matter of PacifiCorp, dba Pacific Power, 2013 Integrated Resource Plan, Docket No. LC 57, Ruling at 2 (Oct. 17, 2014).

<sup>&</sup>lt;sup>31</sup> In the Matter of PacifiCorp, dba Pacific Power, 2013 Integrated Resource Plan, Docket No. LC 57, PacifiCorp's Response to Ruling Requiring Redesignation of Workshop Presentation (Oct. 23, 2014) (specifically showing that PVRR(d) results were confidential); In the Matter of PacifiCorp, dba Pacific Power, 2013 Integrated Resource Plan, Docket No. LC 57, Ruling (Jan. 9, 2015) (approving redesignation of confidential information); In the Matter of PacifiCorp, dba Pacific Power, 2013 Integrated Resource Plan, Docket No. LC 57, Ruling (Mar. 3, 2015) (denying Sierra Club's request for certification of redesignation ruling).

<sup>&</sup>lt;sup>32</sup> In the Matter of PacifiCorp, dba Pacific Power, 2013 Integrated Resource Plan, Docket No. LC 57, Order No. 14-252 at 5 (July 8, 2014).

<sup>&</sup>lt;sup>33</sup> See, e.g., PacifiCorp's 2015 Integrated Resource Plan, Volume III Coal Analysis at 19 (Mar. 31, 2015) (designating PVRR results for Wyodak plant confidential).

<sup>&</sup>lt;sup>34</sup> Sierra Club did request that the Commission undertake a broad review of the general protective order to adopt terms similar to those used by the Federal Energy Regulatory Commission. But Sierra Club did not challenge any specific confidential designation. *In the Matter of PacifiCorp, dba Pacific Power, 2015 Integrated Resource Plan, Docket No. LC 62, Ruling (Jan. 2, 2015).* 

<sup>&</sup>lt;sup>35</sup> See, e.g., Docket No. UE 246, PAC/1500 (designating as confidential study results related to the economics of installing certain emission control investments at specific coal units).

Bridger coal plant.<sup>36</sup> The company's compliance filing included the need to designate information in the plan as confidential, a provision to which no party has objected.<sup>37</sup> More recently, in the 2018 TAM, the company provided testimony responding to Sierra Club's contention that the company's coal units were uneconomic, and designated the results of the company's economic analysis confidential.<sup>38</sup>

The confidential PVRR(d) results in the Coal Analysis here are similar to the confidential PVRR(d) results protected by the Commission in the 2013 and 2015 IRPs. Each addresses the economics of continued operation and investment in the company's coal units and the PVRR(d) results rely on the same internally developed, non-public analysis.

Contrary to Sierra Club's unsupported claims, the confidential designation of the Coal Analysis is entirely consistent with prior Commission practice.

# 3. PacifiCorp did not waive its ability to protect confidential information when it agreed to provide the Coal Analysis.

Nothing in Order No. 18-138 indicates that the company's agreement to provide the Coal Analysis was intended to waive long-standing and well-established confidential protections for coal unit economic analysis. When acknowledging the 2017 IRP, the Commission made specific reference to its IRP guidelines several times without ever stating an intent that the protections provided by Guideline 2 would not apply to the Coal Analysis.<sup>39</sup> In this way, Order No. 18-138 is no different than the order in the 2013 IRP, which also

<sup>&</sup>lt;sup>36</sup> In the Matter of PacifiCorp, dba Pacific Power, 2017 Transition Adjustment Mechanism, Docket No. UE 307, Order No. 16-482 at 24 (Dec. 20, 2016).

<sup>&</sup>lt;sup>37</sup> See Docket No. UE 339, Exhibit PAC/204. Prior long-term fuel plans have also included confidential information, without objection. For example, when the company first proposed a framework for its periodic fueling plans in the 2015 TAM, the proposal specifically stated that "long-term fuel supply plans will contain significant confidential information and will require confidential handling." Docket No. UE 278, PAC/201; see also Order No. 16-482 at n. 1 (describing the UE 287 compliance filing).

<sup>&</sup>lt;sup>38</sup> See Docket No. UE 323, PAC/600.

<sup>&</sup>lt;sup>39</sup> Order No. 18-138 at 4-5 (referring to IRP guidelines); *id.* at 11-12 (describing the Coal Analysis).

directed PacifiCorp to provide additional coal analysis but did not limit the company's ability to reasonably designate commercially sensitive information confidential (as discussed above).

