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February 20, 2024

VIA ELECTRONIC FILING

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

RE: LC 82—PacifiCorp's Reply Comments

PacifiCorp d/b/a Pacific Power submits to the Public Utility Commission of Oregon for filing its Reply Comments in the above-referenced docket.

Informal inquiries may be directed to Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

Sincerely,

Matthew McVee
Vice President, Regulatory Policy and Operations

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
LC 82**

In the Matter of
PACIFICORP, dba PACIFIC POWER
2023 Integrated Resource Plan

PacifiCorp’s Reply Comments

INTRODUCTION

PacifiCorp d/b/a PacifiCorp Power submits this reply to the seven public comments received on PacifiCorp’s 2023 Integrated Resource Plan (IRP) and 2023 Clean Energy Plan (CEP), to help organize the various party positions and inform the Commission’s deliberations. After considering the issues, the Commission should acknowledge, either in full or in part, PacifiCorp’s 2023 IRP and CEP as originally submitted, and address any remaining issues in the ongoing 2025 CEP and IRP stakeholder processes.

Respectfully submitted February 20, 2024,

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PacifiCorp Attorneys

Appendix A – Summary of PacifiCorp Responses and Replies to Staff’s Initial and Subsequent Public Comments

Staff Recommendations				
No.	Staff Recommendation (February 7, 2024)	PacifiCorp Response (February 14, 2024)	Additional Party Comments (February 14, 2024)	PacifiCorp Reply (February 20, 2024)
1	Do not acknowledge the IRP action plan elements 2b and 2c, the IRP’s preferred portfolio, or the IRP’s long-term plan.	Disagree - Staff’s recommendation is based on the flawed premise that an IRP and CEP should be judged not on its reasonableness at the time of filing but rather as if it were a continuously updated snapshot of resource planning, with post-submission changes in external circumstances constituting a basis for additional processes and non-acknowledgment. The Commission should recognize that these documents, while perhaps not valid into perpetuity, were considered reasonable given the circumstances at the time of their submission. This approach respects the inherent constraints of IRP or CEP projections, which rely on set planning assumptions and methodologies, or a “freeze,” to facilitate the lengthy process of modeling, computing, and detailed post-modeling analysis, all following an extensive period of public engagement. The Company asserts that changes in external circumstances after submission do not	Various parties support Staff’s initial recommendation.	Disagree. PacifiCorp restates its initial response.

		justify non-acknowledgment or additional processes. Staff concerns about post-submission changes in external circumstances will be addressed in the 2025 IRP and CEP and through associated public engagement. In the alternative, the Commission should partially acknowledge the 2023 IRP and CEP as submitted, or schedule a workshop to investigate additional issues in the 2025 IRP and CEP.		
2	Direct PacifiCorp to seek acknowledgement of a revised Preferred Portfolio and Action Plan in the planned April 2024 IRP Update.	Disagree - See PacifiCorp’s response to Staff Recommendation 1. Furthermore, Staff’s recommended additional process will further exhaust the limited resources of the Commission, stakeholders, and the Company, diverting attention from the development of the 2025 IRP and CEP to an additional, onerous, and unnecessary acknowledgment process for the 2023 IRP Update. As explained in Section 2A of the brief, the IRP Update serves a fundamentally different purpose than the IRP itself, and the Company is not requesting acknowledgement of the IRP Update as contemplated in OAR 860-027-0440. Staff concerns about post-submission changes in external circumstances will be addressed in the 2025 IRP and CEP and through associated public engagement. In the	Various parties support Staff’s initial recommendation.	Disagree. PacifiCorp restates its initial response.

