

Yvonne R. Hogle (7550)  
Rocky Mountain Power  
1407 West North Temple, Suite 320  
Salt Lake City, Utah 84116  
Telephone: (801) 220-4050  
Fax: (801) 220-3299  
[Yvonne.hogle@pacificorp.com](mailto:Yvonne.hogle@pacificorp.com)

*Attorney for Rocky Mountain Power*

---

## **BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

---

)

IN THE MATTER OF ROCKY )  
MOUNTAIN POWER'S 2015 ) DOCKET NO. 15-035-04  
INTEGRATED RESOURCE PLAN )  
 )  
 )  
 )  
 )  
 )

---

---

### **ROCKY MOUNTAIN POWER'S REQUEST FOR WAIVER OF REQUIREMENT TO INCLUDE BUSINESS PLAN AS SENSITIVITY CASE IN SUBSEQUENT INTEGRATED RESOURCE PLANS**

---

Rocky Mountain Power, a division of PacifiCorp (“PacifiCorp” or the “Company”) files this Request for Waiver of a requirement to include certain analyses in subsequent Integrated Resource Plans (“IRPs”) as directed in the Report and Order issued by the Public Service Commission of Utah (“Commission”) in this case January 8, 2016 (“Order”).

In its Order, the Commission acknowledged the Company’s 2015 IRP (“2015 IRP”) and provided guidance to assist in the development of future IRPs. The Commission noted the Company had not presented the Business Plan as a sensitivity case in the 2015 IRP contrary to its direction in its order issued January 2, 2014 in Docket No. 13-2035-01. The Commission reminded the Company that this requirement remains for future IRPs. The Commission indicated that if the

Company had substantive objections to the requirement, it should file a motion within 90 days explaining the reasons for the Company's objection and requesting relief.

In accordance with the Commission's direction in its Order, the Company hereby seeks a permanent waiver of the requirement that the Company include its Business Plan as a sensitivity analysis in future IRPs for the reasons set forth below.

I. Background

On March 31, 2015, PacifiCorp filed its 2015 IRP, consistent with the IRP Standards and Guidelines adopted in Docket No. 90-2035-01, In the Matter of Analysis of an Integrated Resource Plan for PacifiCorp, Report and Order issued June 18, 1992 ("IRP Guidelines"). PacifiCorp requested the Commission acknowledge the 2015 IRP in accordance with Commission rules and fully support the Company's IRP conclusions, including the proposed action plan.

Following a scheduling conference convened on April 16, 2015, the Commission issued a Scheduling Order and Notice of Technical Conferences on April 17, 2015. The Commission requested comments from interested parties on the 2015 IRP by August 25, 2015 and reply comments by September 25, 2015.

The Division, the Office, Utah Association of End Users, Utah Clean Energy ("UCE"), Interwest, and Southwest Energy Efficiency Project filed comments by August 25, 2015. The Sierra Club filed comments on August 26, 2015 on behalf of the Sierra Club, HEAL Utah, Western Clean Energy Campaign, Powder River Basin Resource Council, and Idaho Conservation League. On September 25, 2015, the Company, the Office and UCE filed reply comments.

II. Discussion

The function of PacifiCorp's IRP is to assess its load and resource balance and identify a resource portfolio that will reliably meet customer demand on a least cost, adjusted for risk basis. The Company's IRP includes an action plan that identify the specific resource actions it will take to deliver the preferred portfolio over the front two to four years of the planning horizon. The Company's IRP also provides resource acquisition path analysis, which provides insight on how changes in the planning environment might influence future resource procurement activities.

The Company's IRP and business planning processes influence one another, but each process is necessarily unique. The IRP planning process covers a twenty-year planning horizon, is structured to study how different resource acquisition paths compare to one another, and is developed through a collaborative public process with involvement of a broad stakeholder group. The business planning process covers a ten-year planning horizon, considers capital and operating cost constraints to ensure the Company's plans are financially supportable and affordable for customers, and contains confidential business-sensitive information.

