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DEPARTMENT OF COMMERCE
Office of Consumer Services

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To: Utah Public Service Commission

From: Office of Consumer Services
Michele Beck, Director
Béla Vastag, Utility Analyst
Alex Ware, Utility Analyst

Date: December 12, 2023

Re: PacifiCorp's 2023 Integrated Resource Plan - Docket No. 23-035-10
OCS's Initial Comments

Background

On May 31, 2023, Rocky Mountain Power (RMP) filed PacifiCorp's 2023 Amended Final Integrated Resource Plan ("2023 IRP" or "IRP") with the Public Service Commission of Utah ("PSC"). The PSC issued a Scheduling Order on June 7, 2023 setting a schedule for comments on the IRP, with initial comments due December 12, 2023 and reply comments due January 31, 2024. In accordance with the PSC's schedule, the Utah Office of Consumer Services ("OCS") submits these initial comments on PacifiCorp's 2023 IRP.

Recommendation Concerning IRP Acknowledgement

The OCS recommends that the PSC not acknowledge PacifiCorp's 2023 IRP. The OCS makes this recommendation due to PacifiCorp not complying with several requirements contained in Utah's IRP Standards and Guidelines which are outlined in the PSC's Report and Order in Docket No. 90-2035-01 ("Guidelines").¹ PacifiCorp's non-compliance with Utah's IRP Guidelines is summarized below:

- The 2023 Action Plan May Now be Invalid (Guideline 4.e.) – PacifiCorp's suspension of its 2022 All Source RFP² undermines the validity of the 2023 IRP Action Plan. Section 2c of the 2023 Action Plan relies on the completion of the 2022 AS RFP. Non-completion of the 2022 RFP will directly impact modeling

¹[IRP Standards and Guidelines](#), see pages 36 – 40.

² See Docket No. 21-035-52, Application of Rocky Mountain Power for Approval of a Solicitation Process for 2022 All Source Request for Proposals, [September 29, 2023 filing](#).

assumptions and the selection of resources in the Action Plan and the selection of resources for the entire 20-year planning horizon of the preferred portfolio.

- There was Insufficient Public Input and Information Exchange (Guideline 3) – Despite holding [10 public-input meetings](#)³ prior to filing its “Preliminary” 2023 IRP⁴ on April 3, 2023, PacifiCorp did not provide any modeling results, e.g. potential preferred portfolio candidates, to stakeholders for review and feedback until the Preliminary IRP was filed with the PSC. The OCS notes that PacifiCorp’s selected preferred portfolios for the Preliminary and Amended Final 2023 IRPs are the same, i.e. the preferred portfolio from the Preliminary IRP was the final preferred portfolio. PacifiCorp’s attempt to solicit additional Stakeholder Feedback after the Preliminary IRP was released was an unusual twist in the IRP process and not impactful. For reference, the OCS’s Stakeholder Feedback Form on the Preliminary 2023 IRP, including PacifiCorp’s responses, is attached to these comments as Attachment A.
- Potential Resources Were Not Evaluated on a Consistent and Comparable Basis (Guidelines 4.b. and 4.h.) – Natural gas fired and geothermal resources appear to be handicapped from being selected by the IRP model while unproven technologies such as Sodium nuclear and non-emitting hydrogen peakers were given advantageous assumptions and therefore were either selected by the model or manually selected by PacifiCorp.
- An Appropriate Customer Rates Impact Analysis Was Not Provided (Guideline 4.g.) – The OCS submitted Stakeholder Feedback Forms for both the 2021 IRP and the 2023 IRP requesting and clearly explaining the needed rate impact analyses but PacifiCorp did not provide them. OCS continues to assert that Guideline 4.g., requiring an evaluation of cost-effectiveness from the perspective of the different classes of ratepayers, cannot be met without at least a meaningful rate impact analysis, comparing the preferred portfolio against a base year such as 2022. Other parties have also requested such an analysis.⁵

Most of the deficiencies outlined above in PacifiCorp’s 2023 IRP process are essentially the same as the ones the OCS raised for the 2021 IRP. Therefore, instead of describing these problems again in detail in these comments, we refer the reader to the OCS’s March 4, 2022 comments on the 2021 IRP which can be found [here](#).⁶

³ <https://www.pacificorp.com/energy/integrated-resource-plan/public-input-process.html>

⁴ See listing under Docket No. 23-035-10, PacifiCorp’s [April 3, 2023 preliminary IRP filing](#).

