

## Appendix A

### PacifiCorp

#### Avoided Cost (GRID and Differential Revenue Requirement) Model Updates from August 2006 through January 2007 Case No. 03-035-14

**GRID Project Name:** Avoided Costs – 2007 Jan.

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

**Load Forecast (Retail and BPA South Idaho):** 2006-2017 – business plan load forecast dated October 11, 2006. 2018-2027 – extended 2017 using IRP growth rates by bubble after 2027 – average growth rate 2018 through 2027 by bubble.

**IRP Resource Expansion Plan:** IRP resources were changed to reflect resources suggested by the Commission. These RFP resources are IPP 3 (340 MW – June 2012), Hunter 4 (575 MW – June 2013), Jim Bridger 5 (527 MW – June 2013), and an expansion to Blundell (50 MW – June 2012). IRP Wind (East Main, WA, West Main, WY) and IRP other market purchases remain unchanged from existing 2004 IRP Update modeling.

**IRP Front Office Transactions (FOT):** FOT (from the 2004 IRP Update (4 Corners, Mona and West Main)) have been modified to expire in June 2012. A new FOT, consistent with the Commission's suggested RFP resources, has been added (208 MW in June 2012).

**IRP Partial Displacement Thermal Resource:** Prior to the inclusion of the avoided cost resource, FOT and IPP 3 are partially displaced by 176 MW of potential qualifying facility (QF) resources (Wyoming Sugar, Bear Lake 1 and FMC Green River Soda). With the inclusion of the avoided cost resource (164 MW), IPP 3 is fully displaced and the FOT are partially displaced by 340 MW. In the October 2006 filing, FOT and the selected thermal resources were partially displaced by 346 MW (2004 IRP Update).

**IRP Partial Displacement Wind Resource:** A total of 1,300 MW of wind is included in the expansion plan by 2012. IRP wind resources are partially displaced by 817 MW of existing and potential wind QFs and renewable resources (Leaning Juniper, Marengo, Mountain Wind 1, Mountain Wind 2, Pioneer Ridge, Coyote Wind, Schwendiman, Spanish Fork, and Wolverine Creek), two projects executed but not closed, and another planned project. Wind partial displacement was 604.6 MW in the October 2006 compliance filing.

**Transfer Capability:** Includes two transmission upgrades (1) Bridger (1,600 MW), and (2) DSW (600 MW).

**Hydro Resources:** Powerdale Hydro (Hood River) was recorded off-line from November 5, 2006, and Swift 2 modeling was updated.

**Thermal Resources:** The Blundell geothermal resource nameplate capacity increased to 84 MW effective June 2012, and Lake Side modeling was updated to reflect more current information. Thermal heat rates were updated to 48 months ended March 2006. Gas Sales and Gas Swaps have also been updated.

**Long-Term Contracts:** Evergreen BioPower QF and Weyerhaeuser QF were added as new resources; Mountain Wind 2 QF was changed from a potential QF resource to an existing resource; Coyote Wind, Bear Lake 1, FMC Green River Soda and Wyoming Sugar were added as potential QF resources.

**Updated Contracts or Revised Modeling:** Biomass, BPA Conservation Rate Credit, BPA Hermiston Losses, BPA Peaking, Clark PUD, D R Johnson QF, Foote Creek I, ExxonMobil QF, Nucor Reserves, PSCo Sale, Redding Exchange, Rock River 1, Sierra Pacific Power, Simplot Phosphates QF, Small state specific (Tariff) QFs, Small Purchases East, Tri-State, UMPA II, and Wolverine Creek were updated.

**Fuel Prices (Coal):** 2007 through 2016 coal prices from C&T 10-year plan, dated September 27, 2006. 2017 thereafter, prices from the 2006 IRP coal forecast of April 2006.

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

**Short-Term Firm (STF) Transactions:** Updated to include all executed STF contracts as of January 3, 2007.

**Discount Rate:** Updated from 7.12% to 7.30%.