		alternative, the Commission should partially acknowledge the 2023 IRP and CEP as submitted, or schedule a workshop to investigate additional issues in the 2025 IRP and CEP.		
3	Do not acknowledge the LC 82 CEP and direct PacifiCorp to revise and resubmit the CEP with its April 2024 IRP Update.	Disagree - See PacifiCorp’s response to Staff Recommendation 1. Furthermore, Staff’s recommended additional process will further exhaust the limited resources of the Commission, stakeholders, and the Company, diverting attention from the development of the 2025 IRP and CEP to an additional, onerous, and unnecessary acknowledgment process for a resubmitted CEP. This is in addition to the minimum 4-6 months it would take to incorporate results from the 2023 IRP Update into the 2023 CEP. Staff’s concerns about post-submission changes in external circumstances will be addressed in the 2025 IRP and CEP and through associated public engagement. In the alternative, the Commission should partially acknowledge the 2023 IRP and CEP as submitted, or schedule a workshop to investigate additional issues in the 2025 IRP and CEP.	Various parties support Staff’s initial recommendation.	Disagree. PacifiCorp restates its initial response.

4	Do not acknowledge Action Plan items 1h and 2a.	Disagree - See PacifiCorp’s response to Staff Recommendation 1.	Various parties support Staff’s initial recommendation.	Disagree. PacifiCorp restates its initial response.
5	Direct PacifiCorp to develop proposals for the use of CBIs in scoring in the SSR RFP, in the design of the CBRE pilot, and in scoring for the next all-source RFP.	Disagree - Staff’s recommendations are outside the scope of the 2023 IRP and CEP, prohibited by Commission regulations, unreasonable, or otherwise seek to apply the Commission’s competitive bidding requirements to an RFP that is not subject to those regulations.	Adopt Recommendation 5 and direct PacifiCorp to develop proposals for the use of CBIs in future procurements and in the Community Based Renewable Energy Pilot. (Energy Advocates)	Disagree. PacifiCorp restates its initial response. While CBIs may be an important component of evaluating CBRE projects and supporting potential socialization of costs, the company has not finalized the CBRE framework for the pilot program. Thus is it hard to know how CBIs might or might not be useful. Incorporating CBI’s into the scoring of the SSR RFP, along with Staff’s other suggestions, would make the RFP administratively burdensome and could not be effectively completed given the current state of Commission guidance.
6	Direct PacifiCorp to provide baseline metrics prior to filing its next IRP/CEP Update. If	Disagree - PacifiCorp developed baseline metrics to understand the current state within its service regions to assess the progress of CBIs in the Oregon 2023 Clean Energy Plan filing.	Adopt Recommendation 6 and direct the Company to provide baseline metrics or a detailed status update prior to its next	Disagree. PacifiCorp restates its initial response.