⁵ See Utah Docket No. 21-035-09 DPU Reply Comments April 7 2022, page 5 and Wyoming Docket No. 20000-603-EA-21 ([Record No. 15935](#)) OCA Comments February 11, 2022, pages 3 & 6.

⁶ <https://pscdocs.utah.gov/electric/21docs/2103509/322715OCSCmnts3-4-2022.pdf>

Stakeholder Input for the 2023 IRP Evolved Into an Unconventional Process

PacifiCorp's biennial public IRP process normally takes about 9 months, starting in June of the year before the IRP is due and ending in March, just before the IRP's required filing date of March 31.

On March 2, 2023, RMP filed a request with the PSC to extend the filing deadline for PacifiCorp's 2023 IRP to May 31, 2023. RMP also asked the PSC to approve a schedule where RMP would file a "preliminary 2023 IRP" on March 31, 2023 and set a deadline of April 30, 2023 for stakeholders to submit comments and feedback directly to PacifiCorp on the preliminary 2023 IRP. PacifiCorp asked that the feedback on the preliminary 2023 IRP be submitted via PacifiCorp's IRP [Stakeholder Feedback Form process](#).⁷ The PSC approved this unconventional process on March 28, 2023.

This is PacifiCorp's third IRP in a row for which it needed a filing extension – the 2019 and 2021 IRPs were also extended. At the time that PacifiCorp requested an extension for the 2023 IRP (March 2, 2023), it had not yet provided any preliminary modeling results, or potential preferred portfolios, to stakeholders for review. The first time stakeholders saw what PacifiCorp proposed as its 2023 preferred portfolio was when it filed its preliminary 2023 IRP with the PSC on April 3, 2023. Interestingly, PacifiCorp [released results to the media](#)⁸ prior to filing the IRP with the PSC and prior to sharing it with the stakeholders who had been attending PacifiCorp's IRP meetings for the previous 9 months.

As mentioned above, despite giving stakeholders in Utah⁹ the opportunity to provide feedback on its preliminary IRP (see Attachment A to these comments for a copy of the OCS's feedback), the preferred portfolio remained unchanged from the preliminary filing to when PacifiCorp filed its Amended Final 2023 IRP on May 31, 2023.

Suspension of the 2022 All Source Request for Proposals (2022 AS RFP)

On September 29, 2023 in Docket No. 21-035-52, RMP made a filing with the PSC announcing that it was suspending the 2022 AS RFP. In that filing, the company stated that PacifiCorp had suspended the RFP for the following reasons:

1. A federal court's stay of the U.S. Environmental Protection Agency's proposed ozone transport rule.
2. Ongoing rulemaking by the EPA regarding greenhouse gas emissions, with impacts on our [PacifiCorp's] system to be determined.

⁷ <https://www.pacificorp.com/energy/integrated-resource-plan/comments.html>

⁸ <https://www.sltrib.com/renewable-energy/2023/03/31/end-utah-coal-power-sight-rocky/>

⁹ Due to only parties from Utah submitting stakeholder feedback forms on the April 30, 2023 deadline, it appears that this unconventional public input process of requesting feedback on a preliminary IRP was not conducted in other states. (<https://www.pacificorp.com/energy/integrated-resource-plan/comments.html>)

3. Wildfire risk and associated liability across our [PacifiCorp's] six-state service area and throughout the West.
4. Evolving extreme weather risks that necessitate further decision-making regarding PacifiCorp's operational and resource requirements.

The issues listed above are all considered and discussed in PacifiCorp's Amended Final 2023 IRP; and therefore, the OCS was surprised to see PacifiCorp suspend the 2022 AS RFP.

