

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL**

**FROM: NEIL PRICE
DEPUTY ATTORNEY GENERAL**

DATE: MAY 2, 2011

**SUBJECT: PACIFICORP'S 2011 ELECTRIC INTEGRATED RESOURCE PLAN
(IRP); CASE NO. PAC-E-11-10**

On April 1, 2011, PacifiCorp dba Rocky Mountain Power (“Rocky Mountain” or “Company”) filed its 2011 Integrated Resource Plan (IRP) with the Commission pursuant to the Commission’s Rules and in compliance with the biennial IRP filing requirements mandated in Order No. 22299.

Rocky Mountain serves approximately 70,000 customers in southeastern Idaho. The Company provides electric service to more than 1,000,000 customers in Utah, Wyoming and Idaho.

ROCKY MOUNTAIN’S INTEGRATED RESOURCE PLAN

Rocky Mountain’s 2011 IRP is its “11th plan submitted to state regulatory commissions. . . .” Rocky Mountain 2011 IRP at 1. The Company states that it was developed with participation from numerous public stakeholders, including regulatory staff, advocacy groups, and other interested parties. *Id.* The 2011 IRP focuses on a 10-year period, 2011-2020. *Id.*

The preferred portfolio of the new IRP contains a large relative increase in energy efficiency measures, new gas-fired combined-cycle combustion turbines (CCCTs), firm market purchases, and renewable resource additions beginning in 2018, presumably new wind resources. *Id.*

The following is a summary of the Company’s 2011 IRP Action Plan:

1. **Renewables/Distributed Generation:**
 - a. Acquire 800 MW of wind resources by 2020;
 - b. Identify and obtain up to 100 MW of geothermal resources;
 - c. Acquire additional solar resources, including 30 MW of solar hot water heating resources by 2020, and strive to meet the Company's 8.7 MW compliance obligation in Oregon;
 - d. Identify and obtain up to 52 MW of Combined Heat and Power (CHP) resources, through the PURPA qualifying facility contracting process, for the 2011-2020 period;
 - e. Develop studies regarding the incremental capacity value and ancillary service benefits of energy storage; and
 - f. Continue to work toward Renewable Portfolio Standard (RPS) compliance in Washington and California.
2. **Intermediate/Base-load Thermal Supply-side Resources:**
 - a. Acquire a CCCT resource (Lake Side) in Utah in 2014; and
 - b. Issue an RFP for a peaking/intermediate/baseload resource in late 2011 or early 2012 for acquisition no later than the summer of 2016.
3. **Firm Market Purchases:**
 - a. Acquire up to 1,400 MW via front office transactions or power purchase agreements (PPAs) through 2014, unless more economical long-term resources become available for acquisition.
4. **Plant Efficiency Improvements:**
 - a. Coal Plant Turbine Upgrade Projects for 2011 and 2012, totaling 31 MW; and
 - b. Complete remaining upgrade projects by 2021, totaling 34.2 MW and subject to economic review.
5. **Class 1 DSM:**
 - a. Acquire up to 250 MW, including 80 MW of commercial curtailment products for 2012-2013 (remaining 170 MW to be obtained through additional curtailment and irrigation/residential load control in the 2012-2020 time period and subject to economic review).

6. Class 2 DSM:

- a. Acquire up to 1,200 MW by 2020, including programs acquired through the Energy Trust of Oregon, through active and subsequent RFPs.

7. Class 3 DSM:

- a. Continue to monitor and evaluate program opportunities based on cost-effectiveness.

8. Planning and Modeling Process Improvements:


- a. Continue to refine its System Optimizer modeling approach;
- b. Continue to work with the Company's transmission planning department using the IRP modeling process;
- c. Incorporate plug-in vehicles and Smart Grid technologies for discussion and consideration during the development of the Company's next IRP; and
- d. Continue to refine its wind integration modeling approach, including the establishment of a technical review committee and plan for the Company's next wind integration study.

STAFF RECOMMENDATION

The Staff has reviewed Rocky Mountain's 2011 IRP and recommends that the Company's filing be processed through Modified Procedure. Staff recommends a 60-day comment period.

COMMISSION DECISION

Does the Commission wish to process Rocky Mountain's 2011 IRP filing through Modified Procedure with a 60-day comment period?



Neil Price
Deputy Attorney General

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