

Rose Monahan
Sierra Club
2101 Webster Street, Suite 1300
Oakland, California 94612
415-977-5704
rose.monahan@sierraclub.org
Attorney for Sierra Club (not barred in Utah)

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

**In the Matter of Utah Citizens Advocating
Renewable Energy’s (UCARE) Request for
Agency Action to Reform the Integrated
Resource Plan Guidelines**

**DOCKET NO. 22-035-35
SIERRA CLUB COMMENTS**

On June 30, 2022, Utah Citizens Advocating Renewable Energy (“UCARE”) submitted a Request for Agency Action requesting that the Utah Public Service Commission (“PSC” or “Commission”) “review and reform the IRP Guidelines.” On July 18, 2022, UCARE filed an amended Request for Agency Action narrowing the scope of its original request to IRP Guideline 4(k).

Sierra Club is a national nonprofit organization with 64 chapters and about 800,000 members, including over 4,900 members in Utah, dedicated to exploring, enjoying, and protecting the wild places of the earth; to practicing and promoting the responsible use of the earth’s ecosystems and resources; to educating and enlisting humanity to protect and restore the quality of the natural and human environment; and to using all lawful means to carry out these objectives. Sierra Club regularly participates in public utility commission proceedings across the country, including in Utah, pertaining to integrated resource planning. Sierra Club has been an active participant in PacifiCorp’s IRP proceedings since 2007.

Sierra Club submits the following comments respectfully requesting that the Commission decline from opening a proceeding on either the Utah PSC IRP Guidelines broadly or Guideline 4(k) specifically at this time. As explained below, Sierra Club believes that Utah currently has adequate, if imperfect, IRP Guidelines and that stakeholder and Commission resources would be better served ensuring that the current Guidelines are fully implemented.

Comments

I. Current Utah IRP Guidelines Provide a Framework While Allowing for Flexibility

The Commission's current IRP Standards and Guidelines were issued in 1992, through Docket No. 90-2035-01, wherein the Commission sought to impose standards that would "require PacifiCorp to pursue the least cost alternative for the provision of energy services to its present and future ratepayers that is consistent with safe and reliable service, the fiscal requirements of a financially healthy utility, and the long-run public interest."¹ In order to achieve these goals, the Commission's order emphasized "the free flow of information between the parties," the participation of all interested parties, and consistency between an IRP and other planning processes.² Regarding the consideration of environmental externalities, upon which UCARE's Request for Agency Action focuses, the Commission rightly noted that although external costs are uncertain, they are "clearly not zero."³ Although the Commission did not require externality costs be used in the calculation of least cost resources, the Commission did require PacifiCorp to conduct an analysis of the risk of future internalization of environmental

¹ *In the Matter of Analysis of an Integrated Resource Plan for PACIFICORP*, Dkt. No. 90-2035-01, Report and Order on Standards and Guidelines at 1 (June 18, 1992), available at <https://pscdocs.utah.gov/electric/90docs/90203501/121607RprtOrdrStndrdsGdlnes6-18-1992.pdf> [hereinafter "IRP Guidelines"].

² *Id.* at 4-6, 16.

³ *Id.* at 10.

costs.⁴ In order to do so, the Commission found it appropriate for PacifiCorp to quantify emissions and evaluate a range of dollar values for external costs.⁵

To be sure, Sierra Club supports the incorporation of external costs when calculating which resources are “least cost.” Simply because external costs are not included in the cost of electricity does not mean that PacifiCorp’s customers do not pay for these costs. Pollution from coal fired resources results in public health costs and the emission of greenhouse gasses contribute to ever worsening climate change in the form of extreme drought and wildfire, among other disasters. In Sierra Club’s view, PacifiCorp should take into consideration not only the threat of future legislature that would force the Company to internalize the costs of its thermal resources but also the harms to the environment and public health that its thermal resources are currently having on Utahns and its other customers.

Nevertheless, Sierra Club recognizes that not all stakeholders share the same view and that a variety of positions are held when it comes to best analyzing and forecasting least cost, least risk service. The current IRP Guidelines permit for the exchange of ideas and debate precisely because the Guidelines are not overly prescriptive. By setting a minimum requirement (i.e., that externality costs be considered in some fashion), the Guidelines set some expectations while largely permitting interested stakeholders to raise arguments and help shape the IRP as appropriate in the particular year in which it is filed. When properly and fully implemented, the IRP Guidelines provide appropriate leeway to stakeholders to work through a public process towards better resource planning for the state. Importantly, however, the current Guidelines must be followed and enforced.

⁴ *Id.*

⁵ *Id.* at 11.

