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Comments

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

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Date: March 3, 2021

Re: **Docket No. 21-035-09**, PacifiCorp's 2021 Integrated Resource Plan, Time Extension Request

Recommendation (Deny Approval)

The Utah Division of Public Utilities (Division) has reviewed the filing made by PacifiCorp (the Company) requesting an extension of time to file its 2021 Integrated Resource Plan (IRP) on September 1, 2021. The Division recommends the Public Service Commission of Utah (Commission) deny the Company's request for an extension and not approve the five-month delay in the 2021 IRP filing. Although this may negatively affect the value of the IRP as a planning document, the Company has fallen into a habit of late-filed IRPs that should be avoided. In the absence of a denial, the Division worries the IRP's regularity will be jeopardized. A fuller filing or update can be made later to supplement the filed IRP.

Issue

On February 12, 2021, the Company filed a request with the Commission for an extension of time to file its 2021 IRP.¹ The Commission previously established March 31, 2021 as the 2021 IRP filing deadline.² In its request, the Company asks the Commission to extend the 2021 IRP filing deadline by five months from March 31 to September 1, 2021.³

On February 12, 2021, the Commission issued an Action Request to the Division requesting agency evaluation and recommendations. On February 16, 2021, the Commission issued a Notice and Request for Comments from interested parties to submit comments by March 3, 2021, with reply comments due on or before March 10, 2021. This memorandum responds to the Commission's Action Request and Request for Comments.

Background

As a preliminary matter, the Division acknowledges and appreciates the dedication and hard work of not only PacifiCorp's IRP team, but of all the Company's related and ancillary departments which assist and play a role in the IRP process. The Division recognizes changes that the Company has made to improve the modeling, accuracy, and stakeholder feedback aspects of the IRP. The Division recognizes the difficulty of producing a document encompassing resource planning for multiple states that will satisfy the varied needs and requirements of every stakeholder group.

The Division also recognizes that in order for the IRP to remain relevant, the IRP must be a reliable product—a work product that is put forth each odd-numbered year. Currently, that schedule calls for filing on March 31, and events before and after that deadline are formed around it. This date is a filing deadline that the Company itself put forth for the Commission to

¹ *Rocky Mountain Power's Request for Extension*, Docket No. 21-035-09, PacifiCorp's 2021 Integrated Resource Plan, February 12, 2021 (Request for Extension).

² The Commission established a March 31 filing date for PacifiCorp's IRP based on the Company's proposed filing date in the docket for the 2008 IRP. See *Report and Order*, Docket No. 09-2035-01, In the Matter of the Acknowledgement of PacifiCorp's Integrated Resource Plan, April 1, 2010, p. 57.

³ The Company's request states an actual due date of April 1, but the Commission has stated that the deadline in Utah is March 31. In the event March 31 fell on a Sunday, then April 1 would be the due date.

approve as the official IRP filing date.⁴ The Commission accepted the Company's reasoning and set March 31 as the due date for IRPs.

Discussion

In its request for a time extension in this filing, the Company asserts that the primary need for the September 1, 2021 extension is related to the ongoing 2020 All-Source Request for Proposal (2020AS RFP, or RFP):

Given the current status of the 2021 IRP and the timeline of the on-going 2020 All-Source Request for Proposals ("2020AS RFP"), PacifiCorp respectfully requests an extension to file the 2021 IRP from April 1, 2021 to no later than September 1, 2021. The 2020AS RFP is on schedule to have a final shortlist by June 1, 2021.⁵

The extension would allow the results of the RFP shortlist to be accounted for in the IRP. The Company stated in a stakeholder meeting that a secondary reason for the delay is that the modeling has not yet been completed: the Company "has not been able to successfully complete any model runs to establish resource portfolios and to evaluate costs and risks."⁶ The Company claims the delayed filing will:

enable PacifiCorp to optimize the modeling functionality of its new system and complete the necessary analysis to develop a least-cost, least-risk preferred portfolio while allowing sufficient time for stakeholder review and input.⁷

For reasons discussed below, the Division considers both of these reasons to be inadequate to necessitate a delay in filing the 2021 IRP.

⁴ See the *Company's Proposed Schedule and Rationale of Future IRP Filings (Exhibit A)*, Docket No. 09-2035-01, May 28, 2009, pp. 2-3.

⁵ *Request for Extension*, p. 1.

⁶ See *Integrated Resource Plan 2021 IRP Public Input Meeting February 10, 2021*, slide 4. Available at: <https://www.pacificorp.com/energy/integrated-resource-plan/public-input-process.html>

⁷ *Request for Extension*, p. 2.

The 2019 IRP filing was delayed twice, first from March 31, 2019 to August 1, 2019, and then from August 1, 2019, to October 18, 2019.⁸ These delays resulted in the Company not filing a 2019 IRP Update, as that filing would have been due mere months after the 2019 IRP itself.

