



# Oregon Citizens' Utility Board

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*via electronic filing*

Public Utility Commission  
Attn: Filing Center  
P.O. Box 1088  
Salem, OR 97308-1088

## **RE: LC 82 – CUB Round 0 Comments on PacifiCorp's Integrated Resource Plan and Clean Energy Plan**

The Oregon Citizens' Utility Board (CUB) appreciates the opportunity to provide comments on PacifiCorp's (PAC or the Company) 2023 Integrated Resource Plan (IRP) and Clean Energy Plan (CEP). It is exciting to begin the process of achieving Oregon's goal of 100% clean electricity, while meeting HB 2021's directive to minimize the burdens to and be inclusive of environmental justice (EJ) communities.

CUB appreciates the work PAC has put into its IRP filing and first CEP. CUB notes this is the Company's first CEP and CUB expects the CEP planning process will continue to grow and improve over time. PAC has laid a foundation that provides opportunities for stakeholders to meaningfully comment on both of its plans, and we look forward to working with the Company throughout this process.

While CUB is still relatively early in its review of the Company's first IRP/CEP filing, we do note several concerns that are highlighted here. At a high level, it appears that PAC's first CEP is merely layered on top of an IRP catered more to meet the needs of its six-state system. It is unclear whether the resource portfolios presented in the IRP are truly the least cost/least risk set of resources to meet Oregon's needs, which are driven in part by HB 2021 and other legislative mandates. Although conducting planning across its six-state system is the prevailing methodology, the Company must still demonstrate that this plan serves Oregon customers and complies with the robust requirements in Oregon's IRP Guidelines.

CUB looks forward to working with PAC and all stakeholders to this process to hopefully coalesce around an IRP/CEP filing that provides benefits to Oregon customers and complies with applicable mandates. CUB offers the following comments and questions as an opportunity to begin working through this new process.

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## **Emissions Reduction Goals**

HB 2021 directs utilities to generate electricity in a manner that produces zero GHG emissions, and “to the maximum extent practicable . . . provides additional direct benefits to communities.”<sup>1</sup> The Company indicates that shortly after meeting 2030 targets, GHG emissions will go up (and then level out/go down). CUB would like to see more information on alternatives PacifiCorp has modeled and/or considered that do not result in an increase in emissions and the analysis that explains why the Company prefers its proposed strategy for compliance. HB 2021 also directs utilities to include annual goals to meet targets, including acquisition of non-emitting resources, energy efficiency measures, and acquisition and use of demand response resources. CUB would like to see more information on the options that PacifiCorp modeled and/or considered when looking at meeting these goals and that included aspects of non-emitting resources, EE measures, and DR resources.

### ***Gas Conversion of Coal Plants***

CUB is concerned that the IRP/CEP that is proposed is different that the approach that Oregon has been expecting, with little analysis to support this approach. SB 1547, HB 2021, and the 2020 Multi-State Protocol 2020 contemplated PacifiCorp phasing out coal and replacing it with clean energy with the expectation that in 2030, PacifiCorp’s Oregon service territory would be relatively clean.

However, the current IRP and CEP envision a different path. PacifiCorp is now looking to phase out coal and replace it largely with gas-fired generation with Oregon developing just enough renewables to meet the emissions pathway require by HB 2021. While replacing coal with gas has been developed through IRPs as the best resource decision for PacifiCorp’s system, it has not been shown to be the least cost path for Oregon under HB 2021.

It is also important to recognize that what is proposed in the IRP/CEP is not consistent with the 2020 MSP Protocol which included a series of exit dates and proposed exit dates from coal plants. The expectation was that Oregon would exit these plants when they were fully depreciated, other states would have the option of picking up Oregon’s share and Oregon would develop replacement resources. This is no longer the plan.

Below we compare the 2020 protocol projections for coal plants exit dates with the IRP/CEP:

	<b><u>2020 Protocol exist dates</u></b>	<b><u>IRP/CEP</u></b>
Colstrip 4	12/31/27	retire 2029
Jim Bridger 1	12/31/23	gas conversion 2024
Jim Bridger 2	12/31/25	gas conversion 2024
Jim Bridger 3	12/31/25	gas conversion 2030
Jim Bridger 4	12/31/25	gas conversion 2030
Naughton 1	12/31/25	gas conversion 2026
Naughton 2	12/31/25	gas conversion 2026
Dave Johnston 1	12/31/27	retire in 2028
Dave Johnston 2	12/31/27	retire in 2028

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<sup>1</sup> ORS 469A.405.

Dave Johnston 3      12/31/27  
Dave Johnston 4      12/31/27                      retire in 2036

In addition, the IRP/CEP anticipates several new clean air investments to extend the lives of coal plants:

Hunter Unit 1, SNCR	2026
Hunter Unit 2, SNCR	2026
Hunter Unit 3, SNCR	2026
Huntington Unit 1, SNCR	2026
Huntington Unit 2, SNCR	2026
Wyodak, SNCR	2026

CUB's understanding was that this IRP was supposed to provide analysis concerning this change in strategy. However, rather than providing this analysis, it appears to simply assume this change.