	<p>PacifiCorp cannot complete this effort by this timeline, PacifiCorp should provide a detailed status update and explanation of how it will ensure that remaining issues are resolved as soon as practicable.</p>	<p>PacifiCorp has identified six CBIs and 14 proposed metrics for the Company’s Clean Energy Plan.</p> <p>PacifiCorp noted these other metrics in the CEP filing:</p> <ul style="list-style-type: none"> • ENS reliability metrics for the portfolios analyzed in the CEP. • Oregon-allocated CO₂ emissions and Emissions Reductions, for its CEP. • Metric for percent renewables/non-emitting resource mix. • Deterministic cost and stochastic risk metrics for each portfolio related to PVRR and PVRR(d). <p>PacifiCorp considers its CBIs and metrics as interim, meaning they will adapt over time. The continued development and refinement of PacifiCorp’s CBIs will leverage continued stakeholder engagement and input. Resiliency metrics are also under development. Stakeholder input will be critical to formalizing the CBIs and metrics.</p>	<p>IRP/CEP Update. (Energy Advocates)</p>	
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7	Direct PacifiCorp to proceed with the CBRE Grant Pilot, contingent on the Company seeking feedback from the CBIAG in Q1 2024.	Agree - PacifiCorp will proceed with the CBRE Grant Pilot, contingent on the Company seeking feedback from the Community Benefits and Impacts Advisory Group (CBIAG) in Q1 2024.	Adopt Recommendation 7 amended as follows: “Direct PacifiCorp to proceed with the CBRE Grant Pilot, contingent on the Company seeking feedback from the CBIAG <i>and from energy justice advocates in Q1 2024.</i> ” (Energy Advocates)	Disagree. PacifiCorp restates its initial response and will seek additional stakeholder feedback before finalizing the CBRE pilot.
8	Direct PacifiCorp to work collaboratively with Staff, stakeholders, peer utilities, and the CBIAGs in a dedicated working group to develop clear, actionable improvements to community and stakeholder engagement in subsequent IRP/CEPs by December 31, 2024. If PacifiCorp cannot complete this effort by this timeline, PacifiCorp should provide a detailed status update and explanation of how it will ensure that	Agree - PacifiCorp currently works collaboratively with staff, stakeholders, peer utilities, and the CBIAGs in a dedicated working group and plans to continue to do so. The dedicated working group will develop clear, actionable improvements to community and stakeholder engagement in subsequent IRP/CEPs by December 31, 2024. If PacifiCorp cannot complete this effort by this timeline, PacifiCorp will provide a detailed status update and explanation of how it will ensure that remaining issues are resolved as soon as practicable, inclusive of the perspectives of peer utilities and the utilities’ CBIAGs.	Adopt Recommendation 8 with the following amendment: “ <i>If PacifiCorp cannot complete this effort by this timeline, PacifiCorp should provide a detailed status update and explanation of how it will ensure that remaining issues are resolved as soon as practicable, inclusive of the perspectives of peer utilities, energy justice advocates, and the utilities’ CBIAGs.</i> ” (The Energy Advocates). Strongly supports staff recommendation 8 that expects PacifiCorp to improve Tribal and community collaboration in future IRPs/CEPs. In doing so PacifiCorp should follow several additional principles: early and frequent communication; appropriate representation; understanding	Partially Agree. PacifiCorp is committed to continued improvement in Tribal and community collaboration in future IRPs/CEPs.

	remaining issues are resolved as soon as practicable, inclusive of the perspectives of peer utilities and the utilities' CBIAGs.		of and respect for Tribal processes; consensus-seeking approach; utility transparency and accountability. (CRITFC)	
9	The SSR RFP incorporates into project selection criteria appropriate elements of the current Resiliency Analysis Framework and the CBRE Pilot be designed to promote resiliency related factors.	Disagree - See PacifiCorp's response to Staff Recommendation 5.	No additional requests.	Disagree. PacifiCorp restates its initial response.
10	Direct PacifiCorp to fix any confirmed analytical errors in the calculation or application of granularity adjustments.	Disagree - See PacifiCorp's response to Staff Recommendation 1.	Direct PacifiCorp to fix any confirmed analytical errors in the calculation or application of granularity adjustments. <i>PacifiCorp is ordered, in the 2023 IRP Update and in future IRPs, to produce accurate and complete workpapers detailing granularity adjustments made to specific resources. Additionally, in the 2023 IRP Update, any net revenues used to calculate the</i>	Disagree. PacifiCorp restates its initial response, and notes that it is committed to working with stakeholders to improve its modeling processes in future IRP and CEP cycles.

			<p><i>granularity adjustment should be calculated based on the re-source's total fuel costs, since this reflects the full economic cost borne by PacifiCorp customers. Starting in the 2025 IRP, PacifiCorp must fully describe its granularity adjustment methodology within its IRP filing.</i> (The Energy Advocates)</p> <p>Supports Staff's recommendation 10, which addresses need to correct calculations, confirmed analytical errors, or implementation of PLEXOS granularity adjustments. Supports LOLP analysis in PLEXOS LT proposed buildout. (Renewable Northwest)</p> <p>Address IRA storage project tax credits. (Swan Lake/Goldendale)</p>	
11	Direct PacifiCorp to update Action Plan Item 1g to reflect actual events since the IRP/CEP was filed in May 2023.	Disagree - See PacifiCorp's response to Staff Recommendation 1.	Various parties support Staff's initial recommendation.	Disagree. PacifiCorp restates its initial response.

