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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

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Comments

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Brenda Salter, Assistant Director
Doug Wheelwright, Utility Technical Consultant Supervisor
Joni S. Zenger, Utility Technical Consultant
David Williams, Utility Technical Consultant

Date: March 10, 2023

Re: **Docket No. 23-035-10**, PacifiCorp's 2023 Integrated Resource Plan, Request for Extension

Recommendation (Approve)

PacifiCorp ("PacifiCorp" or "the Company") requested that the Public Service Commission of Utah ("Commission") grant an extension for the filing of the Company's 2023 Integrated Resource Plan ("2023 IRP"). The Division recommends the Commission approve the modified process and filing date, simply because an extension is the least bad option available to the Company. The Division reiterates comments it has made in the past regarding the need for regular IRP filings.

Issue

On March 2, 2023, the Company filed a request with the Commission for an extension of time to file its 2023 IRP (2023 Request for Extension).¹ The Commission previously established March 31, 2023, as the 2023 IRP filing deadline.² In its 2023 Request for Extension, the Company asks the Commission to extend the 2023 IRP filing deadline by two months from March 31, 2023 to May 31, 2023.

¹ *PacifiCorp's 2023 Integrated Resource Plan*, Docket No. 23-035-10, Rocky Mountain Power's Request for Extension, filed March 2, 2023.

² *In the Matter of the Acknowledgment of PacifiCorp's Integrated Resource Plan*, Docket No. 09-2035-01, Report and Order, issued April 1, 2010, p. 57.

On March 2, 2023, the Commission issued an Action Request requesting the Division's evaluation and recommendations. On March 3, 2023, the Commission issued a Notice and Request for Comments, asking interested parties to submit comments by March 10, 2023.³ The Notice and Request for Comments supersedes and replaces the Action Request.⁴ This memorandum responds to the Commission's Request for Comments.

Background

In Docket No. 09-2035-01, the Commission established a filing date for the Company's IRPs of March 31 of every odd year.⁵ As the Company notes in its 2023 Request for Extension, it also requested and received "a four-month extension in the 2019 IRP and a five-month extension in the 2021 IRP."⁶

For the current 2023 IRP, the Company "is currently in the process of finalizing model results for the preferred portfolio and will not be able to present the modeling results to stakeholders prior to the March 31, 2023, filing date."⁷

At the public input meeting (PIM) held on February 23, 2023, the Company initially stated that despite the lack of stakeholder review of the modeling results, the Company intended to file the IRP on its due date (March 31). This March 31 filing would include data discs relating to the report itself (e.g. the data discs containing the spreadsheets showing the data used in report tables, charts and graphs), but would not include other data discs (including confidential data discs). The Company then would "use the first 60 days after filing to solicit and incorporate feedback from the stakeholders through continued public input meeting ("PIM") process."⁸ After that, if any adjustments to the IRP were required due to stakeholder comments, the Company would file the final IRP on May 31, 2023 (along with the confidential data discs).

³ *PacifiCorp's 2023 Integrated Resource Plan*, Docket No. 23-035-10, Notice and Request for Comments, issued March 3, 2023.

⁴ The Action Request states: "In the event the PSC issues an order or notice providing dates for comments and/or testimony in this docket ... The order or notice, including any deadlines, shall supersede and replace this action request..." Docket No. 23-035-10, Action Request, issued March 2, 2023.

⁵ Docket No. 09-2035-01, Report and Order, issued April 1, 2010, p. 57.

⁶ 2023 Request for Extension, p. 2.

⁷ *Id.*

⁸ *Id.*

However, several parties questioned whether an IRP filed on March 31, but without a chance for stakeholders to review and comment on modeling results, would constitute a complete IRP. The Division also questions whether an IRP filed without all data discs would constitute a complete IRP.

At the February 23, 2023 PIM, several parties suggested that instead of filing on March 31, 2023, then getting stakeholder input and adjusting the report if needed, the Company should simply request an extension. The Company agreed and filed its 2023 Request for Extension. The Company noted that:

Recent material changes to the Ozone Transport Rule, the Inflation Reduction Act, resource interconnection rules, the Oregon Clean Energy Plan, and Washington's Clean Energy Transformation Act required changes to model inputs and constraints requiring a considerable amount of time to implement and verify the accuracy of outputs. The time delay placed PacifiCorp's ability to provide model output that could be presented to stakeholders for meaningful review in advance of the March 31, 2023, filing deadline in jeopardy.⁹

Therefore, the Company requested a "one-time modification of the IRP process," whereby it files the preliminary IRP on March 31, receives stakeholder comments by April 30, and files the final IRP by May 31.

