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UTAH DEPARTMENT OF COMMERCE

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Reply Comments

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

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Date: January 31, 2024

Re: **Docket No. 23-035-10**, PacifiCorp's 2023 Integrated Resource Plan: Reply Comments

Reply Comments

The Division of Public Utilities (Division) makes the following Reply Comments addressing stakeholder comments on PacifiCorp's 2023 Integrated Resource Plan (2023 IRP).¹ These Reply Comments briefly touch on selected comments made by other stakeholders; silence on any stakeholder comment not addressed here indicates neither support nor opposition. These Reply Comments do not alter the Division's overall recommendation in its initial Comments² that the Commission not acknowledge the 2023 IRP.

¹ *PacifiCorp's 2023 Integrated Resource Plan*, Docket No. 23-035-10, 2023 Integrated Resource Plan (Amended Final) Volume 1, and 2023 Integrated Resource Plan Volume II (Amended Final) filed May 31, 2023, [hereafter "2023 IRP, Volume I" and "2023 IRP, Volume II"].

² *PacifiCorp's 2023 Integrated Resource Plan*, Docket No. 23-035-10, Division's Comments filed December 12, 2023. Note that unless otherwise indicated, all stakeholder comments referenced in this document refer to comments filed December 12, 2023 in Docket No. 23-035-10.

Stakeholder Recommendations Regarding the 2022 AS RFP

In its initial comments, Interwest Energy Alliance (Interwest) “request[s] the Commission direct the company to resume the 2022ASRFP as soon as possible.”³ Similarly, the Sierra Club states that the “Commission should direct PacifiCorp to move forward with the 2022 all-source RFP as soon as possible.”⁴ Without getting into the merits of these requests, the Division notes that the present IRP docket is not the venue where such a decision would be made by the Commission. The present docket is for the Commission to make a decision regarding acknowledgement of the IRP, and to make other decisions regarding the IRP process. Therefore, the Division recommends that the Commission take no action on the 2022 All-Source RFP in the present docket.

Office of Consumer Services Initial Comments

The Division agrees with the Office of Consumer Services (OCS) initial Comments that the 2023 IRP does not comply with Guidelines 3, 4.b., 4.e., 4.g., and 4.h, and should therefore not be acknowledged by the Commission. The Division also agrees that the Company should “include scenarios testing the effects of long lasting extreme weather events.”⁵ This is reinforced by NERC’s 2023 Long-Term Reliability Assessment, which states:

WECC-NW and WECC-SW are projected to be at risk of resource shortfalls during extreme summer weather conditions after 2024. Although the assessment areas are projected to have sufficient capacity to meet forecasted peak demand throughout this assessment period, dispatchable generation declines as generators retire starting in 2026. The resulting resource mix is more variable and has a risk of supply shortfalls during extreme summer conditions emerg[ing] in WECC’s probabilistic analysis.⁶

Utah Association of Energy Users Initial Comments

The Division agrees with the Utah Association of Energy Users (UAE) that:

PacifiCorp failed to satisfy Guideline 3 when it elected not to share the results of any portfolio modeling runs with stakeholders prior to filing the preliminary

³ Interwest Comments at 8.

⁴ Sierra Club Comments at 3.

⁵ OCS Comments at 7.

⁶ NERC *2023 Long-Term Reliability Assessment*, December 2023 at 9 (available at https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_LTRA_2023.pdf).

IRP on March 31, 2023 and, therefore, the Commission should decline to acknowledge the 2023 IRP.⁷

UAE noted that “Stakeholders first viewed the portfolio modeling results when PacifiCorp filed the initial IRP on March 31, 2023, which included fully-formed conclusions about the preferred portfolio and other modeling results.”⁸ The Division agrees that this runs afoul of Guideline 3.⁹

The Division also agrees with UAE’s description of the Natrium plant costs:

PacifiCorp has never explained how it can include an assumed price for the Natrium Project in the IRP models when commercial agreements are not yet final.

...

... the inclusion of the Natrium project in the IRP preferred portfolio at this point, without sharing key financial and performance information—which the Company may not yet have access to—is not consistent with the Guidelines.¹⁰

The Division agrees and raised similar concerns in its initial comments.¹¹

IRP Process: Transparency and Completeness

The Division favors transparency in the IRP process, including steps where assumptions are made or Company judgment or discretion is exercised. The Division is also in favor of the study of metrics or research that may assist in comparing the costs and value of different generation types. Following is a list of recommendations that the Division at least partially supports, although as explained below, this does not necessarily translate into the Division recommending Commission action on each item:

- Interwest’s request that the Commission order the Company to “perform and utilize an Effective Load Carrying Capability (ELCC) study for all system resources, including thermal generation”.¹²

⁷ UAE Comments at 3.

