

## Appendix B

### PacifiCorp

#### Avoided Cost (GRID and Differential Revenue Requirement) Model Updates From April 2006 through August 15, 2006 Case No. 03-035-14

**GRID Project Name:** Avoided Costs – 2006 Sep.

**Official Market Price Forecast:** September 2006 (Gas and Market Prices).

**Load Forecast:** 20-year IRP load forecast dated May 2006 (Retail, Clark and BPA South Idaho).

**IRP Resource Expansion Plan:** No Change; IRP Wind – 1,300 MW by 2013, Utah Coal (575 MW Hunter 4) in 2012, Westside CCCT (561 MW) in 2012, Wyoming Coal (500 MW) in 2014, Front Office Transactions (FOT) and AMP Resources (Cove Fort) – 2004 IRP Update.

**IRP Demand Side Management (DSM):** IRP DSM Cool Keeper east resource replaced by DSM Cool Keeper resource; IRP DSM Irrigation east resource removed because it was a duplicate of DSM Idaho Irrigation modeling; IRP DSM Utah Commercial Lighting removed because the program was canceled.

**IRP Front Office Transactions (FOT):** No Change; although FOT pricing was updated to be consistent with the September 2006 Official Market Price Forecast – 2004 IRP Update.

**IRP Partial Displacement Thermal Resource:** Front Office Transactions, Utah Coal and West Side CCCT are partially displaced by 345.5 MW of existing and potential QF resources (Simplot Phosphates, ExxonMobil, Kennecott, Tesoro, Bear Lake 1 and Holly Refinery). Thermal partial displacement was 298.2 MW in the April 2006 compliance filing. With the inclusion of the avoided cost case (525 MW 100% capacity factor) resource, the above mentioned resources are partially displaced by 870.5 MW.

**IRP Partial Displacement Wind Resource:** A total of 1,300 MW of wind is included in the expansion plan by 2013. IRP wind resources are partially displaced by 604.6 MW of existing and potential wind QF and renewable resources (Leaning Juniper, Marengo, Mountain Wind 1, Pioneer Ridge, Schwendiman, Spanish Fork, Wolverine Creek, Coyote Wind and Mountain Wind 2). Wind partial displacement was 87 MW in the April 2006 compliance filing.

**Transmission Topology:** No Change; 24 bubble topology.

**Transfer Capability:** Includes a 250 MW increase in firm transfer capability from Idaho to Goshen.

**Hydro Resources:** The Grant Meaningful hydro resource was revised to be modeled in greater detail; the reserve capability of the Grant Priest Rapids resource was updated; Cowlitz Swift maximum monthly take was updated.

**Thermal Resources:** The Blundell geothermal resource nameplate capacity increased to 34 MW effective November 2007; Currant Creek and Lake Side modeling was updated to reflect more current information; Jim Bridger, Gadsby and West Valley's reserve capabilities were updated; Thermal heat rates were updated to 48 months ended March 2006. The heat rate coefficients for the IRP 2005 Brownfield Coal UT and IRP West CCCT have been updated to reflect the increase in the partial thermal displacement. Gas Sales and Gas Swaps have also been updated.

**Long-Term Contracts:** NCPA purchase/sale, Roseburg Forest Products, UAMPS p296212 and Salt River Project were added as new resources; Mountain Wind 1, Spanish Fork and Pioneer Ridge were changed from potential QF resources to existing resources; Coyote Wind, Mountain Wind 2, Bear Lake 1 and Holly Refinery were added as potential QF resources; Douglas County Forest Products QF was added as a non-firm QF resource; Desert Power QF was removed as an existing resource.

**Updated Contracts or Revised Modeling:** APS Supplemental Purchase, Biomass, Black Hills, BPA Summer Storage, BPA Spring Energy, BPA South Idaho Exchange, Chelan PUD (Rocky Reach), Deseret Purchase (Bonanza), D R Johnson QF, Foote Creek I, Fort James, Hurricane Exchange, Clark Storage and Integration, ExxonMobil QF, Idaho Power RTSA, Kennecott Coal, Kennecott QF, Monsanto Curtailment, Nucor Reserves, P4 Production (MagCorp), PSCo Sale, Redding Exchange, Simplot Phosphates, Sunnyside, Small state specific (Tariff) QFs, Small Purchases East, Tesoro QF, UMPA II and US Magnesium were updated.

**Hydro Generation Capacity and Energy:** Updated Hydro Weekly Energy to the VISTA study dated April 30, 2006; Cowlitz Swift and Mid-Columbia (Grant) contracts were updated.

**Other Resources:** Leaning Juniper and Marengo wind projects added.

**Fuel Prices (Coal):** January -March 2007 - Study dated March 2006, April 2007- December 2007 – Study dated April 2006, January 2008-2025 - IRP Coal Price Forecast dated April 2006. After 2025, prices escalated from 2025.

**Transmission:** Minor updates to firm wheeling costs.

**Short-Term Firm (STF) Transactions:** Updated to include all executed STF contracts as of October 2, 2006.

**Market Caps:** Based on 12 months ended May 2006.

**Discount Rate:** Updated from 7.2% to 7.12%.

**GRID Version:** Updated to GRID Release 6.1.