



December 20, 2022

*Via Electronic Filing*

Public Utility Commission of Oregon  
Attn: Filing Center  
201 High St. SE, Suite 100  
Salem, OR 97301

**Re: Docket LC 77—Joint Parties’ Opposition to PacifiCorp’s Motion for Waiver of IRP  
Guideline 2(c)**

Please find enclosed Sierra Club, Northwest Energy Coalition, the Oregon Citizens’ Utility Board, and the Green Energy Institute’s opposition to PacifiCorp’s Motion for Waiver of IRP Guideline 2(c).

Please let me know if you have any questions or concerns.

Respectfully submitted,

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Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

LC 77

In the Matter of  
PACIFICORP d/b/a PACIFIC POWER,  
2021 Integrated Resource Plan

JOINT PARTIES' OPPOSITION TO  
PACIFICORP'S MOTION FOR  
WAIVER OF INTEGRATED  
RESOURCE PLAN GUIDELINE 2(c)

Pursuant to Oregon Administrative Rules (OAR) 860-001-0420(4) Sierra Club, Northwest Energy Coalition (“NWECC”), the Oregon Citizens’ Utility Board (“CUB”), and the Green Energy Institute (“GEI”)<sup>1</sup> (hereinafter “Joint Parties”) provide this Opposition to PacifiCorp’s Motion for Waiver of Integrated Resource Plan Guideline 2(c) (Waiver Request), filed December 13, 2022. Because (1) the Company’s stakeholder input process is not an adequate substitute for a draft IRP; (2) HB2021 and UM2225 do not negate the need for a draft IRP; and (3) the Company may delay its intended 2023 IRP filing date if it requires more time, the Joint Parties respectfully request that the Commission deny PacifiCorp’s Waiver Request.

**I. PacifiCorp’s Waiver Request**

On December 13, 2022, PacifiCorp filed its Waiver Request, claiming that it is unable to provide a draft IRP for the 2023 cycle “because of the new and developing requirements in House Bill (HB) 2021 and Commission guidance in docket UM 2225.”<sup>2</sup> PacifiCorp asserted that although it is working to complete its Clean Energy Plan (“CEP”) materials, the Company cannot complete this work in time to provide a draft IRP and file a final IRP by March 2023.<sup>3</sup>

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<sup>1</sup> GEI joins this filing and notes that it did not indicate a position on the similar request submitted by Portland General Electric because it was unaware such a request had been filed. CUB similarly did not object to Portland General Electric’s request, but nonetheless joins this opposition.

<sup>2</sup> PacifiCorp Waiver Request at 1.

<sup>3</sup> *Id.* at 2-3.

According to the Company, a draft IRP would “likely be incomplete and potentially misleading.”<sup>4</sup> Finally, PacifiCorp claimed that the “intent of Guideline 2(c) . . . has already been met through the robust public input process the Company employs during the development of the IRP and Clean Energy Plan (CEP)[,]”<sup>5</sup> a claim that PacifiCorp has repeatedly made to justify its past failures to provide a draft IRP for public review and comment.

## **II. PacifiCorp’s Waiver Request Should Be Denied Because the Commission Intentionally Required that Utilities File Draft IRPs, a Requirement that PacifiCorp has Continuously Ignored.**

The history of Guideline 2(c) was clearly and succinctly described by Renewable Northwest in its Response to Portland General Electric’s (“PGE”) Motion Requesting Waiver of IRP Guideline 2(c).<sup>6</sup> Briefly, and as Renewable Northwest explained, Guideline 2(c) was adopted by the Commission in Order No. 07-002. Leading up to that Order, proposed IRP Guidelines were extensively debated, including the requirement that utilities file a draft IRP. PGE specifically proposed eliminating Guideline 2(c) and replacing it with the vague requirement that “[p]rior to filing of the IRP, utilities and participants should follow the schedule that best meets the needs for interaction and plan development.”<sup>7</sup> For PacifiCorp’s part, the Company made no comment on the requirement to file a draft IRP.<sup>8</sup> The Commission considered Staff’s proposal that utilities should file a draft IRP, comments (or lack thereof) regarding the same, and determined that a draft IRP should be included in the IRP Guidelines.

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<sup>4</sup> *Id.* at 3.

<sup>5</sup> *Id.*

<sup>6</sup> Renewable Northwest’s Response to PGE’s Motion Requesting Waiver of Integrated Resource Plan Guideline 2(c) at 2-4, Dkt. No. LC 73 (Nov. 29, 2022) *available at* <https://edocs.puc.state.or.us/efdocs/HAC/lc73hac17720.pdf>.