⁸ UAE Comments at 6.

⁹ The Division also stated that the IRP process violated Guideline 3, for slightly different reasons. See Division Comments at 13.

¹⁰ UAE Comments at 9-10.

¹¹ Division Comments at 18-22.

¹² Interwest Comments at 12.

- Sierra Club’s request that the costs of gas conversions be spelled out in more detail, including the costs and timelines for pipeline construction.¹³
- Utah Clean Energy’s (UCE’s) request that “going forward, PacifiCorp work with stakeholders and EGS [Enhanced Geothermal Systems] companies to ensure that EGS resources are adequately evaluated and represented in the upcoming 2025 IRP planning process, just like other emerging technologies like non-emitting peakers and SMRs.”¹⁴
- UCE’s request that “PacifiCorp to include preliminary modeling results to stakeholders and create ample opportunities for stakeholders to provide constructive feedback on critical modeling inputs”¹⁵ (other stakeholders made this point as well)
- Sierra Club’s recommendation that certain high-performing variants (e.g. P01-JB3-4 GC, P04-Huntington RET28, and P17-Col3-4 RET25) be run against more price scenarios¹⁶ (the Division believes all high-scoring variants, such as the ones mentioned by Sierra Club, and P20 JB3-4 CCUS, should be run under all scenarios)¹⁷
- OCS’s request that the Company include a scenario that models an extreme weather event (discussed above)

The Division supports the rationale behind these recommendations and supports the Company addressing them in future IRPs as their workload permits.

Although these topics are important and the Division is in favor of the Company addressing them (or at least considering them), in the past the Commission has declined requests to require specific tests or IRP calculations that are not directly specified in the Guidelines, or that might require editing the Guidelines.¹⁸

¹³ Sierra Club Comments at 53-4.

¹⁴ UCE Comments at 8.

¹⁵ UCE Comments at 10.

¹⁶ Sierra Club Comments at 47

¹⁷ See Division Comments at 24.

¹⁸ See, e.g., the Commission’s June 2, 2022 Order in Docket No. 21-035-09 at 17: “In the past, we have expressed our reluctance to ‘micromanage the IRP process beyond the language contained in Guideline 3.’”

Therefore, the Division recommends that stakeholders request specific study topics during the IRP process, rather than asking the Commission in its Order to require specific tests or study areas not explicitly spelled out in the Guidelines. The Division does recognize that some issues will not be noticed until the IRP is filed. The failure of the Company to perform reasonable assessments or calculations, especially a failure that results in resources not being treated on an equal and comparable basis, can result in recommendations for non-acknowledgement.

Western Resource Advocate's Proposal

In its initial comments, Western Resource Advocates (WRA) suggests discussion of a change in the IRP schedule:

[A] 12-month IRP process appears to be an insufficient length of time to produce “an accurate, complete and useful IRP” while ensuring “that [it] is informed by appropriate and thorough stakeholder input,” particularly in times of significant uncertainty when public input and information exchange is most needed.

...

WRA proposes a procedural change for Utah that we think could address the tension between timeliness, accuracy, and Guideline 3 while accommodating time delays. Within Utah, the first IRP that is developed with input from the six-state public input process, whether filed by March 31 or at a later date, along with the accompanying workpapers, could be considered “draft” for Utah’s procedural purposes. A proceeding would be opened, and PacifiCorp would respond to Utah parties’ questions and concerns which it would then incorporate into the IRP Update filed the following March 31. The IRP Update rather than the initial filing would be filed in Utah for acknowledgement and parties would provide comments to the Commission on the IRP Update.¹⁹

The idea is that the current IRP schedule is apparently too short for adequate stakeholder input and full Company analysis. The Division thinks this idea has some merit, although at least two caveats apply. First, there would need to be an analysis regarding whether this proposal would meet all applicable Guidelines, administrative rules, statutes, and Commission orders. In addition, other states’ IRP timeline requirements would need to be considered. Second, there would need to be a forum for parties to discuss this issue. The Division agrees that the Company has had difficulties in the past few IRP cycles balancing the need for stakeholder input and deadlines. If the Company feels this balance is

¹⁹ WRA Comments at 7; 13 (footnotes omitted).

essentially impossible given the current IRP timelines, it should so indicate, and further discussion of a revised IRP cycle could be warranted. Lengthening this portion of the IRP process could also affect the preparation and filing of the IRP Update, as WRA notes. Additional IRP time, coupled with a decrease in IRP Update time, could create a schedule that ultimately requires additional Company personnel.

cc: Michele Beck, Office of Consumer Services
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