12	Acknowledge Action Item 4a to acquire cost-effective energy efficiency and demand response resources.	Agree - The Company agrees with Staff’s recommendation to acknowledge action items 4a to acquire cost-effective energy efficiency and demand response resources.	Various parties support Staff’s initial recommendation.	Agree. PacifiCorp restates its initial response.
13	Acknowledge updated avoided costs from the 2023 IRP planning and direct PacifiCorp to work with Staff and Stakeholders to update avoided costs for use in UM 1893 considering HB 2021 constraints.	Agree - The Company supports the use of the most recent data available whenever possible and will provide energy efficiency avoided cost input data in UM 1893 as directed. The Company would note that incorporating 2023 IRP and CEP results into energy efficiency avoided cost inputs is not straight forward and will work with Staff and Stakeholders to reflect HB 2021 constraints.	PURPA resources should be prioritized if PacifiCorp cannot move forward with aggressive procurement needs. (NewSun)	Disagree. There has not been discussion of prioritizing the procurement of PURPA resources to-date, yet PacifiCorp believe these types of topics are better in Docket UM 2000. The Company would request that, in the event the Commission partially acknowledges the 2023 IRP, it specifically address the required update to PURPA avoided costs under OAR 860-029-0085(1).
Staff Expectations				
General Staff Expectation (February 7, 2024)	PacifiCorp Response (February 14, 2024)	Additional Party Comments (February 14, 2024)	PacifiCorp Reply (February 20, 2024)	

General CBI Expectations	N/A	Elevate Staff’s CBI expectations as requirements for 2023 IRP and CEP update/revision. (The Energy Advocates).	Disagree. PacifiCorp restates its initial response to Staff Recommendation 1.
CBRE Activities Expectation	N/A	<p>Report regularly to the CBIAG <i>and energy justice advocates</i> on development including concrete and proactive activities PacifiCorp takes to reduce barriers, accelerate deployment, and expand CBRE potential. (The Energy Advocates)</p> <p>Engage the CBIAG <i>and energy justice advocates</i> on potential program designs that can scale quickly to meet community and system needs. (The Energy Advocates)</p>	Disagree. PacifiCorp is unclear why a separate and redundant stakeholder engagement process would be required, when the CBIAG is already defined by statute, and why energy justice advocates could not continue to participate in these existing processes.
Community Engagement Expectations	N/A	<p>Staff expects PacifiCorp’s CBIAG, <i>energy-justice-advocate outreach</i>, and CBI activities to better capture and document Environmental Justice community priorities. (The Energy Advocates)</p> <p>Staff encourages PacifiCorp to report on its Tribal engagement</p>	Disagree. PacifiCorp is unclear why a separate and redundant stakeholder engagement process would be required, when the CBIAG is already defined by statute, and why energy justice advocates could not continue to

		strategy by December 31 of each year to the CBIAG <i>and energy justice advocates</i> . (The Energy Advocates)	participate in these existing processes.
Resiliency Expectation	N/A	At a CBIAG meeting before the next CEP and prior to any CBRE Grant Pilot project selection, <i>and at a Clean Energy Plan Engagement Series or other venue where PacifiCorp seeks participation of energy justice advocates</i> , provide details for how a completed Resiliency Analysis Framework will be used to impact project selection. (The Energy Advocates)	Disagree. PacifiCorp is unclear why a separate and redundant stakeholder engagement process would be required, when the CBIAG is already defined by statute, and why energy justice advocates could not continue to participate in these existing processes.
Federal Incentives Expectations	N/A	PacifiCorp provides brief update at every IRP public input meeting, CEP Engagement Series meeting, and every CBIAG meeting leading up to the 2025 IRP that details the Company's activities to apply for federal incentives and detailing any funding secured. (The Energy Advocates)	Disagree. While the Company can provide general status updates on its efforts to secure federal funding in the appropriate venue, it is unreasonable to require this for every IRP, CEP, and CBIAG meeting leading up to the 2025 IRP, because those are planning activities, and not procurement efforts.