Discussion

The Division recommends that the Commission approve the 2023 Request for Extension, but only because an extension is the least objectionable realistic option.

As a preliminary matter, the Division recognizes and commends changes that the Company has made to improve the modeling aspects of the IRP. The Division also agrees that the Company has generally provided PIM materials for the 2023 IRP cycle at least three days in advance of the meetings, which is a commendable improvement over previous IRPs. The Division also agrees and acknowledges that there are many moving parts this year with respect to IRP inputs: the Ozone Transport Rule, the Inflation Reduction Act, and individual state requirements and plans have added complications.

⁹ *Id.* at 1.

The Division also asserts, as it has in past IRPs, 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 on a specified date. Currently, that schedule calls for filing on March 31, and events for both the Company and stakeholders, before and after that deadline, are planned around it. This March 31 date is a filing deadline that the Company itself put forth for the Commission to approve as the official IRP filing date.¹⁰ The Commission accepted the Company's reasoning and set March 31 as the due date for IRPs.

In its 2023 Request for Extension, the Company states that the primary need for the extension request is that changes the various federal, state, and internal policies have:

required changes to model inputs and constraints requiring a considerable amount of time to implement and verify the accuracy of outputs. The time delay placed PacifiCorp's ability to provide model output that could be presented to stakeholders for meaningful review in advance of the March 31, 2023, filing deadline in jeopardy.¹¹

The Company goes on to say that it "is currently in the process of finalizing model results for the preferred portfolio and will not be able to present the modeling results to stakeholders prior to the March 31, 2023, filing date."¹²

For the above reasons, the two main options open to the Company are:

- File the IRP on March 31, with some but not all data discs, and allow stakeholders to comment on the modeling after that. The March 31 filing would be the first time stakeholders see a preferred portfolio (or any modeling results). The Company would then file the final IRP on May 31, with any changes that were performed due to incorporating stakeholder comments. This is the procedure initially proposed by the Company in its February 23, 2023 PIM (the Division will refer to this option as the "PIM Option").
- Alternatively, the Company could ask for a two-month extension, as it has in the 2023 Request for Extension.

¹⁰ Docket 09-2035-01, Report and Order, issued April 1, 2010, p. 55.

¹¹ 2023 Request for Extension, p. 1.

¹² *Id.* at 2.

The Division considers neither of these options to be “good,” but recommends the extension as being more appropriate.¹³

The Division takes issue with the following statement from the Company in its 2023 Request for Extension:

Therefore, although PacifiCorp is prepared to file the 2023 IRP on March 31, 2023, as required, based on the timing of when the IRP results and the preferred portfolio will be ready, stakeholders will not have been given the opportunity for meaningful review in advance of the filing.¹⁴

The Company is not prepared to file a complete IRP on March 31, 2023. A complete IRP is one which has had adequate stakeholder feedback, and is accompanied by all relevant data discs. An IRP filed on March 31 would meet neither the IRP guidelines¹⁵ nor past Commission orders.

For example, the IRP Standards and Guidelines state:

The IRP will be developed in consultation with the Commission, its staff, the Division of Public Utilities, the Committee of Consumer Services, appropriate Utah state agencies, and interested parties. PacifiCorp will provide ample opportunity for public input and information exchange during the development of its Plan.¹⁶

An IRP filed on March 31 would not have provided “ample opportunity for public input and information exchange during the development of its Plan”: in fact, with respect to modeling and the preferred portfolio, it would have contained no stakeholder input regarding modeling results.

Similarly, past Commission orders have stressed the need for stakeholder input. As the Company notes in its 2023 Request for Extension, the Commission’s Order in the 2021 IRP stated that the “most fundamental objective of this process is to obtain an accurate, complete, and useful IRP that is informed by a process of appropriate and thorough

¹³ The Company could also take a third option, which is to simply file the IRP on March 31, declare it to be the final IRP, and consider no stakeholder feedback. The Company has not proposed this as a viable option.

¹⁴ 2023 Request for Extension, p. 1.

¹⁵ *In the Matter of Analysis of an Integrated Resource Plan for PacifiCorp*, Docket No. 90-2035-01, Report and Order on Standards and Guidelines, issued June 18, 1992 (Standards and Guidelines).