<sup>7</sup> *Id.* at 4.

<sup>8</sup> *See, e.g.*, PacifiCorp’s Reply Comments, Attachment A at pdf p. 15, Dkt. UM 1056 (Sept. 30, 2005) *available at* <https://edocs.puc.state.or.us/efdocs/HAC/um1056hac131616.pdf> (making no proposed edits to Staff’s recommendation that utilities file draft IRPs).

Yet, PacifiCorp has often chosen to ignore the Commission’s directive. The Joint Parties are aware of only limited times when PacifiCorp has provided a draft IRP, and even then, without meaningful opportunity for comment. For instance, PacifiCorp provided a draft of its 2019 IRP, but only two weeks before the final IRP was filed with the Commission. For the 2017 IRP, PacifiCorp provided “portfolio summaries” during public input meetings, but did not provide a completed, draft IRP prior to filing. While stakeholders have continually asked whether PacifiCorp would provide a draft IRP during stakeholder input meetings, PacifiCorp has refused, claiming, as it does now in its Waiver Request, that its public input process is sufficient.<sup>9</sup> In sum, PacifiCorp has willfully ignored Guideline 2(c), long before HB2021 and the Commission’s proceedings regarding implementation have been at issue.

**III. The Commission Should Deny PacifiCorp’s Waiver Request because the Public Stakeholder Process is Not an Adequate Alternative to a Draft IRP**

Contrary to PacifiCorp’s assertions, the purpose of a draft IRP is not accomplished through the Company’s stakeholder feedback process, for multiple reasons.

First, a draft IRP should include, to the extent possible, finalized drafting of each section of the IRP, the completion of all necessary modeling, and the identification of the preferred portfolio. This information is not available through stakeholder meetings, as it has not yet been created or determined. The ability to review a draft of the IRP and provide final feedback before it is submitted to the Commission is crucial because, once the IRP and preferred portfolio are submitted, they become essentially immutable. While it is always possible for the Commission to order updated modeling or changed assumptions within a current IRP, as a practical matter, a

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<sup>9</sup> See, e.g., Order No. 22-178 at App’x C p. 44 (Staff Report attached to Commission Acknowledgment Order on PacifiCorp’s 2021 IRP noting that Staff and Northwest Energy Coalition raised concerns throughout the 2021 IRP that PacifiCorp failed to submit a draft IRP and that PacifiCorp “rejected Staff’s request” that the Company comply with Oregon’s IRP Guidelines by providing a draft IRP).

stakeholder is typically limited to arguing for or against acknowledgment. Proposed revisions, if adopted, are not typically required within the current IRP, but may be required for future IRPs. As a result, commenting on a completed IRP only after it has been submitted to the Commission significantly decreases a stakeholder's ability to influence the current year's plan.

Second, without a draft IRP, stakeholders typically have only limited insight into whether their feedback, provided throughout the public input process, is being taken into account. For instance, while there was a stakeholder session discussing assumptions and inputs for the conservation potential assessment (CPA), and stakeholders are free to make suggestions on the CPA, stakeholders will not learn what assumptions and inputs were finalized and used in the CPA until after the CPA is completed and its results are included in the IRP. If a draft IRP would be prepared, as required, stakeholders would have an opportunity to review inputs used in the CPA and its results, and make final recommendations that could be incorporated into the final IRP. Instead, stakeholders will be limited to commenting on whether the final IRP should or should not be acknowledged, with very limited opportunity (if any) to influence changes to the 2023 IRP. This is true for a multitude of pertinent topics, including environmental compliance assumptions, supply side resource pricing (including fuel pricing), load and growth assumptions, and implementation of the Inflation Reduction Act's provisions, among others.

Third, many modeling issues cannot be addressed prior to the modeling being completed. To provide just one example, during modeling, the Company makes manual "reliability adjustments." Specifically, when the Company identifies reliability gaps after initial modeling, the Company will adjust the cost of resources to steer the model towards selecting a preferred set of resources in the final portfolio. Because these reliability adjustments are made after initial "long term" portfolios are produced and before the more-granular "short term" portfolios are

completed, they occur, by necessity, mid-modeling and cannot be reviewed until after the modeling is finished. In other words, there is no way to review and comment on these reliability adjustments without having access to completed modeling, which has typically not been made available until after the final IRP is filed because a draft IRP has historically not been provided by PacifiCorp.