Is it better for Oregon to exit coal plants in 2025 or convert them to gas in 2024, 2026 and 2030? Should Oregon install pollution control equipment on the Hunter units, the Huntington units and Wyodak in 2026, when Oregon intends to leave those plants? If PacifiCorp continues to operate thermal units across its system by converting a number of coal plants to gas, how will the costs of these resources be allocated in future years? What about coal to gas conversion decommissioning costs? Are these costs and risks accurately quantified in the IRP/CEP currently before the Commission?

Has PacifiCorp truly put forward a least cost/least risk plan to benefit Oregon customers while complying with applicable mandates, or is it simply planning as a system and then layering on HB 2021 requirements?

Without asking and answering these questions, it is not clear that the proposed CEP represents a reasonable plan for Oregon. CUB looks forward to seeing additional analysis from the Company on this issue as this proceeding progresses.

### ***Energy Efficiency***

CUB is interested in energy efficiency investments as a key portfolio asset to help reach emissions goals. CUB is pleased to see the connection that PAC has with Energy Trust of Oregon (ETO) and that the Company will be working on continuing that work in program delivery. CUB would like to see more analysis from PAC when it comes to energy efficiency. CUB has concerns that relying solely on ETO's investments could leave out energy efficiency opportunities for PAC's lowest income customers. CUB is interested in how the Inflation Reduction Act (IRA) funding opportunities were evaluated with EE? How was this included in any of PAC's modeling?

In addition, CUB urges the Company to model additional EE that may not be immediately cost effective, but may become cost effective over the investment's life. In order to meet HB 2021's lofty emissions reduction goals, procuring EE in excess of what is required by SB 1547 and ETO

cost effectiveness tests is likely necessary. EE is a critical piece to any clean energy portfolio, especially for a utility like PAC who is balancing the needs of its six-state system with Oregon's specific goals and mandates.

### ***Demand Response (Class 1 Demand-Side Management)***

CUB is interested in how demand response investments help reach emissions goals. CUB is happy to hear about ODOE's community grant program but would like to understand how else PAC is considering demand response.

CUB notes that PAC's projected annual incremental demand response capacity falls from 242MW in 2023 to 184MW in 2024.<sup>2</sup> Much like EE, demand response is critical for decreasing emissions and plays an outsized role in a clean energy portfolio. With applicable clean energy compliance mandates ramping up, PAC should seek to maximize demand response as a portfolio resource in the coming years. PAC mentions that demand response is a "prominent company strategy," and CUB would like to understand what those strategies are.

### **Public Interest**

CUB would like to receive more information about PAC's inclusion of community voices in its CEP, from development to implementation. It is unclear from its CEP how PAC considered, analyzed, and incorporated community feedback into its proposed CEP. As filed, the CEP reads as if community engagement consisted primarily of participation in the PUC's HB 2021 investigative dockets and traditional IRP engagement strategies with the inclusion of the Utility Community Benefit Impacts & Advisory Group (UCBIAG). While PAC discusses that this engagement occurs, the CEP contains little if any explanation of how it took that feedback, considered it, or an explanation of why it made the decisions it did regarding whether or not to accept or reject that information.

The intent of HB 2021 was to transition our state away from fossil fuel electricity generation, but it also includes consideration of the historical impact of utility planning and decision-making on its customers, with a particular emphasis on EJ communities who have been "traditionally underrepresented in public processes and adversely harmed by environmental and health hazards."<sup>3</sup> HB 2021's directive to consider the public interest, including community impacts, in its decision-making clearly represents a shift away from business-as-usual utility planning practices and CEP planning and implementation should clearly reflect this shift. CUB would appreciate if PAC could explain in more detail how its proposed CEP is in the public interest,<sup>4</sup> including but not limited to the directives in HB 2021, in particular:

- **The environmental and health benefits from the expected greenhouse gas emissions reductions.** Currently, the CEP addresses tracking disconnections as an indicator of "health and community well-being." Keeping utilities on is incredibly important and an important aspect of housing stability. How else does PAC's proposed CEP offer any health benefits? What environmental benefits does the current CEP offer—anything

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<sup>2</sup> LC 82 – PacifiCorp's 2023 IRP at 347 (Mar. 31, 2023).

<sup>3</sup> ORS 756.010(5), HB 2021's definition of "environmental justice communities".

<sup>4</sup> ORS 469A.420(2)

beyond emissions reductions? What has the utility considered and why did it choose the strategies it did? How was community feedback obtained and considered in developing a CEP that offers health and community benefits?

