



WESTERN RESOURCE
ADVOCATES

To: PacifiCorp IRP Team
From: Western Resource Advocates
Nancy Kelly, Steve Michel, Rob Dubuc
Date: October 17, 2013
Re: Response to PacifiCorp's Request for Comments regarding Modeling and Process Improvements

Western Resource Advocates submits these comments in response to PacifiCorp's request for input on how it may improve its public process. WRA understands PacifiCorp's objective is to conduct an IRP process that garners public support and Commission acknowledgment. We offer these limited comments in support of that objective.

WRA believes that one of the most important things that can be done to improve the IRP process is to attach meaningful consequences to whether or not the IRP is acknowledged. This will encourage all stakeholders to pay close attention to whether the Commission's Standards and Guidelines are being adhered to. WRA suggested some ways to address this in the attached Reply Comments that were recently filed with the Utah PSC.

As far as specific procedures that could be improved as part of IRP development, WRA would refer the Company to the three-step process that the Public Service Commission of Utah identified in its Order in Docket No. 07-2035-01 (page 40-41):

In the next IRP, we direct the Company to consider the following three-step approach for developing its optimal portfolio: 1) Identify optimal portfolios for a relatively broad, and consistently applied, set of input assumptions; 2) subject all of these optimal portfolios to stochastic risk analysis and identify superior optimal portfolios with respect to the tradeoff between expected cost and risk exposure; 3) examine the cost consequences of the superior portfolios with respect to uncertainty by subjecting them to evaluation under the initial set of relatively broad input assumptions. ... By consistently applying sets of input assumptions in the creation of optimal portfolios, a wide range of resource types can be available for risk analysis, and the potential for an artificial bias in resource selection will be reduced. Finally, in the next IRP or IRP update, the Company must explain the input assumptions for which its preferred portfolio is optimal and explain how it is the superior portfolio with respect to cost, risk and uncertainty.

Steps 1 and 2

The Commission makes clear that the intent of Steps 1 and 2 is to assure a diverse set of resources is available for risk evaluation and that all optimal portfolios are evaluated as part of the cost risk trade-off.

As part of Step 2, we encourage the Company to consider refining the superior portfolios with lessons learned to achieve portfolios with superior cost/risk tradeoffs. PacifiCorp worked with stakeholders in the development of IRP 2004 to improve the cost/risk metrics of certain interesting portfolios, although the Company did not ultimately choose the improved portfolios as the Preferred. The Commission acknowledged IRP 2004 although it did not acknowledge the Action Plan.

Step 3

Multiple stakeholders have encouraged the Company to undertake a “Least Regrets” approach to IRP. Step 3 provides a method to implement that approach. We encourage the Company to reconsider its reluctance to performing this step.

In addition to referring the Company to the Commission’s 07-2035-01 suggested approach, we are attaching WRA’s Comments and Reply Comments in the current consideration of IRP 2013.

We appreciate the opportunity to provide input, and look forward to working constructively with the Company and other public process participants.