

July 11, 2011

Utah Public Service Commission
Wyoming Public Service Commission
Idaho Public Utilities Commission

Dear Commissioner:

We acknowledge the challenges inherent in producing a document like PacifiCorp's 2011 Integrated Resource Plan. The company's multi-state obligation coupled with the nation's uncertain and changing energy future make the IRP an arduous—though never more essential—exercise. As groups who work in each state in PacifiCorp's Rocky Mountain Service territory, we are deeply invested in being constructive partners, encouraging the company to provide energy that is reliable, clean, and affordable. It is in the spirit of this partnership that we are writing to express grave and uniform concerns regarding PacifiCorp's recent 2011 Integrated Resource Plan (IRP).

We believe the defects in this IRP—both with the document itself as well as the process that produced it—are so fundamental as to threaten the integrity of the entire process. We, the undersigned groups, have therefore decided to take the unprecedented step of writing to each state Commission in PacifiCorp's Rocky Mountain service territory to express our concerns.

PacifiCorp's 2011 IRP has four profound weaknesses. First, the company's analysis artificially disadvantages clean, renewable energy by assuming restrictively high prices for solar and storage resources, and by assuming equally unrealistic capacity values for wind resources. Company officials proved unwilling to provide justification for these assumptions.

Second, the company ignored a great deal of factual input that would have led to less objectionable approaches. Dozens of comments were filed – and disregarded – which urged the company to incorporate up-to-date cost estimates that show rapidly decreasing costs for renewable energy.

Third, PacifiCorp plans to charge ratepayers \$4.2 billion for pollution control retrofits to its aging coal fleet, with no evidence that this is a wise course. Some of these plants pre-date the EPA and most are older than the Clean Air Act Amendments, with which they struggle to comply. The IRP neglects to analyze which plants can be economically retrofitted to protect human health and comply with regulation, and which can ultimately be phased out and replaced with renewable energy.

Finally, PacifiCorp ignores the wide-ranging health damages caused by coal plant pollution. These damages are significant, valued at \$1.6 billion from Utah plants alone. These damages represent the impact of fine particles, oxides of nitrogen and sulfur, and

other pollutants on the health and lives of ratepayers and citizens across PacifiCorp's service area.

While the IRP is designed to provide a forum for making intelligent, transparent, and balanced energy decisions to provide reliable power while also protecting ratepayers, the present IRP does not do that: The IRP commits ratepayers to fund increasingly expensive retrofits for an outdated and dirty coal fleet, without considering other cost-effective, non-polluting alternatives, such as wind power. While such a plan might protect PacifiCorp executives and shareholders, it is unfair to ratepayers, who by 2023 are projected to be paying \$360 million a year for retrofits. The IRP fails to analyze the prudence of those costs.

We, the undersigned member organizations, are committed to working in our individual states to ensure that future electricity planning processes are more balanced, transparent, and informed. The current IRP process – both ineffective and inaccessible – must change, incorporating reforms such as: better mechanisms to consider public comment in a timely and meaningful way, before key and irreversible decisions are made; responding to data requests in a timely and transparent manner; accounting for the substantial and well-understood health damages from sources such as coal plant pollution; and a comprehensive evaluation of the risks to ratepayers of investing in coal plant pollution abatement systems rather than non-polluting renewable energy alternatives.

Ratepayers in our respective states stand at the threshold of a decade of being forced to pay unprecedented rate increases – mostly to fund slight pollution reductions at aging coal plants. We deserve to know whether our collective investments could be better used to build non-polluting power generation like wind, solar, and geothermal. To this end, we ask the agencies responsible for reviewing the IRP to not acknowledge PacifiCorp's 2011 IRP.

Thank you for your consideration of this important matter.

Sincerely,

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