The Division recommended approving the delays in the 2019 IRP, but stated:

The Division stresses that this is a one-time extension. ... Given that in the past the Company has filed late IRPs, the Division's recommendation of an extension in this instance comes with a reminder that the IRP is a long-term planning tool that serves as an input to other processes, and thus requires the Company to plan to ensure it meets its March 31 filing deadline of its IRP on each odd-numbered year and its IRP Update on March 31 of each even-numbered year. Late filings should not become a regular occurrence. There are likely to be elements of any IRP that might be better developed with more time, but that should not lead to delays in most instances.⁹

The Division also noted in the 2019 IRP docket other past instances of the IRP being filed late.¹⁰ For example, the 2006 IRP was originally due January 20, 2007, but the Company requested and received an extension to March 31, 2007.¹¹ This delay and the reasons for it prompted the Company's suggestion that the IRP be due on March 31 every other year.¹² The Company asked for a one-month extension for its 2013 IRP.¹³ In the 2013 IRP docket, the Division also noted past instances of late filings.¹⁴ The Division therefore believes that the principle of a timely IRP should be upheld in the present docket by denying the request for an extension. If the delays continue, the due date becomes a mere suggestion, rather than a date upon which stakeholders can rely.

⁸ See *Order*, PacifiCorp's 2019 Integrated Resource Plan, Docket No. 19-035-02, May 13, 2020, p. 1, footnote 2.

⁹ See *Comments from the Division of Public Utilities*, Docket No. 19-035-02, July 22, 2019, pp. 2-3.

¹⁰ *Id.* at footnote 3.

¹¹ See *Request for Extension of Time to File 2006 Integrated Resource Plan*, Docket No. 07-2035-01, In the Matter of the PacifiCorp 2006 Integrated Resource Plan, January 18, 2007.

¹² See the reference in footnote 4.

¹³ See *Correspondence from PacifiCorp Re: Request for Filing Extension*, Docket No. 13-2035-01, PacifiCorp's 2013 IRP, January 8, 2013.

¹⁴ See *Comments from DPU*, Docket No. 13-2035-01, February 11, 2013, p. 3.

The 2017 IRP was also nominally delayed while the Company finalized results that would lead to immediate filings for resource approvals (Approval Dockets).¹⁵ One challenge presented by those dockets was that the Approval Dockets relied on the not-yet-reviewed IRP analysis. While the Commission and others are capable of evaluating these different dockets simultaneously, the IRP is intended to be reviewed and then guide future resource decisions. It is not necessarily designed to justify immediately pending ones. While the results of an ongoing RFP may serve as helpful inputs to an IRP, delaying an IRP while awaiting those results poses potential problems, particularly if a utility is in a period of sustained resource additions. Commission rules allow an action plan to be separate from the IRP itself.¹⁶ Should a subsequent RFPs results necessitate change, the mechanism already exists to alter an action plan and base resource decisions and pre-approvals on that new action plan.

The 2020 All-Source RFP

The IRP filing date should not be dictated by the Company's RFP schedule. The Company chooses when to make its regulatory filings, including its 2020 AS RFP filing. The IRP filing date should not be affected by when the Company does or does not complete an RFP or expect a shortlist, even if the initial shortlist is expected in June 2021.

Delays detach the filing from the input process designed to inform it. By the time stakeholders have reviewed the IRP, it is possible that many of the inputs to the models could be outdated and have changed, making the results of the IRP model runs less informative. If an extension is granted, resources that are in the RFP (primarily solar, wind, batteries, and combinations thereof) will have updated data and prices, but other inputs, such as coal and gas prices and load forecasts, will not have updated values, thus creating a mismatch between types of resources and types of data.

¹⁵ See Dockets 17-035-16; 17-035-39; and 17-035-40.

¹⁶ Utah Admin. Code R746-430.

The 2020 AS RFP is a separate docket with its own dates and schedules. There could be delays with the initial shortlist, thus pushing the IRP back even further. Final projects' actual operational profiles are also likely to deviate from projections about them. The Company chose the schedule of the 2020AS RFP with full knowledge of the IRP schedule. The RFP schedule does not constitute extraordinary circumstances that allow for the alteration of the IRP schedule. The Division believes it is a better approach to file the IRP on time and begin focusing on its 2021 IRP Update, so that filing will be in turn filed on time. The results from the RFP can then be incorporated into the IRP update in a timely fashion. The Division stresses that the IRP is a long-range planning tool and, while it might inform subsequent prudence reviews, an acknowledged IRP is not a preapproval of specific resources or plans. Further, as noted above, the Company can always file an updated action plan under Commission rules.

The IRP filing date should not be extended to accommodate inputs from the RFP shortlist.

The 2021 IRP Update

If the extension is granted, from March 31 to September of 2021, the Company will be working on the 2021 IRP for the next five months; however, the Company should be working on its 2021 IRP Update during this time, so that the update can be filed on March 31, 2022. Approving the requested delay could enable a repeat of the events that occurred in 2019. The Company filed its last IRP in October of 2019 (the Supplement was filed October 25) and did not make an IRP Update filing in 2020. The Division did not object to the Company not filing a 2019 IRP Update, in part because the 2019 IRP was filed so late that the due date of the update did not allow enough time to prepare it. Since the Company did not file a 2019 IRP Update, it had extra time to ensure the 2021 IRP was submitted on time.