The 2022 AS RFP is part of the 2021 IRP and 2023 IRP Action Plans. The purpose of the 2022 AS RFP is to acquire the near-term resource needs identified in the 2021 IRP. Furthermore, in multiple places in the 2023 IRP, PacifiCorp states:¹⁰

*"The 2023 IRP preferred portfolio includes new resources from the 2020 All-Source Request for Proposals (RFP)....The 2023 IRP preferred portfolio **includes near-term** proxy resource selections that align with recent transmission cluster studies, and **the 2022AS RFP is currently soliciting and evaluating resources to fulfill these needs.**" [emphasis added]*

In the October 24, 2023 IRP technical conference, [PacifiCorp stated](#)¹¹ that resources identified by the 2022 AS RFP should still be available, despite the RFP suspension, because resource availability is tied to the ability of resources to connect to PacifiCorp's transmission system, as identified in the most recent transmission cluster studies. However, delays in resource acquisition could mean that the resources identified by the cluster study may be made available to other buyers (i.e. not to PacifiCorp) or could mean that new resources cannot come online soon enough to help maintain the reliability of PacifiCorp's system.

Not procuring new resources soon enough also means that PacifiCorp would need to rely more on market purchases or front office transactions ("FOTs") which could put ratepayers at risk if extreme pricing events occurred, such as during the [September 2022 western heatwave](#)¹² when market prices reached as high as \$2,105 per MWh.¹³ PacifiCorp acknowledged this risk in a DR response dated October 2, 2023 to Renewable Northwest's ("RNW") Data Request 2.2¹⁴ in the Oregon proceeding on the 2023 IRP, in Docket No. LC 82. PacifiCorp stated:

¹⁰ See Amended Final 2023 IRP, pages 10, 251 and 307, filed with the PSC on May 31, 2023.

¹¹ <https://www.youtube.com/watch?v=w-c9X1HMFyI> See portions of audio recording between timestamps 9:20 - 10:25, 18:20 - 20:11 and 54:21 - 1:01:00.

¹² <https://www.publicadvocates.cpuc.ca.gov/-/media/cal-advocates-website/files/reports/220922-caladvocates-sept-22-heat-wave-analysis---full.pdf>

¹³ The highest single Default Load Aggregation Point (DLAP) LMP was in PG&E's service territory on September 6, 2023 at \$2,105.62 per MWh. The LMP was in Real-time Market (RTM) 5-minute dispatch.

¹⁴ In DR 2.2, RNW asked PacifiCorp why small-scale renewable resources (SSRs) were not modeled in the IRP in the initial portfolios.

“Given PacifiCorp’s current resource position and procurement trajectory, the risk of under-acquiring appears a far greater risk than the risk of over-acquiring resources.”

Therefore, the suspension of the 2022 AS RFP questions the validity of the filed 2023 IRP Action Plan, whether system reliability will suffer in the next 4 years and whether the Plan is now least cost, least risk. The OCS asserts that these issues are alone sufficient for the PSC to not acknowledge the 2023 IRP.

We Must Wait Until the 2023 IRP Update to See the Effects of the RFP Suspension

In the October 24, 2023 IRP technical conference and through the discovery process, parties have asked RMP how the RFP suspension, and the issues RMP listed that caused the RFP suspension, impact IRP modeling (e.g. UCARE DR 1.2, Sierra Club DR 4.1 and DPU DR 4.3). PacifiCorp responded that this will not be known until PacifiCorp files the 2023 IRP Update, due April 1, 2024. For example, PacifiCorp’s response to DPU 4.3 states:

“No, the Company is not planning to re-run elements of the 2023 Integrated Resource Plan (IRP) except in the context of the next scheduled significant long-term planning update. This will be the 2023 IRP Update, which is currently underway and scheduled to be published on April 1, 2024. The update will include further IRP studies and sensitivities.”

The OCS asserts that the 2023 IRP cannot be acknowledged until parties see the results of the modeling updates forthcoming for the 2023 IRP Update.

