

## **CREA Data Request 5.1**

**Resource Valuation.** Please refer to Mr. MacNeil's direct testimony, lines 57-70 and RMP's filing in Docket 03-035-14 – Quarterly Compliance Filing – 2025.Q2 Avoided Cost Input Changes (Docket 25-035-30 – 2025.Q2 Avoided Cost Input Changes Quarterly Compliance Filing).

- (a) According to the "Utah 2025 IRP" (as that term is used in the 2025 Q2 filing) the displaceable proxy solar resource is located in Willamette Valley, Oregon and would be displaced in 2032.
  - i. Did the Company begin construction on the Willamette Valley proxy resource prior to September 2, 2025? If yes, please describe.
  - ii. If the answer to subpart (i) is No, does the Company plan to begin construction on the Willamette Valley proxy resource prior to July 4, 2026 sufficient to meet the Physical Work Test for production tax credits ("PTCs") as described in Treasury Department Notice 2025-42 issued August 15, 2025?
  - iii. If the answer to subpart (ii) is Yes, does the Company plan to bring the Willamette Valley proxy resource into service by December 31, 2030?
  - iv. Does the Company expect the Willamette Valley proxy resource to be eligible for PTCs? If yes, please explain how it will be eligible consistent with Treasury Department Notice 2025-42.
- (b) According to the "Final 2025 IRP" (as that term is used in the 2025 Q2 filing) the displaceable proxy solar resource is located in Naughton, Wyoming and would be displaced in 2031.
  - i. Did the Company begin construction on the Naughton proxy resource prior to September 2, 2025? If yes, please describe.
  - ii. If the answer to subpart (i) is No, does the Company plan to begin construction on the Naughton proxy resource prior to July 4, 2026 sufficient to meet the Physical Work Test for PTCs as described in Treasury Department Notice 2025-42 issued August 15, 2025?
  - iii. If the answer to subpart (ii) is Yes, does the Company plan to bring the Naughton proxy resource into service by December 31, 2030?
  - iv. Does the Company expect the Naughton proxy resource to be eligible for PTCs? If yes, please explain how it will be eligible consistent with Treasury Department Notice 2025-42.

## **Response to CREA Data Request 5.1**

- (a) Please refer to the Company's responses to subparts i. through iv. below:
  - i. No. Proxy resources identified in an Integrated Resource Plan (IRP) do not represent specific real-world actions; proxy resources are representative of potential projects PacifiCorp would expect to procure given the inputs and assumptions within the IRP.
  - ii. No. Please refer to the Company's response to subpart (a) above.
  - iii. Not applicable.
  - iv. PacifiCorp's Utah 2025 IRP identified an amount of the Willamette Valley proxy solar resource as a cost-effective element of the preferred portfolio based in part on the assumption that it would be eligible for production tax credits (PTC). At this time, PacifiCorp has not determined whether this resource would be cost-effective in the absence of PTCs or whether other earlier resource alternatives that qualify for PTCs would be more cost-effective.
- (b) Please refer to the Company's responses to subparts i. through iv. below:
  - i. No. Proxy resources identified in an IRP do not represent specific real-world actions; proxy resources are representative of potential projects PacifiCorp would expect to procure given the inputs and assumptions within the IRP.
  - ii. No. Please refer to the Company's response to subpart (a) above.
  - iii. Not applicable.
  - iv. PacifiCorp's Final 2025 IRP identified an amount of Naughton, Wyoming proxy solar resource as a cost-effective element of the preferred portfolio based in part on the assumption that it would be eligible for PTCs. At this time, PacifiCorp has not determined whether this resource would be cost-effective in the absence of PTCs or whether other earlier resource alternatives that qualify for PTCs would be more cost-effective.

## **CREA Data Request 5.2**

"Lost Value of RECs". Please refer to Mr. MacNeil's direct testimony, lines 153-157.

- (a) Admit that Schedule 32 rates are not adjusted for the lost value of RECs. If denied, explain in detail the basis for denial.
- (b) Admit that Schedule 34 rates are not adjusted for the lost value of RECs. If denied, explain in detail the basis for denial.
- (c) Admit that Schedule 137 export credits are not adjusted for the lost value of RECs. If denied, explain in detail the basis for denial.
- (d) Admit that Schedule 73 rates are not adjusted for the lost value of RECs. If denied, explain in detail the basis for denial.

## **Response to CREA Data Request 5.2**

- (a) Confirmed. Schedule 32 allows for delivery of clean energy resources paid for in whole by a specific customer to be delivered to that customer. Because delivery and supplemental retail service rates are not based on the cost of renewable resources that would produce renewable energy credits (REC), no adjustment is necessary.
- (b) Not confirmed. The requirements for Schedule 34 rates are contained in Condition 1 part c, which cites Utah Code Annotated § 54-17-806(3)(b). That section identifies that a participating customer would pay:

an incremental charge in an amount equal to the difference between the cost to the qualified utility to supply clean generation to the clean energy tariff customer and the qualified utility's avoided costs as defined in Subsection 54-2-1(1), or a different methodology recommended by the qualified utility;

To the extent the lost value of RECs was not already applicable under Subsection 54-2-1(1), the lost value of RECs could certainly be reflected in "a different methodology recommended by the qualified utility", subject to the approval of the Public Service Commission of Utah (UPSC).

- (c) Confirmed. The Schedule 137 export credit methodology is not based on the costs of renewable resources that would produce RECs; therefore, no adjustment is necessary.
- (d) Confirmed. Schedule 73 is equivalent to the circumstances described in the Company's response to subpart (a) above.