



RECEIVED

2020 AUG 19 PM 2:50

IDAHO PUBLIC
UTILITIES COMMISSION

1407 W. North Temple, Suite 330
Salt Lake City, Utah 84116

August 19, 2020

VIA ELECTRONIC DELIVERY

Jan Noriyuki
Commission Secretary
Idaho Public Utilities Commission
1131 W. Chinden Blvd
Building 8 Suite 201A
Boise, ID 83714

**Re: CASE NO. PAC-E-19-16
IN THE MATTER OF PACIFICORP'S APPLICATION FOR
ACKNOWLEDGEMENT OF THE 2019 INTEGRATED RESOURCE PLAN**

Dear Ms. Noriyuki:

Please find attached Rocky Mountain Power's reply comments in the above referenced matter.

Informal inquiries may be directed to Ted Weston, Idaho Regulatory Manager at (801) 220-2963.

Very truly yours,

Joelle R. Steward
Vice President of Regulation

Emily Wegener
1407 West North Temple, Suite 320
Salt Lake City, Utah 84116
Telephone No. (801) 220-4526
Mobile No. (385) 227-2476
Email: Emily.wegener@pacificorp.com

Attorney for Rocky Mountain Power

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF PACIFICORP'S) CASE NO. PAC-E-19-16
APPLICATION FOR ACKNOWLEDGEMENT)
OF THE 2019 INTEGRATED RESOURCE) REPLY COMMENTS OF
PLAN) ROCKY MOUNTAIN POWER

In accordance with Rule 202.01(d) of the Rules of Procedure of the Idaho Public Utilities Commission ("Commission") and the Commission's April 30, 2020 Order 34654 - Notice of Modified Procedure, Rocky Mountain Power a division of PacifiCorp (the "Company") hereby submits reply comments in the above-referenced case.

I. BACKGROUND

1. On October 25, 2019, Rocky Mountain Power filed its 2019 Integrated Resource Plan ("2019 IRP" or "IRP") with the Idaho Public Utilities Commission pursuant to Order 22299 that requires utilities to file bi-annual Integrated Resource Plans.

2. On December 3, 2019, the Commission issued Order 34494, Notice of Filing and Notice of Intervention. Interested parties were given 21 days to intervene in the case. On January 7, 2020, a Notice of Parties was provided. The Company and Commission Staff were the only parties to the case.

3. On April 30, 2020, Commission Order 34654 - Notice of Modified Procedure, informed the parties that the case would be processed under the Rules of Procedure 201 through

204 and established a procedural schedule for interested parties to file comments by August 5, 2020, with the Company's reply comments due on August 19, 2020.

4. On August 5, 2020, Commission staff filed comments with the Commission. Staff found that the Company's 2019 IRP satisfied all the requirements in Order No. 22299; and recommended that the Commission acknowledge the 2019 IRP. Staff also recommended continued attention to: (1) Capacity Deficiency Date in the Load and Existing Resource Balance; (2) Integrating updated coal unit decommissioning cost studies into the planning process; (3) Long-range gas cost assumptions, noting that the Company's 2019 IRP gas cost forecast was significantly higher than the Company's 2017 forecast; (4) Transmission Planning; and (5) Continuation of DSM and time-of-use efforts.

5. While not an intervenor in this proceeding, Sierra Club submitted public comments on August 5, 2020, claiming to represent the interests of supporters in PacifiCorp's service territory. Sierra Club's comments focused on four areas: (1) Idaho customers should not subsidize the continuation of uneconomic coal units; (2) Securitization of non-economic coal fleet should be investigated, not excluded; (3) Disconnect between transmission and generation resource Action Plan items; and (4) PacifiCorp should remove coal-favoring biases.