Extreme Weather Scenarios

The OCS requests that PacifiCorp include scenarios in its IRP modeling that test the effects of a long lasting extreme weather event occurring in a planning year where significant amounts of fossil fuel resources are no longer operating, i.e. have been retired. A long lasting extreme weather scenario should model events such as the September 2022 heatwave or the February 2021 Texas extreme cold. The purpose of such scenarios is to identify potential reliability issues when PacifiCorp’s future system is assumed to be relying primarily on intermittent resources and batteries for reliability. Extreme weather events are becoming more common and a discussion of these scenarios and how the future system based on the chosen preferred portfolio handles the extreme event should be included in all future IRPs.

New Transmission Resource Options are not Determined by the IRP Model

For transmission resources, Chapter 7, page 213 of the 2023 IRP states:

“In developing resource portfolios for the 2023 IRP, PacifiCorp included modeling to endogenously select transmission options, in consideration of relevant costs and benefits.”

The OCS asked the following data request question regarding the above statement:

OCS Data Request 2.4

To what extent can the IRP identify new transmission options, both wire and non-wire, that would enable a lower cost and lower risk preferred portfolio?

Response to OCS Data Request 2.4

The Company interprets the use of the term “new transmission options” to mean integrated resource plan (IRP) transmission that is not existing or in-service. Based on the foregoing interpretation, the Company responds as follows:

The PLEXOS model optimizes modeled transmission options to create least-cost, least-risk portfolios as part of its core functionality...

The PLEXOS Long-Term (LT) model endogenously selects the transmission wire and non-wire options entered into the model.... These transmission options (wire and non-wire) entered into PLEXOS are sourced from transmission requests, transmission studies, conservation potential assessments (CPA), and private generation (PG) assessments. PLEXOS is not able to identify transmission project options that have no source or basis and are therefore not modeled.

RMP’s responses to OCS Data Requests 2.1 to 2.6 on the IRP modeling of new transmission resources are attached to these comments as Attachment B.

The OCS points to the last sentence of RMP’s response to OCS 2.4: *“PLEXOS is not able to identify transmission project options that have no source or basis and are therefore not modeled.”* The IRP does not inform PacifiCorp where optimal new transmission linkages should be built (nor the use of non-wire transmission solutions) but rather just uses existing transmission options or new options studied by PacifiCorp Transmission or requested by developers. In other words, the IRP is constrained by these choices when it is very possible that more optimal transmission resources or linkages could be developed or used.

Further, OCS Data Request 2.3 specifically asked PacifiCorp to identify all non-wire transmission options that were available for selection by the IRP models. Its response stated, in part:

“PacifiCorp’s 2023 Integrated Resource Plan (IRP) included non-wire transmission options for selection in the PLEXOS model. They are identified as proxy resources in the PLEXOS model instead of transmission. These options include demand side management (DSM) – energy efficiency (EE) and demand response (DR) programs.”

Thus, it is clear that the IRP modeling does not contain a process, endogenous to the model or exogenous, to evaluate [Grid-Enhancing Technologies](#)¹⁵ (“GETs”) or other advanced technologies to maximize the efficiency of the grid. By avoiding the construction of very costly new transmission lines or transmission interconnection facilities, GETs could enable the development of lower cost preferred portfolios for the benefit of all ratepayers.

The OCS believes that more coordination is needed between the IRP and transmission planning. To create a least-cost, least risk resource plan, potential new generating and transmission resources should be optimized simultaneously. PacifiCorp should incorporate a process where the IRP can inform the transmission planning function in developing new transmission wire or non-wire solutions.

Summary and Recommendations

This IRP does not comply with Guidelines 3, 4.b., 4.e., 4.g., and 4.h. Therefore, the OCS recommends that the PSC not acknowledge PacifiCorp’s 2023 IRP.

In addition, the OCS recommends the PSC order PacifiCorp to do the following in future IRPs:

- include a customer rate impact analysis to meet Guideline 4.g., as requested by the OCS and other parties,
- include scenarios testing the effects of long lasting extreme weather events, and
- include functionality where the IRP can inform the transmission planning process in selecting optimal new transmission resources and non-wires alternatives including Grid-Enhancing Technologies.

CC: Chris Parker, Division of Public Utilities
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¹⁵ See <https://watt-transmission.org/resources-2/faq/> and <https://www.energy.gov/oe/articles/grid-enhancing-technologies-rd-reality-0>.