## C. The protection of confidential trade secrets is consistent with well-established Oregon public policy.

Sierra Club claims that PacifiCorp's confidential designations result in "key components of the process" being "carried out in secret, hidden from public scrutiny."<sup>40</sup> Sierra Club claims that "[s]uch secrecy flies in the fact of transparency in decision-making and open government and is not in the public interest."<sup>41</sup> On the contrary, it is in the public interest to use protective orders to protect against harmful disclosure of sensitive information, while still facilitating parties' access to that information for purposes of PacifiCorp's resource planning process.

Because Sierra Club already has the confidential information for use in PacifiCorp's resource planning process, Sierra Club's objection is apparently designed to give it unfettered access for other purposes, such as media or political campaigns designed to support its views on PacifiCorp's coal generation. Protection from disclosure in this case is therefore particularly compelling because of the preliminary nature of the Coal Analysis,<sup>42</sup> and the fact that it is not a complete portfolio analysis that accounts for numerous, essential resource planning considerations.<sup>43</sup> The potential for the results of the Coal Analysis to be misrepresented to support Sierra Club's policy narrative weighs against public disclosure,

<sup>41</sup> Sierra Club Objection at 5.

<sup>&</sup>lt;sup>40</sup> Sierra Club Objection at 3.

<sup>&</sup>lt;sup>42</sup> Page 9 of the presentation states that "PacifiCorp will use these results to prioritize additional early retirement analysis for the 2019 IRP—no specific resource decisions are being made at this time."

<sup>&</sup>lt;sup>43</sup> Page 9 of the presentation points out that the analysis does not account for the system impact if more than one unit is retired, does not capture the operational or system-reliability impacts, and does not account for updated planning assumptions that will be used in the 2019 IRP.

which could cause real and immediate harm, as discussed above. Sierra Club has the right to fully participate in the 2019 IRP process, review confidential information under the protective order, and challenge the final 2019 IRP when it is published—including the 2019 IRP's conclusions, informed by the Coal Analysis. Given the sensitive nature of the Coal Analysis and the harm to PacifiCorp's customers that could result from its disclosure, the public interest does not require more.

In *Citizens' Utility Board of Oregon v. the Public Utility Commission of Oregon*, the Court of Appeals rejected a similar argument made by CUB that "protective orders offend a strong policy that litigation of public matters should take place in the public eye." The court rejected this argument, noting that the "legislature has explicitly approved the use of protective orders by enacting ORCP 36C." <sup>45</sup>

In addition, designating limited information as confidential does not constitute "secret" proceedings. In *CUB*, CUB similarly claimed that it could not "meaningfully participate in [Commission] proceedings if [the Commission] issues protective orders and proceedings are conducted 'in secrecy." The court rejected that claim, concluding that the "proceedings are not conducted in secrecy" because "CUB had full access to the protected information," all it had to do was sign the protective order. 47

Here, the company filed the confidential Coal Analysis with the Commission and presented the confidential results of the study to stakeholders at a work session held on June 28, 2018. Stakeholders can have reasonable access to the confidential Coal Analysis but must agree to protect the confidentiality of the competitive trade secrets. This approach

<sup>45</sup> *CUB*, 128 Or. App. at 660.

<sup>&</sup>lt;sup>44</sup> *CUB*, 128 Or. App. at 660.

<sup>&</sup>lt;sup>46</sup> CUB, 128 Or. App. at 660.

<sup>&</sup>lt;sup>47</sup> *CUB*, 128 Or. App. at 660.

conforms to the Commission's rules allowing protective orders, <sup>48</sup> the terms of the Commission's general protective order, <sup>49</sup> the Commission's IRP guidelines, <sup>50</sup> and Oregon law allowing the Commission to protect confidential information from public disclosure. <sup>51</sup>

### V. CONCLUSION

Because the information challenged by Sierra Club qualifies as a protected "trade secret or other confidential research, development, or commercial information," PacifiCorp respectfully requests that the Commission confirm the company's designation of the information as confidential under the protective order and deny Sierra Club's objection.

Respectfully submitted this 16<sup>th</sup> day of July, 2018.

By:

Matthew McVee

Chief Regulatory Counsel

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<sup>&</sup>lt;sup>48</sup> OAR 860-001-0080.

<sup>&</sup>lt;sup>49</sup> See generally Order No. 16-461.

<sup>&</sup>lt;sup>50</sup> Order No. 07-002 at 8.

<sup>&</sup>lt;sup>51</sup> ORCP 36C(1); ORS 192.311 et seq.; ORS 646.461 et seq.