II. The Commission Should Ensure that the Current IRP Guidelines Are Fully Implemented

In order to reach the ideal of robust stakeholder engagement resulting in robust resource planning, stakeholders' feedback must be not only heard but also acted upon. This requires both the free exchange of information and that the IRP be viewed as a collaborative process between the Company and stakeholders. However, as documented in the Commission's Order on PacifiCorp's 2021 IRP, the Company's most recent IRPs demonstrate a pattern of unilateral decision making, without adequate opportunity or regard for stakeholder input.⁶ The Company's approach is in direct contradiction to the Utah IRP Guidelines,⁷ which require the Company to "provide ample opportunity for public input," and predictably results in frustration amongst the stakeholders. As stakeholders move into the 2023 IRP, Sierra Club has concerns that the same processes will be repeated, wherein information is not timely shared and stakeholder input is not seriously considered.

However, rather than responding to the Company's poor behavior by amending the IRP Guidelines, Sierra Club believes that the Commission should ensure compliance with the current Guidelines' requirements. For instance, the Commission could direct the Company to open an IRP docket in advance of the IRP filing, which would provide stakeholders an avenue for raising

⁶ *PacifiCorp's 2021 Integrated Resource Plan*, Dkt. No. 21-035-09, Order at 14 (June 2, 2022), available at <https://pscdocs.utah.gov/electric/21docs/2103509/3242942103509o6-2-2022.pdf>.

⁷ PacifiCorp has also shown disregard of IRP Guidelines in other states. For instance, PacifiCorp is required to file a draft IRP, like has been requested in Utah, before the Oregon Public Utilities Commission, pursuant to that state's IRP Guidelines. *In the Matter of Public Utility Commission of Oregon Investigation into Integrated Resource Planning*, Or. Pub. Util. Comm'n Dkt. No. UM 1056, Order at Appendix A, p. 3 of 7 (Jan. 8, 2007), available at <https://apps.puc.state.or.us/orders/2007ords/07-002.pdf>. However, the Company has flatly refused to comply, informing stakeholders that it views the current stakeholder process sufficient, regardless of what is required of it under Oregon PUC requirements. *See, e.g.*, PacifiCorp Response to Sierra Club Stakeholder Feedback Form for the 2023 IRP, available at [https://www.pacificorp.com/content/dam/pacifiCorp/documents/en/pacificorp/energy/integrated-resource-plan/2023-irp/2023-irp-comments/2023.014.%20_Sierra_Club_%207-1-22%20\(with%20response\).pdf](https://www.pacificorp.com/content/dam/pacifiCorp/documents/en/pacificorp/energy/integrated-resource-plan/2023-irp/2023-irp-comments/2023.014.%20_Sierra_Club_%207-1-22%20(with%20response).pdf)

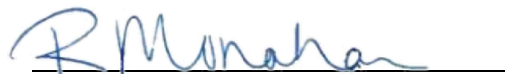
concerns with the Commission when there is still an opportunity to direct changes to the IRP. This would be consistent with the Commission’s intention, when it established the current IRP Guidelines, to “pursue a more active-directive role if deemed necessary.”⁸ Once an IRP is filed, the Commission should follow the process identified in Guideline 6, wherein the Commission will “judge the merit and applicability of the public comment[,]” and return the IRP to the Company “with comments and suggestions for change” if necessary.⁹ The Commission would be well within its authority to require changes to an IRP prior to the next biennial plan, in order to not lose two years before a proper analysis is completed.

III. Conclusion

For the reasons set forth above, Sierra Club respectfully requests that the Commission decline from revising the IRP Standards and Guidelines at this time and instead focus Commission resources on enforcing the current Guidelines.

Dated: 19 August 2022

Respectfully Submitted,



Rose Monahan
Attorney for Sierra Club
(not barred in Utah)

⁸ IRP Guidelines at 35.

⁹ *Id.* at 39-40.

CERTIFICATE OF SERVICE

DOCKET NO. 22-035-35

I hereby certify that on this 19th day of August 2022, I delivered true and correct copies of the foregoing Sierra Club Comments to the following persons via the method of service indicated below.

By Email:

UCARE

Stanley Holmes - stholmes3@xmission.com

PacifiCorp

Data Request Response Center - datareq@pacificorp.com; utahdockets@pacificorp.com

Jana Saba - jana.saba@pacificorp.com

Emily Wegener - emily.wegener@pacificorp.com

Assistant Utah Attorneys General

Patricia Schmid - pschmid@agutah.gov

Robert Moore - rmoore@agutah.gov

Division of Public Utilities

Madison Galt - mgalt@utah.gov

Office of Consumer Services

Alyson Anderson - akanderson@utah.gov

Bela Vastag - bvastag@utah.gov

Alex Ware - aware@utah.gov

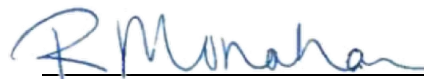
Office of Consumer Services - ocs@utah.gov

Western Resource Advocates

Sophie Hayes – sophie.hayes@westernresources.org

Utah Clean Energy

Logan Mitchell – logan@utahcleanenergy.org



Rose Monahan
Attorney for Sierra Club
(not barred in Utah)