The Importance of an Established Filing Date

Stakeholders and regulators need certainty in order to plan schedules, coordinate consultants, and have adequate time for assessment, evaluation, discovery, and analysis of the IRP with transparency and continuity. There will always be sources of new data and inputs coming in

throughout the year; however, the Company should make do with the information it has when preparing an IRP. New information can be included in updates but should not shift the schedule in ways that alter even-year updates and future IRPs.

One parallel is the Company's Business Plan: the Division's understanding is that the Business Plan is generally finished on schedule at the same time every year, with the information the Company has on hand at the time, even if waiting a month or two might gain the Company more information. The IRP should be treated the same way. A portion of the IRP's usefulness stems from its regularity and consistency. Some more accurate input to the IRP will always be just around the corner.

The Division is also concerned that the proposed IRP filing date would overlap or be filed when other major and related regulatory filings will be decided before the Commission. The Commission did not make a ruling on the Company's preferred portfolio or action plan in the 2019 IRP, because there were other ongoing related dockets, or because other related dockets were expected in the future.¹⁷ The Division expects an upcoming docket approving the resources selected in the RFP, and a docket requesting a certificate of public convenience and necessity for Gateway South. A delayed IRP runs the risk of occurring at the same time as those dockets, making evaluation of each a more difficult administrative endeavor.

Modeling Runs

The Company states as a secondary reason for its request for an extension that it is behind on its IRP modeling runs, as its switch to new modeling software has resulted in some performance and functionality issues.¹⁸ It is foreseeable that a switch to new modeling software would result in some performance and functionality issues. This is to be expected, and the Company should have

¹⁷ See, e.g., *Order, PacifiCorp's 2019 Integrated Resource Plan*, Docket No. 19-035-02, May 13, 2020, p. 26: "We decline, however, to specifically acknowledge or approve the Action Plan. Declining to acknowledge or approve the Action Plan does not constitute a denial of any specific resource. Whether this order has any impact on resource approval dockets or other proceedings will be evaluated in those separate dockets."

¹⁸ See *Integrated Resource Plan 2021 IRP Public Input Meeting February 10, 2021*, slide 4.

built extra time into the process as a safeguard against delays due to the software transition. The Company had extra time as a result of not having to file a 2019 IRP update.

The Company stated in its February 10 stakeholder meeting that it “has not been able to successfully complete any model runs to establish resource portfolios and to evaluate costs and risks.”¹⁹ If model runs are not yet able to be completed at all, the Company should have been before the Commission months ago, explaining the problem and requesting relief, not in mid-February when the draft preferred portfolio should have been presented to stakeholders. It is not clear to the Division when the Company knew that modeling runs were not being completed as needed to meet the March 31 deadline. If these problems were detected late last year, an extension request should have been filed at that time. With the known IRP deadline, it is not clear to the Division why the previous modeling software was shelved without having a tested and workable replacement.²⁰

If the request for extension is not approved, the Company might respond that due to modeling delays, it has no results to file on March 31, so a denial of an extension would be fruitless and would force the Company to file an incomplete IRP. The Division acknowledges that without modeling runs, whatever is filed on March 31 would be incomplete, and could fail to satisfy the requirements of an IRP. However, the delays in the IRP filings are becoming the rule, rather than the exception. Granting yet another extension would be an implicit statement that the March 31 deadline is simply a suggestion that can be ignored when new inputs are coming, or when modeling or other issues arise. Therefore, the Division recommends that the Commission order the Company to file its IRP on March 31 and focus its efforts on completing its 2021 IRP Update on time. It can provide its action plan or other updates as needed or desired.

The Division is willing to work with the Company in order to accommodate the unusual circumstances in the event that the request for extension is not allowed; for example, the

¹⁹ *Id.*

²⁰ The Division’s understanding is that the new modeling is superior in some respects, such as more ability to endogenously test transmission options, or will be when it is fully operational.

Division is willing to discuss how the modeling runs, when completed, could be filed as a supplement or as part of the update. The Division also acknowledges that to a certain extent, the IRP has become larger than originally conceived, with multiple jurisdictions and stakeholders requesting more and more analysis. The Division is willing to work with the Commission with input from the Company to change IRP requirements or recommendations that may be outdated or the cause of significant delays.

The Division recommends that the Commission deny the request for an extension. However, if the Commission grants an extension, the Division recommends that the extension be granted to the extent required to complete the modeling runs, and not to the extent needed to wait for the RFP results. Thus, the Division also requests that the Commission instruct the Company to provide in its Reply Comments its estimation of how much time is necessary to complete the modeling runs and the IRP (without the RFP results).

Conclusion

The Division has reviewed the Company's request for an extension to file its 2021 IRP on September 1, 2021, rather than on the March 31, 2021 deadline previously approved by the Commission. The Division recommends that the Commission deny the request for an extension. If the Commission grants an extension, the Division recommends that the extension be granted only to the extent required to complete modeling runs, and not to the extent needed to wait for the RFP results. Thus, the Division also requests that the Commission require the Company to provide its estimation of how much time is necessary to complete the modeling runs and the IRP without the RFP results.

cc: Jana Saba, Rocky Mountain Power
Michele Beck, Office of Consumer Services