II. REPLY COMMENTS

Capacity Deficiency Date in the Load and Existing Resource Balance

6. Staff has expressed concern that the timing and the amount of the capacity deficiency identified in the 2019 IRP will be used to determine when new Public Utility Regulatory Policies Act of 1978 ("PURPA") contracts will be eligible to receive capacity payments, and that this may be impacted by coal plant retirements. The Company notes that the 2028 deficiency date indicated in Table No. 5.12 of the 2019 IRP is largely an outcome of the preferred portfolio

selection process, rather than an input to that process. As a result, Staff's concerns about the characterization of a deficiency date would not have impacted the analysis in the 2019 IRP and the selection of the preferred portfolio. Within the 2019 IRP modeling process, planning reserve requirements, portfolio optimization, and reliability assessment combine to identify the least-cost, least-risk portfolio of resources across time, rather than resources to meet a specified capacity deficit in a particular year. This portfolio view is also relevant to early retirement analysis, as the IRP results do not identify one for one replacement resources, but rather reflect an optimized combination of resources that can vary by type, location, and start date.

In Commission Order No. 33917, issued on October 23, 2017, the Commission directed Idaho electric utilities to submit a separate capacity deficiency filing for use with new PURPA contracts after the Commission acknowledges its IRP. Staff's concerns about deficiency period timing for PURPA contracts would be better addressed in the capacity deficiency filing that will be made after Commission acknowledgement of the Company's 2019 IRP.

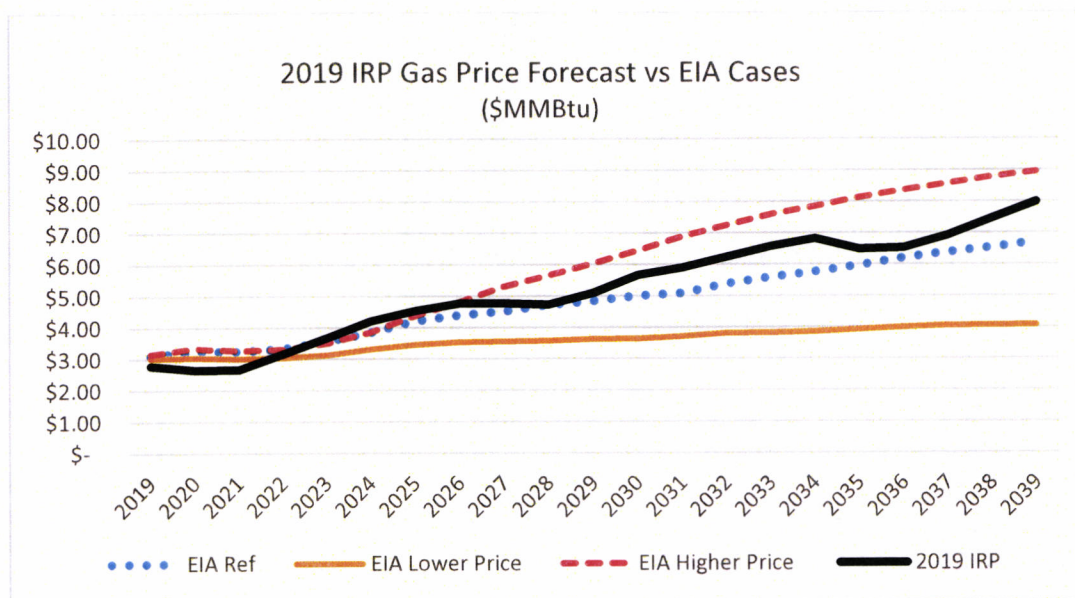
Integrating updated coal unit decommissioning cost studies into the planning process

7. The Company's IRPs utilize the most current information available at the time the analysis is performed. The decommissioning studies were not finalized until January and March of 2020, after assumptions for the 2019 IRP were established. The 2021 IRP will incorporate the latest coal unit decommissioning cost information. This timing will allow intervening parties in the Company's jurisdictions to review the decommissioning studies before they are included in the IRP.

Long range gas cost assumptions

8. Staff compared natural gas price assumptions from PacifiCorp's 2019 IRP with forecasts from the Annual Energy Outlook ("AEO") 2020 report on energy consumption from the

U.S. Energy Information Administration. This report was issued in early 2020—after assumptions for the 2019 IRP were established and after the 2019 IRP was filed. The figure below replicates the graph in Staff’s comments using data from the AEO 2019 report on energy consumption¹ from the U.S. Energy Information Administration, which was issued in early 2019. This release date aligns more closely with the timing in which PacifiCorp established its natural gas price forecast for the 2019 IRP, which is based on a price curve developed in September 2018. As can be seen in the following graph, based on more contemporaneous data, the Company’s forecast is reasonable.



