

August 5, 2020

To: Idaho Public Utilities Commission via email, [secretary@puc.idaho.gov](mailto:secretary@puc.idaho.gov)

From: Lisa Young, on behalf of the Idaho Sierra Club, 503 W. Franklin St., Boise, ID 83702

Re: PAC-E-19-16

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As the Director of the Idaho Sierra Club, I respectfully submit these comments on behalf of our chapter. We maintain contact with over 300 supporters in the PacifiCorp service territory. Based on customer interests expressed through those interactions and given our knowledge of energy matters, we submit these comments regarding PacifiCorp's IRP.

First, we acknowledge and appreciate the resources PacifiCorp employed to conduct its coal unit assessments, which identified several near-term economic coal retirements.

The following four sections describe our concerns and recommendations, which are re-capped at the end:

**1. Idaho customers should not subsidize the continuation of uneconomic coal units.**

**Idaho Power demonstrates earlier exits from Jim Bridger units are economically beneficial.**

	Jim Bridger Coal Unit Retirement Dates			
PacifiCorp IRP	2023	2028	2037	2037
Idaho Power IRP	2022	2026	2028	2030

Idaho Power is a 40 percent co-owner of Jim Bridger. The Idaho Power 2019 IRP specifically assessed the early retirement of all four Jim Bridger units in timeframes similar to that of PacifiCorp, and a few that were faster. Idaho Power found that the fastest exit scenario, with the full closure of Jim Bridger prior to 2030, saved Idaho consumers over \$80 million relative to a scenario most similar to PacifiCorp's (2022, 2026, and 2034, respectively).<sup>1</sup>

Idaho Power explains that while "the 2017 IRP preferred portfolio included early exits from two units at Jim Bridger in 2028 and 2032... the 2019 IRP analysis has determined it is economical to exit all four coal units early at Jim Bridger."<sup>2</sup>

Idaho Power's amended IRP found that coal plants did not serve customers' best interests. As noted by the utility:

The Amended 2019 IRP also indicates favorable economics associated with Idaho Power's exit from five of seven coal-fired generating units by the end of 2026 and exit from the remaining two units at the Jim Bridger facility by the end of the 2020s.<sup>3</sup>

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<sup>1</sup> Idaho Power 2019 IRP, Amended January 31, 2020. Pages 109-111. Assessment of Bridger Scenario 4 (\$5,996,478,000 NPV) against Scenario 3 (\$6,076,723,000 NPV) in Portfolio 16 under base planning assumptions.

<sup>2</sup> Idaho Power 2019 IRP, Amended January 31, 2020. Page 12

<sup>3</sup> Idaho Power 2019 IRP, Amended January 31, 2020, Page 5



PacifiCorp's assessment of coal resources should be informed by Idaho Power's analysis. We are concerned that PacifiCorp has potentially missed details critical to the long-term risks faced at Jim Bridger; risks that have been recognized by Idaho Power.

- We ask that PacifiCorp be required to re-evaluate the economics of each of its coal units in all future IRPs.
- As Idaho utilities seek to best serve ratepayers through early exits of coal units, we ask the Commission to ensure that PacifiCorp does not impede other utilities serving Idaho from exiting coal to best serve their Idaho customers.

**2. Securitization of non-economic should be investigated, not excluded.**

PacifiCorp has excluded opportunities to refinance the remaining plant balance of its existing coal fleet. PacifiCorp's neighboring states in New Mexico and Colorado have recently enacted securitization legislation, allowing the remaining balance at existing coal plants to be refinanced upon retirement. Utah could enact similar legislation. If PacifiCorp were to harness such legislation, it would improve the ratepayer basis for retiring non-economic plants while minimizing impacts to PacifiCorp's bottom line. Instead, PacifiCorp elected to assume, across the board, that the utility is entitled to full recovery of and on remaining plant balance at otherwise non-economic coal plants.

- We ask that PacifiCorp investigate the potential for securitization to further reduce ratepayer costs when non-economic coal plants retire, and to include that potential in its evaluation of coal retirements.

**3. There is a disconnect between transmission and generation resource Action Plan items**

Although the generation resource section of PacifiCorp's Action Plan section does not commit to any particular resource builds, the transmission section is much more specific. The most significant transmission action item in PacifiCorp's IRP is a plan to construct and place in service the 400-mile, 500-kilovolt Gateway South transmission line by December 2023. The problem with PacifiCorp's transmission action items is that they are tied to notional generation resources that the Company is not committed to developing and for which the Company has not established a tangible need.

- We ask that the Commission not acknowledge any transmission expenditures in PacifiCorp's Action Plan unless they are contingent on the Company's all-source RFP process identifying those expenditures as part of a least-cost resource plan.

**4. PacifiCorp should remove coal-favoring biases**

The forces favoring clean energy are growing, not waning. The risks associated with coal generation are growing, not declining. As utilities update their analyses to more accurately reflect costs and risks, the economics of coal units decline. It is difficult for customers in the Rocky

Mountain Power territory to watchdog the Company's complex analyses, yet the people who dig deep uncover nuanced biases that favor coal, such as overly optimistic assumptions on future coal prices or under-stated assessments of risk factors.

- On behalf of our supporters in the Rocky Mountain Power service territory, we ask that the Company be more diligent in removing coal-favoring biases from its analyses and to be resourceful and perseverant in pursuing options to accelerate its exit of coal.

### **Recap of Recommendations**

Idaho ratepayers should not be burdened with subsidizing the uneconomic continuation of coal resources.

- We ask that PacifiCorp be required to re-evaluate the economics of each of its coal units in all future IRPs.
- As Idaho utilities seek to best serve ratepayers through early exits of coal units, we ask the Commission to ensure that PacifiCorp does not impede other utilities serving Idaho from exiting coal to best serve their Idaho customers.
- We ask that the Commission not acknowledge any transmission expenditures in PacifiCorp's Action Plan unless they are contingent on the Company's all-source RFP process identifying those expenditures as part of a least-cost resource plan.
- We ask that PacifiCorp investigate the potential for securitization to further reduce ratepayer costs when non-economic coal plants retire, and to include that potential in its assessment of coal retirements.
- We ask that the Company be more diligent in removing coal-favored biases from its analyses and to be resourceful and perseverant in pursuing options to accelerate its exit of coal.

Thank you for considering our comments,

Lisa Young

Director, Idaho Sierra Club

*I acknowledge that submitting a comment in an open case constitutes a public record under Idaho Code 74-101(13) and that all information I provide in this comment is available for public and media inspection. My comment may be reviewed by the utility. Our headquarters in Idaho are in the Idaho Power service area.*