Christopher Thomas
HEAL Utah
824 S 400 W Suite B-111
Salt Lake City, UT 84101
Telephone: 801-355-5055
Email: Christopher@healutah.org

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of PacifiCorp's 2013 Integrated Resource Plan	**Docket No. 13-2035-01** **COMMENTS OF HEAL UTAH REGARDING PACIFICORP'S 2013 IRP**

The Healthy Environment Alliance of Utah ("HEAL Utah") hereby submits its comments on PacifiCorp's 2013 Integrated Resource Plan ("IRP").

HEAL Utah asks that you not acknowledge PacifiCorp's 2013 IRP. We believe the IRP document is fundamentally flawed and cannot be used as a basis for sound and rational utility planning in the coming decades.

We have four main criticisms, noted below:

1) The IRP does not take into account near-term Wyoming coal unit retirements. PacifiCorp Energy President Michael Dunn testified at a hearing conducted by the Environmental Protection Agency (EPA) on July 26, 2013 that the Company would be looking at near-term coal unit retirements:

"… [T]he EPA has now proposed SCR controls for PacifiCorp's Naughton Unit 1, Naughton Unit 2 and Dave Johnston Unit 3. Unlike the Wyoming SIP, the EPA's FIP *[Federal Implementation Plan]* requires uneconomic controls *that would lead to early retirement of units*." [Italics added] [1]

---

[1] Transcript from July 26, 2013 Hearings at 1 PM in Casper, Wyoming, online at: http://www.regulations.gov/contentStreamer?objectId=09000064813b2f86&disposition=attachment&contentType=pdf

Nowhere in PacifiCorp's 2013 IRP document – filed a mere three months before Mr. Dunn's statement -- are the early retirements of Naughton Unit 1, Naughton Unit 2, and Dave Johnston Unit 3 predicted, or even contemplated, under even the most (purportedly) stringent environmental compliance scenarios PacifiCorp chose to consider.

This is poor planning. PacifiCorp should have foreseen this possibility and studied it in the IRP. In fact, this is exactly the kind of situation that the IRP should be designed to reveal, in order to anticipate possible retirements or fuel switching.

The lack of such an analysis, we believe, is the fundamental shortcoming of PacifiCorp's 2013 IRP. If the IRP had been a robust analysis, these near-term coal unit retirements discussed by Mr. Dunn would have been identified.

Going forward, we suggest that the Utah Public Service Commission require a unit-by-unit retirement and/or conversion analysis for each coal power plant. For each unit, the monetary value at which continued operation of the coal unit becomes uneconomic should be identified.

We also ask that this analysis be made public, rather than made confidential, as is the case with Confidential Volume III of the present IRP.

2) PacifiCorp's 2013 IRP significantly undervalues renewable energy resources like wind and solar.

PacifiCorp's preferred portfolio does not include any new utility-scale renewable energy sources until 2024.

We believe this result arises, in part, from the fact that PacifiCorp significantly undervalues renewable energy resources by assigning absurdly low capacity values in the 2013 IRP.

PacifiCorp assigned wind a capacity value of only 4%, fixed solar a capacity value of 11%, and tracking solar a capacity value of around 26%.

However, the Commission recently ordered, in a separate docket, that the capacity values of these renewable energy resources be much higher: 20.5% for wind, 68% for fixed solar, and 84% for tracking solar. We applaud the Commission for this decision.

Using these significantly higher values in the modeling might lead to more near-term renewable energy resource selections in the preferred portfolio. The fact that PacifiCorp used unrealistically low capacity values for renewable energy sources is a second significant defect in the 2013 IRP, and another reason that the Utah Public Service Commission should not acknowledge it.

3) The IRP significantly overstates the cost of solar power.

Utility-scale solar PV costs assumed in the 2013 IRP were likely overstated by as much as 30%.

It is at least possible that if more reasonable solar costs had been used, in conjunction with the more realistic (and higher) capacity values identified in the preceding point, more utility-scale solar power may have been selected in the preferred portfolio.

4) We are disappointed that PacifiCorp is not planning any new renewable resources until 2024. We believe this omission represents a staggering missed opportunity to acquire emissions-free resources that have no ongoing fuel costs. We also believe PacifiCorp customers, and power customers generally, desire the development of new renewable energy resources, even if doing so costs more money in the short-term.

5) Additionally, we had hoped that PacifiCorp would issue an RFP for new wind resources this year, in order to take advantage of the Production Tax Credit. Given the possibility or even likelihood of near-term coal unit retirements in Wyoming (see Section 1 above), we believe it would have been reasonable to anticipate the need for new near-term wind capacity.

Any wind installation under construction in 2013 will be eligible for the Production Tax Credit (2.2 cents per kilowatt-hour) for the first 10 years of operation. The fact that the PTC will expire at the end of this year again represents a huge missed opportunity for PacifiCorp customers.

6) We do not believe that PacifiCorp's decision to meet the Washington Renewable Portfolio Standard (RPS) with unbundled RECs represents a sound and prudent approach. The REC market is volatile, and purchasing unbundled RECs could be a more expensive approach in the long-term than simply acquiring wind resources this year using the Production Tax Credit.

7) We suggest adding another action item under "Renewable Resource Actions," which is to explore significant revisions to the Blue Sky customer program, specifically to allow customers to directly support the long-term acquisition of utility-scale renewable energy resources, similar to Austin Energy's Green Choice program.

Since the inception of Austin Energy's Green Choice program, 634 MW of Texas wind energy capacity has been acquired to serve Austin Energy customers' needs. This kind of program offers several advantages to customers, relative to the Blue

Sky program. First, it allows the long-term acquisition of utility-scale green energy resources, and thus “greens” Austin Energy’s overall fuel mix by reducing the amount of energy coming from fossil-fuel power plants. Second, it creates green jobs and economic development in its home state. Third, it appears to allow customers a degree of hedging against fossil-fuel price volatility, as it replaces the fuel charge on a customer’s bill for the duration of the customer’s participation in the program. We would like to see a new iteration of the Blue Sky program that meets these criteria.

Thank you for the opportunity to comment on PacifiCorp’s 2013 IRP. We respectfully request that the Commission not acknowledge the 2013 IRP.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by email this 9th day of September 2013, on the following:

Rocky Mountain Power:
Mark Moench mark.moench@pacificorp.com
Yvonne R. Hogle yvonne.hogle@pacificom.com
David L. Taylor dave.taylor@pacificorp.com

Division of Public Utilities:
Patricia Schmid pschmid@utah.gov
Justin Jetter jjetter@utah.gov
Chris Parker chrisparker@utah.gov
William Powell wpowell@utah.gov
Joni Zenger jzenger@utah.gov

Office of Consumer Services:
Brent Coleman brentcoleman@utah.gov
Michele Beck mbeck@utah.gov
Cheryl Murray cmurray@utah.gov

Utah Clean Energy:
Sarah Wright sarah@utahcleanenergy.org
Sophie Hayes sophie@utahc.eanenergy.org

Western Resource Advocates:
Steven S. Michel smichel@westernresources.org
Nancy Kelly nkelly@westernresources.org

Interwest Energy Alliance:
Lisa Tormoen Hickey lisahickey@coloradolawyers.net

HEAL Utah:
Christopher Thomas christopher@healutah.org

Renewable Energy Coalition
Thomas H. Nelson nelson@thenelson.com
John Lowe jravenesanmarcos@yahoo.com
Nancy Esteb betseesteb@qwest.net

Hatch, James, and Dodge
Gary Dodge gdodge@hjdlaw.com
Don Hendrickson dhendrickson@energystrat.com

/s/ ______________________________