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To: The Public Service Commission of Utah

From: The Office of Consumer Services

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Date: September 26, 2025

Subject: Docket No. 25-035-22 – OCS Comments

PacifiCorp's 2025 Integrated Resource Plan (2025 IRP)

INTRODUCTION

On March 31, 2025, Rocky Mountain Power ("RMP" or "the Company" or "PacifiCorp") filed PacifiCorp's 2025 Integrated Resource Plan ("2025 IRP" or "IRP") with the Public Service Commission of Utah ("PSC"). The PSC issued a Scheduling Order on April 16, 2025 setting a schedule for comments on the IRP, with initial comments due September 26, 2025 and reply comments due November 25, 2025. Accordingly, the Utah Office of Consumer Services ("OCS") submits these initial comments on PacifiCorp's 2025 IRP.

THE SYSTEM IRP VERSUS THE UTAH IRP

The 2025 IRP filed in Utah differed from the versions that PacifiCorp filed in its other states (California, Idaho, Oregon, Washington and Wyoming). It contains additional chapters titled "Utah Executive Summary," "Utah Model Results," and "Utah Action Plan" (Chapters 11, 12, and 13). The Company included these chapters because it determined that they were needed to comply with the PSC's September 24, 2024 Order in the 2023 IRP Docket No. 23-035-10 which required that modeling inputs and assumptions for the 2025 IRP be locked down by January 1, 2025. Therefore, the preferred portfolio in the Utah Chapters differs from the preferred portfolio for the final system IRP due to changes in assumptions and data inputs between the two. The Utah Executive Summary states: "…to consider updated data and analysis, Chapters 1, 9 and 10 represent the most recent available results corresponding to these three Utah-specific Chapters 11 through 13." In Chapter 2 of the IRP, PacifiCorp states "the IRP serves as a roadmap for determining and implementing PacifiCorp's long-term resource strategy." Because the OCS's review of the 2025 IRP needs to focus on PacifiCorp's actual roadmap for future resources, in our review of the 2025 IRP, we primarily concentrated on Chapters 1 through 10 which contain the more "updated data and analysis."

RECOMMENDATION ON IRP ACKNOWLEDGEMENT

Given that there are significant changes in modeling in the 2025 IRP and the uncertainties regarding the impacts that the changes will have, it is challenging to determine whether the 2025 IRP completely meets the requirements of Utah's IRP Standards and Guidelines.[1] For example, it is not clear if two new major modeling changes, namely using jurisdictional portfolios and removing large loads from the load forecast, are strictly in compliance with our IRP Guidelines. These two new approaches are also discussed in more detail later in these comments.

The jurisdictional portfolio approach was adopted due to strict legislated requirements in Oregon (HB 2021[2]) and Washington (CETA[3]). PacifiCorp decided that the jurisdictional approach to preferred portfolio development was needed to ensure compliance with these state specific requirements. This new jurisdictional approach may align with Utah IRP Guidelines as they state: "The planning standards and guidelines must meet the needs of the Utah service area, but since coordination with other jurisdictions is important, must not ignore the rules governing the planning process already in place in other jurisdictions."[4] It is not clear if this Utah IRP requirement should be met using the 2025 IRP's integration approach (manually integrating OR, WA and UIWC[5] portfolios at the end of the modeling exercise) or using the 2023 IRP's layered approach, where OR and WA requirements were layered on top of an initial optimized system preferred portfolio.

A second major change from past IRPs' is that for the 2025 IRP, PacifiCorp has removed projected new large loads from the load forecast. The IRP states: "demand from new large customers is no longer included in the load forecast as those customers are expected to provide or pay for their necessary resources and transmission."[6] As a result of this change forecasted system load is down 12.3% (with coincident system peak down 5.3%)[7] from the 2023 IRP. As discussed above for the new jurisdictional

[1] https://pscdocs.utah.gov/electric/90docs/Report%20and%20Order%2090-2035-01%206-18-92.pdf
[2] Oregon HB 2021, Requires retail electricity providers to reduce greenhouse gas emissions associated with electricity sold to Oregon consumers to 80 percent below baseline emissions levels by 2030, 90 percent below baseline emissions levels by 2035 and 100 percent below baseline emissions levels by 2040.
[3] Washington Clean Energy Transformation Act, CETA requires the state's electric utilities to fully transition to clean, renewable and non-emitting resources by 2045. Washington's investor-owned utilities (IOUs) must develop and implement plans.
[4] Utah IRP Standards and Guidelines, Procedural Issues, Item No. 8.
[5] These are the designations PacifiCorp gave the initial three jurisdictional portfolios (OR = Oregon, WA = Washington and UIWC = Utah, Idaho, Wyoming, California).
[6] PacifiCorp 2025 IRP, page 9.
[7] Id., bottom of page 8 to top of page 9.