¹⁶ Standards and Guidelines, pp. 41-2.

stakeholder input.”¹⁷ An IRP filed on March 31, with that being the first time stakeholders would have seen modeling results, would definitely not be “informed by a process of appropriate and thorough stakeholder input.”

Therefore, it is the Division’s opinion that the originally proposed option (the PIM Option) would be an extension request in all but name, as the IRP to be filed on March 31 would not be complete. It is better to call an extension an extension, so the Division (somewhat reluctantly) recommends that the Commission grant the Company’s 2023 Request for Extension.

The Division would like to emphasize two points. First, this is the third IRP in a row that has been delayed for a substantial amount of time, and has thus deviated from the Commission’s Standards and Guidelines and past IRP orders.

Second and relatedly, although it is true that the Company faced multiple possible changes in modeling inputs in 2023, IRPs will often (perhaps usually) face similar circumstances. In the 2021 IRP, the issue was the 2020 All-Source Request for Proposals. In 2023, the issues were the Ozone Transport Rule, the Inflation Reduction Act, and other state and Company changes.

The point is that many or even most years will have new federal laws, state rules, RFPs, and other issues to deal with. The Company should model what it can in time to file a complete IRP (with appropriate public input) for the March 31 deadline, and then use the IRP updates in the even years to model any changes. As the Division stated in previous IRP comments:

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.

¹⁷ *PacifiCorp’s 2021 Integrated Resource Plan*, Docket No. 21-035-09, Order Granting Request for Extension to File, issued March 15, 2021, p. 3 (cited in 2023 Request for Extension, p. 2).

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.¹⁸

The Division and other parties have previously suggested that the Company file a draft final RFP.¹⁹ The Company's proposed schedule in its 2023 Request for Extension (file preliminary IRP on March 31, take comments and feedback, and then file final IRP on May 31) is similar to what the Division proposed in the past, just delayed for two months.

However, even if the Company's proposed process were moved up two months (draft IRP on January 31, and final IRP on March 31), it would still be a tight timeline with respect to commenting on the modeling, if the January 31 draft were the first time that parties saw modeling results or a preferred portfolio. The draft IRP should itself be informed by stakeholder input. If hypothetically the draft IRP were filed on January 31, but that was the first time stakeholders saw any modeling results, it would still be difficult to read and digest the draft IRP and provide comments within a month. Ideally, preliminary modeling results would be shared even before a January 31 draft IRP, so that the draft IRP itself had public input regarding modeling.

The schedule proposed in the 2023 Request for Extension has the same tight timeline (preliminary IRP filed, comments due within a month, Company finalizes the IRP within another month). Therefore, the most substantive comments from stakeholders might not occur until after the May 31 complete filing. The problem is compounded by the fact that, in the Division's understanding, the Company wants feedback and questions from stakeholders to come in the form of the IRP process, not data requests, for the period between the March 31 preliminary filing and the May 31 final filing.²⁰ This is partially due to

¹⁸ *PacifiCorp's 2021 Integrated Resource Plan*, Docket No: 21-035-09, Comments from the Division of Public Utilities, filed March 3, 2021, pp. 6-7.

¹⁹ *PacifiCorp's 2021 Integrated Resource Plan*, Docket No. 21-035-09, Comments from the Division of Public Utilities, filed March 4, 2022, pp. 15-18.

²⁰ 2023 Request for Extension, p. 2: "April 30, 2023 – Deadline for stakeholders to submit comments and feedback directly to the Company through the established public input meeting ("PIM") process"

the fact that under the Company's proposed timeline, there will not be a scheduling order until after May 31, and so a schedule for data requests will not yet have been established. This may further delay stakeholders' ability to receive timely answers to questions after the preliminary filing, especially when dealing with confidential information. The Division requests that the Company make every effort to quickly respond to requests for information during the March 31 to April 30 comment period.

Conclusion

The Division has reviewed the Company's request for an extension to file its 2023 IRP on May 31, 2023, rather than on the March 31, 2023 deadline previously approved by the Commission. The Division recommends that the Commission approve the request for an extension. However, the Division reiterates that there is value to stakeholders in having an IRP filed at the same time every year, and that delays such as the ones that have plagued the 2023, 2021, and 2019 IRPs reduce the IRP's value as a planning document.

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