- **Economic and technical feasibility of the CEP and costs and risks to customers.** As mentioned above in the Gas Conversion of Coal Plants subsection, CUB has concerns related to the new path put forward by PAC in this IRP. It raises a number of questions – has PAC truly put forward a least cost/least risk plan to benefit Oregon customers while complying with applicable mandates, or is it simply planning as a system and layering on HB 2021 requirements? If PacifiCorp continues to operate thermal units across its system by converting a number of coal plants to gas, how will the costs of these resources be allocated in future years? What about coal to gas conversion decommissioning costs? Are these costs and risks accurately quantified in the IRP/CEP currently before the Commission? How do the presented plans maximize benefits for customers from federal funding?
- **Effect of plan on reliability and resiliency of the electric system.** CUB is encouraged by PAC’s efforts to gain understanding of system-wide resiliency and reliability best practices, including by working with a 3<sup>rd</sup> party in this endeavor. How were communities and environmental justice communities engaged in these assessments? How were their comments considered or prioritized? How were definitions of reliability and resiliency formed? Were these definitions focused on utility reliability and resiliency or were they informed by community definitions and perspectives? CUB would like to receive a better understanding of what PAC considered from the resiliency recommendations from the UM 2225 docket and community feedback in that docket and throughout its CEP development—what did PAC incorporate or not and the reasoning for the decisions it made? How did extreme weather and wildfires play a role in this work?
- **Availability of federal incentives.** With the historic amount of funding on the table, CUB is interested in PAC’s approach to maximize federal incentives within their Action plan. CUB is interested in receiving more details on what incentives PAC has looked at applying for – what communities will these incentives impact? How is PAC determining those communities? Does PAC have an expected award date? Disbursement date? A timeline for project completion? CUB would like to receive a better understanding of what available resources weren’t considered and why? Finally, the Justice40 initiative directs 40% of benefits to disadvantaged communities, CUB would like more information from the submitted grant applications and descriptions of how the benefits of these projects will be going to disadvantaged communities and how these communities were engaged in the grant application process. A critical component of this is also workforce development. CUB is interested in how the Company has discussed workforce development as part of their grant applications and how community has informed the workforce development mindset of the Company.
- **Any other relevant factors as determined by the commission: Community Engagement.** CUB is interested in learning more on how PAC engaged communities, particularly EJ communities, from beginning to end. How did they identify these

communities? How are they planning to identify communities in future engagement practices? How were environmental justice community comments and recommendations discussed throughout the CEP process and how were those ideas implemented into the plan or not, including UM 2225 conversations? CUB would like to see PAC go beyond the UCBIAG as ways to connect with EJ communities. CUB appreciates the UCBIAG and the efforts PAC is making by coordinating organizations in this space but does not want other EJ voices not present to be left out of planning conversations. CUB is interested in how PAC can engage other community organizations and EJ voices within their service territory. CUB has concerns that some of the Actions detailed within the CEP have not engaged community members as of yet. While including community engagement after internal conversations is an important step, CUB is interested in how community engagement has shaped the actions being presented by the Company. CUB would like to see community helping to inform the development of PAC's Action items, programs, and plans.

- **Any other relevant factors as determined by the commission: Energy Burden.** Within PAC's Community Benefit Indicator metrics, the Company includes multiple metrics related to and focused on the reduction of energy burden. CUB is interested in the Company's investment strategy to meet HB 2475 goals. How is the Company envisioning future investments into energy burden reduction? Has PAC evaluated a long-term strategy to reduce energy burden beyond the low-income discount programs? How does the Company plan to share the burden of investment in the discount programs when looking at the customer rate impacts of a mature program?

**Accessibility**

While CUB appreciates the CEP being filed separately from the IRP, there are still some accessibility issues that should be addressed. With these long filings, CUB encourages PAC to consider utilizing a table of contents that allows the reader to click on a section to navigate. For reference, this is something that PGE includes in their filings, and it drastically increases the accessibility of navigating the document.

CUB would also like to see some minimal discussion of information mentioned in the preferred portfolio summarized in the CEP. The IRP is a lengthy document that is difficult for stakeholders that have not previously intervened in these proceedings to navigate. Including a summary of the relevant information that is mentioned within the CEP, for example, including a discussion of what the preferred portfolio offers in terms of EE, demand response, and DERs within the CEP section, would allow for new stakeholders to have access to all relevant information in a single place.

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**Conclusion**

CUB appreciates the work and analysis that PacifiCorp has completed thus far in the IRP and CEP proposed plans and appreciates the opportunity to provide initial comments to the Company. We look forward to continuing conversations on both of the plans with the Company, PUC Staff, and stakeholders throughout the duration of this process. We, again, appreciate PAC’s efforts in developing the CEP for the first time and look forward to seeing updates from the Company in their final CEP and IRP filing.

Respectfully submitted,

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