portfolio approach, this change in how large loads are accounted for may comply with Utah IRP Guidelines which state: "The Company will include in its forecasts all on-going system loads and those off-system loads which they have a contractual obligation to fulfill."[8] However, PacifiCorp has included potential new large customers in the load forecast in past IRPs and it is not clear if this change is in compliance with Utah Guidelines. It will be informative to hear the positions of other parties in determining if both or either of these changes in modeling make the 2025 IRP non-compliant.

However, the OCS notes that, to its credit, PacifiCorp has made progress in the 2025 IRP in some of the areas that the OCS and other parties criticized as being deficient in comments on the 2021 and 2023 IRPs.[9] Areas such as providing preliminary modeling results to stakeholders and not giving some resources (e.g. natural gas-fired generators) comparable treatment as company-favored resources (e.g. Natrium nuclear or non-emitting peakers). For the 2025 IRP, a draft IRP was filed on December 31, 2024 (providing modeling results three months before the final IRP was due to be filed) and new natural gas resources were not deliberately handicapped as in the prior two IRPs.[10]

The OCS appreciates the difficult task PacifiCorp must undertake in developing a system IRP that includes complying with strict requirements in the states of Oregon and Washington and constantly changing assumptions due to new federal legislation[11] and requirements. With these difficulties in mind and the progress made on improving compliance with Utah IRP Standards and Guidelines, the OCS does not oppose acknowledgement of the 2025 IRP. We cannot explicitly endorse acknowledgement until we understand the implications of the new modeling approaches and how they affect acquisition of new resources, system resource adequacy and costs to ratepayers. We will monitor these issues going forward and may need to advocate for changes in the IRP modeling process in future IRP cycles if deficiencies arise in these areas due to the results of following the 2025 IRP roadmap and PacifiCorp's actual actions in implementing the roadmap.

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[8] Utah IRP Standards and Guidelines, Guideline 4.a.i.

[9] See OCS comments [on PacifiCorp's 2021 IRP] and [on the 2023 IRP].

[10] Though the costs and depreciation lives of natural gas resources were modeled normally in the 2025 IRP, none were selected by the model because PacifiCorp needed to model compliance with April 2024 EPA 111(b) requirements for greenhouse gas emissions from new combustion turbines. See page 42 of the 2025 IRP. However, in June 2025, the EPA proposed a new rule that repeals these greenhouse emission standards for the power sector. (https://www.epa.gov/stationary-sources-air-pollution/greenhouse-gas-standards-and-guidelines-fossil-fuel-fired-power)

[11] For example, on July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") became law. OBBBA terminates production tax credits ("PTC") and investment tax credits ("ITC") for new wind and solar projects unless they are in service by 12/31/2027 or under construction by 7/4/2026. This is a major change from what was assumed in PacifiCorp's 2025 IRP based on the Inflation Reduction Act or IRA enabling the Company to model PTCs and ITCs as being available for the full planning horizon of the 2025 IRP. See PacifiCorp 2025 IRP, page 182.

THE JURISDICTIONAL APPROACH TO PREFERRED PORTFOLIO DEVELOPMENT

PacifiCorp began using a jurisdictional approach for developing the preferred portfolio in the 2023 IRP Update. This change in approach was adopted due to the need to comply with strict greenhouse gas regulations in the states of Oregon and Washington and partially from feedback received from Oregon stakeholders.[12] Because of the difficulties of meeting divergent state policies, the Company has decided that the jurisdictional approach is the best available process to model each state's policy requirements and to ensure compliance.

Initially, three portfolios are developed (OR, WA, UIWC) assessing the cost-effectiveness of resources according to the requirements specific to each jurisdiction (e.g. Oregon HB 2021 and Washington CETA requirements). The resources identified as cost-effective under each of these jurisdictional views are then brought together into an integrated portfolio. Resources are assumed to be located in the jurisdictions where they were identified as cost-effective. Therefore, this process involves initial portfolios for each jurisdiction, which are then integrated, and the final system preferred portfolio is selected based on these integrated results. It appears that the integration process is done outside of the Plexos model, apparently a manual process using spreadsheets, but the main IRP documents are not clear on the format of how this is done.

