

PacifiCorp - Stakeholder Feedback Form

2015 Integrated Resource Plan

PacifiCorp (the Company) requests that stakeholders provide feedback to the Company upon the conclusion of each public input meeting and/or stakeholder conference calls, as scheduled. PacifiCorp values the input of its active and engaged stakeholder group, and stakeholder feedback is critical to the IRP public input process. PacifiCorp requests that stakeholders provide comments using this form, which will allow the Company to more easily review and summarize comments by topic and to readily identify specific recommendations, if any, being provided. Information collected will be used to better inform issues included in the 2015 IRP, including, but not limited to the process, assumptions, and analysis. In providing your feedback, PacifiCorp requests that the stakeholders identify whether they are okay with the Company posting their comments on the IRP website. Submit form and related documents to the IRP e-mail: IRP@PacifiCorp.com.

Yes No May we post these comments to the IRP webpage? Date of Submittal 11/24/2014
*Name: Jeremy Twitchell Title: Regulatory Analyst
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*Organization: Washington Utilities and Transportation Commission
Address: 1300 Evergreen Park Drive
City: Olympia State: WA Zip: 98504
Public Meeting Date comments address: 11/14/2014 Check here if not related to specific meeting
List additional organization attendees at cited meeting: None

***IRP Topic(s) and/or Agenda Items:** List the specific topics that are being addressed in your comments.

The assumption made in all IRP cases that PacifiCorp will be able to allocate renewable energy generation for 111(d) compliance purposes independent of REC allocations.

Check here if any of the following information being submitted is copyrighted or confidential.

***Respondent Comment:** Please provide your feedback for each IRP topic listed above.

I want to begin by restating my respect and appreciation for the work that IRP team has done. There are a number of unprecedented challenges on the table in this planning cycle, and the IRP team has consistently proven nimble and creative in developing approaches to modeling those challenges. The work has been strong, well presented and understandable. I believe that PacifiCorp sets the bar for other utilities with the quality and depth of its IRP process.

My concern, as I stated in the public meeting, is that Washington commission staff is not comfortable with the company's assumption that it will effectively be able to allocate every MWh of renewable energy twice -- once for the REC and once for 111(d) compliance. For example, as I understand the portfolios presented at the public meeting, significant quantities of renewable energy would be allocated to Washington for 111(d) compliance, but other states would own those RECs. There would be nothing to stop those other states from retiring those RECs for their own 111(d) compliance or selling them to another state to do the same.

There is an emerging consensus in comments on the Clean Power Plan that compliance with the plan's renewable energy block be measured with renewable energy credits (RECs) as verified by existing REC tracking entities, such as WREGIS. Oregon's comments indicated this, as will Washington's. The purpose of a REC is to track the environmental benefits of each MWh of energy, and if the company were to allocate 111(d) compliance attributes of renewable energy independently of the environmental attributes embodied in the REC that was allocated to another state, it would constitute double counting.

* Required fields

In its own supporting documentation of the Clean Power Plan, the EPA indicates that once a REC has been separated from its unit of energy, that unit of energy has "no attributes associated with it and is considered generic or 'null' power." (See the EPA document listed below, pg. 63). Staff interprets this section to mean that the EPA's understanding is that a REC represents all environmental attributes associated with a MWh of energy, and that a portion of environmental benefits cannot be split from that REC. Staff concurs with PacifiCorp's assertion that a REC could be used both toward a state's RPS target and Clean Power Plan target, but maintains that the REC can only be used once; that is, that only one state can use it.

Staff understands the approach the company has taken in its current models and recognizes that the company's assumption results in a lower cost of compliance with the Clean Power Plan. However, for the reasons outlined herein, staff believes that the company's assumption is unlikely to be borne out as the rule and compliance plans become finalized. Staff believes the company needs to run at least one case that models REC-based compliance with the Clean Power Plan, if for no other reason than to know what the company would do if RECs were selected as the Clean Power Plan's method of demonstrating compliance. Staff also believes that an additional case would be a valuable sensitivity analysis that shows the cost differential between the company's preferred compliance approach and the REC-based approach.

Data Support: If applicable, provide any documents, hyper-links, etc. in support of comments. (i.e. gas forecast is too high - this forecast from EIA is more appropriate). If electronic attachments are provided with your comments, please list those attachment names here.

"Technical Support Document for Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units: State Plan Considerations," by the EPA. (See in particular pages 61-69).

<http://www2.epa.gov/sites/production/files/2014-06/documents/20140602tsd-state-plan-considerations.pdf>

Oregon's comments to the EPA on the Clean Power Plan:

<http://www.deq.state.or.us/aq/climate/docs/epaLcomment.pdf> (See page 8, recommendation IV(B)).

"Tracking Renewable Energy for the U.S. EPA's Clean Power Plan," by Center for Resource Solutions and the Regulatory Assistance Project: http://www.resource-solutions.org/pub_pdfs/Tracking%20Renewable%20Energy.pdf.

Washington's forthcoming comments to the EPA will also recommend that renewables used for 111(d) compliance be tracked using existing REC tracking systems.

Recommendations: Provide any additional recommendations if not included above - specificity is greatly appreciated.

Washington UTC staff respectfully recommends that the company add at least one additional case that models 111(d) compliance with the assumption that compliance will be REC-based, and that each MWh of energy can only be allocated once.

Thank you for participating.