Coal-to-Gas Conversion Expectation	N/A	PacifiCorp should provide analysis around risk of regret for coal to gas conversions in its 2023 IRP Update. <i>This analysis should include realistic expectations on current pipeline capacity and the costs necessary to upgrade or build new pipelines to accommodate planned gas conversions. Regarding PacifiCorp’s plan to convert gas units to operate on hydrogen, the 2023 IRP Update should include analysis detailing when gas conversions or new gas can be converted to hydrogen, at what cost, and whether available pipelines can accommodate pure hydrogen or hydrogen blending.</i> (The Energy Advocates)	Disagree. PacifiCorp restates its initial response to Staff Recommendation 1.
Jim Bridger Coal Strategy Expectation	N/A	<i>In the 2023 IRP Update, PacifiCorp should: Utilize coal prices for Jim Bridger that are reflective of actual costs from the 2023 Long-Term Fuel Supply contract Plan.</i> (The Energy Advocates)	Disagree. PacifiCorp restates its initial response to Staff Recommendation 1.
Reliability Expectations		Supports Staff’s expectation that the Company change its capacity	Partially Agree. For the 2025 IRP, PacifiCorp is

		valuation to an ELCC or ELCC-adjacent methodology that has weather-correlated stochastic modeling. (Renewable Northwest)	planning to significantly enhance its modeling of weather-correlated variables and to consider ELCC-based capacity estimates from the Western Resource Adequacy Program (WRAP).
Candidate Resource Cost	N/A	<p>As part of the 2023 IRP Update and future IRP processes, PacifiCorp should update its renewable cost assumptions based on more the most recently available information. <i>Renewable cost assumptions should not include cost escalators that are not clearly supported by third party data, such as cost data from the National Renewable Energy Laboratory (“NREL”) Annual Technology Baseline (“ATB”) forecast.</i> (The Energy Advocates)</p> <p>Recommends elevating this expectation to a recommendation, which would require the 2023 IRP Update and future IRP processes to use the latest NREL ATB dataset. With specific recommendations for Natrium and</p>	<p>Partially Agree. PacifiCorp supports the use of third-party cost estimates where reasonable and intends to utilize National Renewable Energy Laboratory (“NREL”) Annual Technology Baseline (“ATB”) forecasts more widely in its 2025 IRP, but not in the 2023 IRP Update.</p> <p>Recent extraordinary inflation, manufacturing, and tariff issues resulted in significant cost increases, such that the NREL ATB forecast at the time the 2023 IRP was developed was significantly lower than pricing offered to PacifiCorp during its negotiations as part of its 2020 All-Source Request For Proposals. This was discussed in PacifiCorp’s October 13, 2022 public input meeting.</p>

		non-emitting peakers. (Renewable Northwest)	While PacifiCorp supports lower-cost renewable resources for customers, it is inappropriate to set unachievable expectations for project cost, particularly in the action plan window.
Additional Recommendations			
Party Comments (February 14, 2024)		PacifiCorp Response (February 20, 2024)	
Recreate CEP Figure 11 for (a) coal and (b) Oregon allocated GHG emissions comparing past IRP forecasts to actuals. This includes the charts from page 39 of Staff Comments. (CUB)		Disagree. The 2023 IRP is the first IRP that included consideration for Oregon-specific GHG outcomes and HB 2021 goals. Actual GHG emissions are reported to the OR DEQ who collect and publish the emissions data, which is third-party verified and made available to the public here: https://www.oregon.gov/deq/ghgp/Pages/GHG-Emissions.aspx .	
Provide a sensitivity that calculates Oregon-allocated GHG emissions under the assumption of no carbon prices operationalized in dispatch. This sensitivity should still be based on the Preferred Portfolio, which considers a carbon price in investment decisions. (CUB)		Agree. This can be included in the 2025 IRP/CEP.	
Propose a PacifiCorp specific carbon price that layers atop the medium carbon price the		Disagree. There is no basis in Oregon statutes or Commission regulations to support this proposal, and no correlation between planning and wildfire costs, without	

