Sierra Club Exhibit 1.3

RMP's Response to Sierra Club Data Requests 2.2, 4.2, and 6.2

Sierra Club Data Request 2.2

The Direct Testimony of Daniel MacNeil states that "the Company's Integrated Resource Plan (IRP) does not assign a value to RECs produced for Utah customers" (7:150-152). If RECs are assigned no value in the Company's IRP, why does the Company propose to assign "lost value of RECs" for Schedule 100 resource valuation calculations?

Response to Sierra Club Data Request 2.2

PacifiCorp's Integrated Resource Plan (IRP) is based on a variety of assumptions that are intended to represent the cost and risk of future resource decisions. With regard to renewable energy credits (REC), it is uncertain whether demand will continue at the associated prices moving forward. This is similar to limitations on wholesale market sales – the IRP optimization focuses on identifying resources to economically serve customer load, not to take advantage of other possible revenue streams whose value may not be sustained at forecasted levels over time.

While the IRP has balanced cost and risk related to RECs by not relying upon that revenue stream, under the partial displacement differential revenue requirement (PDDRR) methodology approved for pricing of qualifying facilities (QF), PacifiCorp retains the RECs from QFs during the portion of their contract term in which their contract price includes a capacity payment based on a renewable resource. RECs generated are sold on behalf of Utah customers and the revenue is credited back under Schedule 98. Given the requirements that non-participating customers not be harmed, and the proposed fixed Schedule 100 resource valuation (not varying over time), it is appropriate to account for a forecast of REC value.

Sierra Club Data Request 4.2

Regarding RMP's response to OCS data request 2.8, regarding market prices and curtailment.

(a) Please define "incremental cost" as used in this response. Is this referring to a dispatch cost or REC price or something else?

(b) The response states that "targeting a specific $/MWh value may be difficult." What $/MWh is being targeted?

(c) The response states that "In actual operations, the resource supply stack includes not just PacifiCorp's portfolio but the entire Western Energy Imbalance Market (WEIM) footprint." Please confirm whether the production cost model referenced in this response includes the entire WEIM footprint in its modeling topography. If it does not model the entire WEIM footprint, what is included in the model topography?

(d) The response states that "an interpolation of production cost model results may be more representative of actual dispatch." What results would be interpolated and how?

Response to Sierra Club Data Request 4.2

(a) Incremental cost refers to the difference between the project cost and the resource value. After dividing by expected project generation, the resulting value would be used as the renewable energy credit (REC) price charged to Utah Community Clean Energy Program (CCEP) participants and also as the dispatch price, the price at which the program resource would be curtailed and RECs would not be generated (making them unavailable for sail to program participants). The concern is that this calculation may be recursive, as the dispatch price impacts the resource value and generation volume, which in turn determines the incremental cost that is used to set the dispatch price.

(b) The dispatch price (in dollars per megawatt-hour ($/MWh)) is targeted such that when applied to the expected generation volume (after curtailed output is removed), produces a result equivalent to the incremental cost, as discussed in the Company's response to subpart (a) above.

(c) PacifiCorp's current production cost models do not include details on the entire Western Energy Imbalance Market (WEIM) footprint. PacifiCorp's current production cost models include PacifiCorp's loads and resources and allow the model to identify optimized market purchases and sales volumes at specified forecasted prices and within specified hourly limits. The resulting "balancing" transactions are intended to represent interactions with other

Sierra Club Data Request 6.2

RMP response to Sierra Club Data Request 4.2. The response states that "After dividing by expected project generation, the resulting value would be used as the renewable energy credit (REC) price charged to Utah Community Clean Energy Program (CCEP) participants".

Please confirm that this statement is referring to RMP's proposal to charge CCEP participants with "lost REC revenues". If not, please explain how CCEP participants would be charged a REC price.

Response to Sierra Club Data Request 6.2

Not confirmed. Consider the example of a proposed Utah Schedule 100 resource that is expected to produce an average of 50,000 megawatt-hours (MWh) per year and has a forecasted project cost (consisting of a power purchase agreement (PPA) price only) of $35/MWh and a resource value of $25/MWh, yielding an incremental cost of $10/MWh. This implies an incremental cost to be collected from Utah Schedule 100 customers of $500,000 per year. The $25/MWh resource value would already have been reduced by applicable lost renewable energy credit (REC) value related to proxy renewable resources.

If the resource generates 55,000 MWh in a particular year, the project developer will continue to be paid $35/MWh for the entire output, or $1,925,000. While the resource value may be higher or lower in actual operations, at the forecasted resource value of $25/MWh, non-participating customers would be responsible for $1,375,000. The difference between these two values is $550,000, which is greater than the estimated $500,000 incremental cost. However, Utah Schedule 100 customers also receive more RECs than anticipated, due to the higher-than-expected generation. Per unit of generation (i.e. REC), the incremental cost remains the same as the forecast ($550,000 / 55,000 MWh = $10/MWh). Because of the variability in renewable resources, PacifiCorp recommends that the incremental cost be applied per unit of generation (i.e. per REC), and that the applicable generation quantity be trued up based on actual results.