By using the reverse approach from the 2023 IRP, it also seems that this process would select more resources than would be needed if the first step was selecting an optimal system portfolio (and then layering on resources to meet specific state requirements). However, PacifiCorp states that resources needed to meet jurisdictional requirements would be situs assigned (and physically located in each jurisdiction's region – Oregon and Washington versus Utah, Idaho and Wyoming) and that each jurisdiction would bear the costs of the additional resources.[13]

THE PREFERRED AND OREGON JURISDICTIONAL PORTFOLIOS ARE SIGNIFICANTLY MORE EXPENSIVE THAN THE UIWC JURISDICTIONAL PORTFOLIO

The OCS is concerned that PacifiCorp's plan to comply with Oregon and Washington requirements may impose additional costs on Utah ratepayers. The 21-year PVRR[14] of

[12] Oregon Docket No. LC 85, PacifiCorp Reply Comments, August 26, 2025, page 11.

[13] Page 2 of the 2025 IRP states: "As discussed in Chapter 8, the 2025 IRP preferred portfolio includes resources necessary for individual state policy compliance and assumes those resources are situs-allocated and deliverable to the state whose policy necessitated the addition." Page 3 further states: "Resources identified under each jurisdictional view are brought together into an "integrated" portfolio and assumed to be situs to those jurisdictions in which they were identified as cost effective."

[14] PVRR = Present Value Revenue Requirement. This is the first IRP using a 21-year planning horizon (versus the usual 20-year). PacifiCorp made this change due to the requirements of Washington law (CETA), mandating 100% non-carbon-emitting power supply by 2045, thus a 2025 through 2045 planning period was needed.

the 2025 IRP preferred portfolio is $27.233 billion.[15] The PVRR for the OR jurisdictional portfolio is $26.298 billion[16] while the PVRR for the UIWC jurisdictional portfolio is $21.842 billion.[17] The OCS was unable to locate in the main IRP document (Volume I or II) the PVRR for the WA jurisdictional portfolio. Comparing the PVRRs of the UIWC and OR portfolios suggests that Oregon policies will impose $4.456 billion of additional costs on the system ($26.298 minus $21.842 – present value). Comparing the PVRR of the UIWC portfolio with the PVRR of the preferred portfolio suggests that the combined Oregon and Washington state specific policies will impose an additional $5.391 billion of costs ($27.233 minus $21.842). This is a simple analysis but it appears that the Oregon and Washington policies increase resource costs by over $5 billion on a present value basis. The additional costs imposed by satisfying jurisdictional requirements in the way PacifiCorp is proposing to do may be even higher as new resources are not shared across the system but assigned to a specific jurisdiction (OR, WA or UIWC).[13] It appears the IRP is moving away from its historical goal of operating as a six state system planning tool that identifies the optimized least cost, lowest risk single-system portfolio.

RELIANCE ON MARKET PURCHASES OR FRONT OFFICE TRANSACTIONS (FOT)

The OCS is very concerned about the IRP's reliance on market purchases. The modeling results of past IRPs favoring reliance on market purchases (rather than acquiring sufficient generating resources) have turned out to be very costly for ratepayers. In the Company's 2024 Energy Balancing Account ("EBA") application (Docket No. 24-035-01), RMP detailed that most of the increase between base net power costs ("NPC") and actual NPC was due to a $815 million increase in purchased power expense (for costs in CY 2023). In the 2025 EBA application (Docket No. 25-035-01), most of the increase in NPC was also due to $820 million of increased purchased power (actual purchases of $1,421 million versus an assumed base of $601 million for CY 2024). In RMP's last rate case, Docket No. 24-035-04, increased costs of market purchases was the primary driver in the proposed significant rate increase. Actual market purchases in 2024 were 20,600 GWh versus a base assumed in the 2020 general rate case test year of 13,800 GWh, a 49% increase. The average price of market purchases in 2024 was $69.00 per MWh versus an assumed base cost of $43.50 per MWh, a 59% increase.[18]