<p>Company’s annual cost from wildfires as described by CUB. (CUB)</p>	<p>considering a range of additional impacts from non-utility operations including transportation, manufacturing, and other societal activities.</p>
<p>In the next IRP, PacifiCorp should demonstrate that simultaneous compliance with all state-level policies is feasible with the Preferred Portfolio and with the Preferred Portfolio variants tested in the IRP. (CUB)</p>	<p>Partially agree. While PacifiCorp is investigating approaches to demonstrate simultaneous compliance with relevant state policies in the IRP Preferred Portfolio for future IRPs, those efforts cannot be guaranteed.</p>
<p>To improve an understanding of tradeoffs in the IRP Update and/or as part of the revised CEP, the Company should report Oregon-allocated costs and GHG emissions for the top performing IRP portfolios (inclusive of Oregon’s SSR requirement) under various allocation pathways. (CUB)</p>	<p>Partially agree. In PacifiCorp’s 2023 CEP, the Company already reported the Oregon-allocated costs and GHG emissions for all portfolios developed for Oregon that included the Oregon SSR requirement. PacifiCorp will continue to do so for future CEP filings. To the extent that PacifiCorp extends its IRP and CEP modeling approach to include the SSR requirement in more portfolios, those portfolio results could also be reported for Oregon-specific outcomes.</p>
<p>Direct PacifiCorp’s to include a GHG accounting chapter in future CEPs that: summarizes how covered electricity generation is identified because RECs are not retired on behalf of customers; there are no delivery or use claims; and explain how we report to emissions to DEQ. (The Energy Advocates)</p>	<p>Disagree. The OPUC clarified that RECs do not need to be retired to demonstrate compliance with HB 2021, as “the statute is rooted in emission reductions under DEQ’s emission tracking framework” (Commission Order No. 24-002, resolution for Issue I(a)(1)). Consistent with this conclusion, PacifiCorp must report annual Oregon greenhouse gas emissions in compliance with the Oregon DEQ’s greenhouse gas reporting rules. And as directed by the OPUC, PacifiCorp forecasts emissions in its CEP associated with serving Oregon customers for each year, based on IRP portfolios and DEQ-approved emissions factors. PacifiCorp’s CEP includes discussion of the DEQ’s approved methodology. Additional information can be found on the DEQ website: https://www.oregon.gov/deq/ghgp/Pages/GHG-Reporting.aspx#18e6fc88-58e6-4fc7-b440-b84d6979c6b4.</p>

<p>PacifiCorp’s IRP and CEP are “not technically and economically feasible” based on suspension of the 2022AS RFP. (NewSun)</p>	<p>Disagree. PacifiCorp restates its initial response to Staff Recommendation 1. It is unclear how post-submission changes in planning assumptions, like suspension of the 2022AS RFP, are relevant for documents that were filed prior to these events.</p>
<p>PacifiCorp’s CEP has not demonstrated continual progress, because of suspension of 2022AS RFP. (NewSun)</p>	<p>Disagree. PacifiCorp restates its initial response to Staff Recommendation 1. It is unclear how post-submission changes in planning assumptions, like suspension of the 2022AS RFP, are relevant for documents that were filed prior to these events.</p>
<p>No RFI necessary for long-lead time resources, instead require PacifiCorp to issue an RFP, possibly jointly, with PGE. (Swan Lake/Goldendale)</p>	<p>Disagree. Long-lead time resources are already included as proxy resources in the IRP for selection in the preferred portfolio. Additionally, long-lead time resources are eligible to participate in the All-Source RFP process.</p>