For instance, in PacifiCorp's 2021 IRP, Sierra Club learned, only after the final IRP was filed because a draft was not provided, that PacifiCorp had made these manual "reliability adjustments" in a manner that favored "non-emitting peakers" and nuclear facilities over renewable energy and battery storage. Sierra Club provided comment on the "reliability adjustments" in its comments on the 2021 IRP, but had no ability to comment on the reliability adjustments when it was still possible to make changes in the 2021 IRP preferred portfolio. PacifiCorp intends to make similar reliability adjustments to its 2023 IRP portfolio and without a draft IRP, stakeholders will have no ability to review the adjustments and provide any feedback that could influence the final portfolio put forward for Commission acknowledgment.

As is apparent, while the stakeholder feedback process is an important component of the IRP's development, it is not an adequate substitute for a draft IRP.

#### **IV. The Commission Should Deny PacifiCorp's Waiver Request Because HB2021 and UM2225 Do Not Negate the Need for a Draft IRP**

The Joint Parties understand and appreciate that HB2021 requires significant changes to how PacifiCorp and other Oregon utilities plan for the future and that the UM2225 proceeding has not yet been concluded. However, this should not be used as an excuse to (once again) fail to provide a draft IRP that is clearly required by Oregon's IRP Guidelines.

An IRP is an exercise in forecasting an uncertain future and making the best possible assumptions about a wide range of topics, including state regulations. A draft IRP should make a

good faith attempt of predicting HB2021 requirements and identifying how the Company intends to comply. To the extent that analysis is incomplete or additional steps are required for the final IRP and CEP, PacifiCorp should clearly identify those needs or deficiencies in the draft IRP, thus avoiding the draft IRP being “potentially misleading.”<sup>10</sup>

**V. If the Company Requires More Time to Adequately Incorporate HB2021 Requirements, the Commission’s Rules Do Not Require PacifiCorp to File its next IRP in March 2023**

The Commission’s regulations state that an IRP must be filed within two years of its previous IRP acknowledgement order or as otherwise directed by the Commission.<sup>11</sup> The Commission acknowledged PacifiCorp’s 2021 IRP on May 23, 2022. Accordingly, PacifiCorp is not required to file a new IRP until May 2024. While PacifiCorp has chosen to file a new IRP in March of 2023—and the Joint Parties support a biennial filing—PacifiCorp has the ability to postpone its 2023 IRP filing if necessary to incorporate HB2021 requirements.

Importantly, the Joint Parties do not support, and are not suggesting, that PacifiCorp indefinitely, or even significantly, delay filing its 2023 IRP and CEP. PacifiCorp has only a short time to rapidly decarbonize its electric supply for Oregon customers and it should put forward its plan to do so as soon as possible. However, should PacifiCorp require additional time—in the realm of four to eight weeks—in order to provide a draft IRP and accept public comment on the same, the benefits of receiving this feedback would certainly outweigh the downsides of a short filing delay.<sup>12</sup> In fact, there may be other, independent bases, aside from HB2021, to delay filing

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<sup>10</sup> PacifiCorp Waiver Request at 3.

<sup>11</sup> OAR 860-27-0400(3).

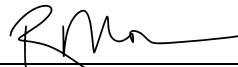
<sup>12</sup> During PacifiCorp’s 2021 IRP, the Company requested to delay its filing from April until September. Sierra Club submitted comments on PacifiCorp’s request, arguing that a lengthy delay could result in a cascade of other proceeding delays and recommending that the Commission direct PacifiCorp to file its 2021 IRP by July 2021. Sierra Club’s position is unchanged here: lengthy delays in IRP filings should be avoided. However, Sierra Club’s experience in the 2021 IRP, where modeling results were not produced until after the filing, demonstrated the importance of being able to review and comment upon draft

the 2023 IRP, most notably to ensure proper incorporation of the Inflation Reduction Act which contains numerous and, in some cases, complex provisions that will have significant impact on the price of renewable energy and battery storage, adoption of energy efficiency, and electrification of vehicles and buildings.

## **VI. Conclusion**

For the reasons set forth above, the Joint Parties respectfully request that the Commission deny PacifiCorp's Waiver Request and direct the Company to file a draft IRP that is available for stakeholder review and feedback before finalizing and filing its 2023 IRP.

Respectfully submitted,



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modeling results. As noted in Sierra Club's 2021 IRP comments, Sierra Club did not uncover many important issues until quite late in the IRP process because it did not have the ability to review modeling workpapers prior to the IRP filing in September 2021, despite the fact that modeling was, in some cases, completed in June 2021. Accordingly, Sierra Club supports the requirement that PacifiCorp file a draft IRP, even if, in this case, doing so would require a short delay.



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