The IRP and business planning processes are performed at different times. The IRP preferred portfolio, or the updated resource portfolio produced in off-cycle IRP years, serves as a starting point for resource assumptions used in the Business Plan. However, when developing the Business Plan, the IRP resource portfolio can be updated to account for new information (*i.e.*, load forecasts, market price assumptions, policy changes, etc.) and to reflect capital and operating cost constraints. Likewise, resource portfolio assumptions used in the Business Plan influence the starting point when initiating a subsequent IRP process, while accounting for new information (*i.e.*, load forecasts, market price assumptions, policy changes, etc.). The linkage between the two planning processes ensures that both are informed by the most current information and on-going analysis,

including review of capital and operating constraints, to ensure the Company's plans remain affordable for customers.

The Company seeks a waiver of the requirement that it present the Company's Business Plan as a sensitivity case in future IRPs for the following reasons:

1. The Company's Business Plan contains confidential, business-sensitive, and strategic information that would be disclosed to parties participating in the IRP public process and/or subsequent IRP acknowledgement proceedings if the Company were required to present a Business Plan sensitivity in the IRP. The confidential, business-sensitive and strategic information can include assumptions related to compliance with rules and regulations that are or that could be mandated by federal and state regulatory agencies or emerging energy policies across the Company's states that may or may not come to fruition. In recent years, the environment in which PacifiCorp operates has become increasingly complex due to development and implementation of environmental policies that require the Company to consider prospective compliance plans while minimizing impacts on customer rates. As a result, the content of the Company's business plan has become increasingly commercially sensitive—which if disclosed to the public, even if under a protective order or a non-disclosure agreement, would harm the Company and ultimately its customers. The Company believes that the protection of this information from the IRP public process far outweighs any negligible benefits of using and disclosing it as a sensitivity case in the IRP process.
2. Because the IRP is structured to study how different resource acquisition paths compare to one another, it does not consider system cost information that remains unchanged among varying resource portfolio scenarios. Selection of a least cost,

adjusted for risk preferred portfolio from a range of different resource portfolio alternatives only considers the differences between the underlying cost information that varies among different scenarios. In contrast, the Company's business plan, which considers capital and operating budget constraints and incorporates certain forward looking assumptions regarding emerging regulations and policies, considers a thorough assessment of all forecasted resource costs. A business plan sensitivity that is required to present this level of commercially sensitive cost data only to be effectively netted-out and eliminated in the IRP comparison cases underlying the portfolio development and preferred portfolio selection process brings only increased risk of harm to the Company and ultimately its customers.

3. The IRP planning horizon covers 20-years, whereas the business plan horizon covers 10-years. To improve the comparability of an IRP portfolio with a Business Plan sensitivity, Business Plan data would need to be developed beyond the 10-year planning horizon. The Company does not presently develop a complete set of business plan assumptions that align with the 20-year IRP planning horizon, and it is not reasonable that the Commission require the Company to extend its Business Plan forecast period for the sole purpose of producing a business plan sensitivity in the IRP.

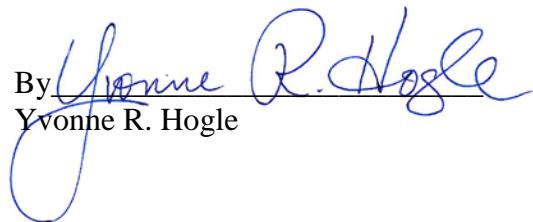
The Company is not seeking a waiver of the Commission's IRP Guidelines requiring the Company's Business Plan to be directly related to its IRP. As discussed herein, the Company's IRP and business planning processes are inherently related and directly influence one another on an annual basis. Accordingly, the IRP provides the Commission and stakeholder's exposure to the

Company's resource planning activities that is consistent with its Business Plan without having to present the Company's Business Plan as a sensitivity in the IRP.

Wherefore, based on the foregoing, the Company respectfully requests that the Commission grant the Company's request for a waiver of the requirement to include Company's Business Plan as a sensitivity case in all subsequent IRPs.

Dated this 7<sup>th</sup> day of April 2016.

Respectfully submitted,

By Yvonne R. Hogle  
Yvonne R. Hogle  


*Attorney for Rocky Mountain Power*