Transmission Planning

9. The Company acknowledges Staff’s Boardman to Hemingway (“B2H”) related comments and agrees that the Company will focus additional attention on B2H in the 2021 IRP, including quantification of benefits, as necessary. The Company notes that the project is currently in the permitting/preliminary engineering phase, and that the Company has not

¹ <https://www.eia.gov/outlooks/aeo/data/browser/#/?id=13-AEO2019&sid=ref2020-d112119a.60-13-AEO2020~ref2020-d112119a.40-13-AEO2020~ref2020-d112119a.39-13-AEO2020&sourcekey=0>

committed to construction of the project at this time and has not entered into a construction agreement with the other partners. B2H has been a long standing action item from a permitting perspective, which has not changed significantly since the 2017 IRP. The Company is currently awaiting the final Energy Facility Siting Council (“EFSC”) permit in Oregon, which is expected to be received mid-2021.

Continuation of DSM and time-of-use efforts

10. The Company appreciates Staff’s inclusion of a description of the Company’s efforts in demand-side management and time-of-use in its comments. The Company plans to continue to support, evaluate, and evolve these offers to maintain cost effectiveness.

Idaho customers should not subsidize the continuation of uneconomic coal units

11. The Company uses its IRP to evaluate the most cost-effective options to serve customers on a system-wide basis to reduce costs for all its customers. The Company plans to re-evaluate the economics of its coal units in the 2021 IRP analysis.

Securitization of non-economic coal fleet should be investigated not excluded

12. As noted earlier, the Company uses the IRP to evaluate cost-effective alternatives which includes continuing to be responsive to legislation and regulatory guidance within its operating territory.

Disconnect between transmission and generation resource Action Plan items

13. The Company has maintained that specific resource determinations and economics will be tied to its request for proposal (“RFP”) process. The 2021 IRP, as with past IRPs, continues to model proxy resources and an aggregated transmission topology.

PacifiCorp should remove coal-favoring biases from IRP analysis

14. The Company disagrees with Sierra Club's assertion that the IRP analysis is biased. The Company's goal has always been and continues to be to produce an unbiased IRP.

III. CONCLUSION

After the Commission acknowledges the 2019 IRP, the Company will file for a capacity deficiency determination pursuant to Commission Order No. 33917. The Company will use the most currently available coal unit decommissioning costs in its 2021 IRP. The Company believes the Annual Energy Outlook ("AEO") 2019 report on energy consumption² from the U.S. Energy Information Administration aligns better with the information available at the time the 2019 IRP was developed. The Company will focus additional attention on B2H project in the 2021 IRP and continue to support, evaluate, and evolve its DSM and time-of-use programs.

The Company disagrees with Sierra Clubs assertions that the IRP contains coal biases. The Company plans to re-evaluate the economics of coal units in the 2021 IRP.

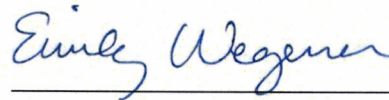
IV. REQUEST FOR RELIEF

As supported by Commission Staff's comments the Company's 2019 IRP satisfies all the requirements in Order No. 22299; therefore, the Company respectfully requests that the Commission acknowledge PacifiCorp's 2019 IRP filing.

² <https://www.eia.gov/outlooks/aeo/data/browser/#/?id=13-AEO2019&sid=ref2020-d112119a.60-13-AEO2020~ref2020-d112119a.40-13-AEO2020~ref2020-d112119a.39-13-AEO2020&sourcekey=0>

Dated this 19th day of August 2020.

Respectfully submitted,
ROCKY MOUNTAIN POWER

A handwritten signature in blue ink that reads "Emily Wegener". The signature is written in a cursive style and is positioned above a horizontal line.

Emily Wegener
1407 West North Temple, Suite 320
Salt Lake City, Utah 84116
Telephone No. (801) 220-4526
Mobile No. (385) 227-2476
Email: Emily.wegener@pacificorp.com

Attorney for Rocky Mountain Power