

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 375

In the Matter of

PACIFICORP, dba PACIFIC POWER

2021 Transition Adjustment Mechanism.

AGENDA

On April 10, 2020, PacifiCorp, dba Pacific Power, will host a Commission Workshop (via remote conferencing technology) to discuss coal fueling as a component of PacifiCorp's power costs, in compliance with Order No. 20-023. This notice describes the format for the workshop, and also lists topics that we would like to cover.

Because the material to be discussed is protected by Order No. 16-128, this workshop will be held as an executive session under ORS 192.660(2)(f) and participation will be limited to parties to UE 375 who have signed the protective order. PacifiCorp, as the workshop host, will take responsibility to work with the Administrative Hearings Division to ensure appropriate protections for confidential information during the remote conference.

Format: PacifiCorp should lead the workshop with a presentation covering the points in PacifiCorp's initial testimony in UE 375, addressing the issues we list below, and highlighting any other relevant issues. During the presentation, we ask that PacifiCorp pause to allow for any Commissioner questions, followed by questions from Staff and other parties.

Issues: The workshop's primary purpose is to understand PacifiCorp's plans and strategies for managing coal fueling arrangements for plants that have earlier retirement dates or lower operating levels in the 2019 Integrated Resource Plan (IRP). We have identified five issues to help frame the workshop.

1. **Minimum Take Levels at Naughton:** PAC/300, Ralston/11 explains the minimum take payments due for Naughton. PacifiCorp references the environmental shortfall payment for the "six-month stub period" from July 2021 to December 2021. Please discuss the contract length, term, and forward negotiation opportunities for Naughton coal supply, explaining the current level of coal contracted and whether minimum take opportunities will be avoidable going forward.

2. Minimum Take Levels at Jim Bridger and other Plants: PAC/300, Ralston/4 discusses the risk of a minimum take penalty at Jim Bridger. Please summarize this analysis, and also provide the expected near term delivery in annual tons for all Jim Bridger coal sources. Is similar analysis to line 16 of PAC/300, Ralston/3 available for other plants that have minimum take levels? How do these minimum take levels intersect with or adapt to changes in capacity factors at these plants?
3. Jim Bridger Capacity Factors: Last summer PacifiCorp applied to Wyoming Department of Environmental Quality (DEQ) to lower plant-wide NOx and SO2 emissions in lieu of Selective Catalytic Reduction (SCR) on Jim Bridger Units 1 and 2. Please confirm that the WY DEQ granted the application and set a plant wide limit of 8.62 million tons of coal per year (a 76 percent average capacity factor), effective January 1, 2022.
 - How will this permit limit Jim Bridger operations?
 - How will the CSA discussed in UE 375, PAC/300, Ralston/4, accommodate changes to the plant's operations?
 - When would PacifiCorp make changes (if any) to its CSA?
4. Hunter Coal Contract in 2021: PAC/300, Ralston/14 states the CSA for Hunter ends in 2020. PacifiCorp describes a price increase for a new CSA beginning in 2021. Please discuss what elements of flexibility are incorporated in the 2021 CSA.
5. Westmoreland Bankruptcy: The 2020 TAM, UE 356, PAC/200, Ralston/8 explained that Westmoreland was in the process of being sold to Western Coal Acquisitions Partners via the bankruptcy court. Westmoreland is not addressed in opening 2021 TAM testimony. Please provide an update on the current status of Westmoreland's bankruptcy proceeding and how PacifiCorp is managing risk in its contracts for Colstrip and Naughton fueling.

Dated this 8th day of April, 2020, at Salem, Oregon.

Megan W. Decker

Letha Tawney

Mark R. Thompson

Chair

Commissioner

Commissioner