For the 2025 IRP, PacifiCorp states: "Market transactions in the 2025 IRP are purely economic as market purchases do not contribute to capacity like they did in the 2023 IRP and 2023 IRP Update. In the 2023 IRP and 2023 IRP Update, market purchases were limited to 1,000 MW in the winter and 500 MW in the summer. For the 2025 IRP, economic market purchases for energy could be made up to transmission limits, but

[15] 2025 IRP, Table 9.34, page 260, the preferred portfolio is case Integrated Base MN.
[16] Id., Table 9.1, page 219, phase 17 was selected as the OR jurisdictional portfolio.
[17] 2025 Utah IRP, Table 12.1, page 339, phase 5 was selected as the UIWC jurisdictional portfolio.
[18] See Docket No. 25-035-01, DPU Preliminary Review, May 27, 2025, Table 2, page 9.

market purchases were not allowed on the top five load days during peak hours in peak seasons and could never be used for capacity."[19]

In the Oregon proceeding on the 2025 IRP, Docket No. LC 85, PacifiCorp stated: "PacifiCorp hopes that there is general agreement that excessive reliance on market purchases in peak conditions [is] not part of the least-cost, least-risk solution… PacifiCorp's approach in the 2025 IRP includes the benefits of WRAP participation by allowing unlimited market purchases in most hours while also accounting for the risks of relying on market purchases in peak hours… PacifiCorp's approach in its 2025 IRP appropriately accounts for the risks of market purchases by <u>requiring that portfolios cover every hour of system load</u>, including hours where there is no appreciable market availability."[20] [emphasis added]

In addition, for the 2025 IRP, PacifiCorp does not include short-term market products as options for Western Resource Adequacy Program or WRAP compliance. PacifiCorp states "FOTs are proxy resources, assumed to be firm, that represent procurement activity made on an on-going forward basis to help PacifiCorp cover short positions. However, market transactions that are not based on a specified source do not provide qualifying capacity for WRAP compliance."[21]

After multiple years where ratepayers have absorbed the unexpected high cost of market purchases, the OCS appreciates the Company's acknowledgement in the 2025 IRP of the increasing risk associated with market reliance. The OCS also appreciates the Company's intent to pursue economic market purchases via the Energy Imbalance Market ("EIM") and the new Energy Day Ahead Market ("EDAM"), and other possible sources when advantageous for its customers.

REMOVAL OF LARGE CUSTOMER LOADS FROM THE LOAD FORECAST

As discussed earlier in these comments, for the 2025 IRP, PacifiCorp has changed its approach for forecasting load to no longer include the demand of new large customers (e.g. data centers) in the primary load forecast. This approach is intended to protect existing customers from the significant costs associated with the resource and transmission investments required to serve these new large loads. PacifiCorp states they will work with new large customers to ensure they bring their own resources.[22]

PacifiCorp did perform a large-metered load growth sensitivity case. The purpose of this study is to identify which resources might be needed to serve all large-metered load that could potentially come online in PacifiCorp service territory. This case selects 2,354 MW of gas peaking units, additional 3,872 MW of wind, additional 5,993 MW of solar and additional 9,650 MW of storage. The OCS was unable to locate the PVRR for this large load sensitivity case but considering the tremendous amount of new

[19] 2025 IRP, page 232.
[20] Oregon Docket No. LC 85, PacifiCorp Reply Comments, August 26, 2025, pages 33 - 34.
[21] 2025 IRP, page 105.
[22] Id., page 231, footnote 5.

resources needed, its cost would be many billions of dollars higher than the 2025 IRP preferred portfolio. PacifiCorp states further that serving these new large customers would also require significant transmission investments, including Boardman to Hemingway ("B2H").[23] B2H is discussed in more detail below.

The OCS notes that a regulated utility has a statutory obligation to serve all customers within its service territory. However, despite the recent surge in the use of artificial intelligence or AI, it is unknown how many of these potential new large loads, particularly data centers, will materialize. Planning to serve such a large increase in load may be rather speculative at this time. Therefore, the OCS believes PacifiCorp's approach is reasonable and appreciates PacifiCorp's goal of protecting existing retail customers from bearing the costs of serving these new large loads.

OTHER ISSUES – END EFFECTS AND B2H TRANSMISSION

The final analytical step in the 2025 IRP that PacifiCorp used in selecting the preferred portfolio was the application of "end effects" in choosing the final preferred portfolio. This led to the Base MN case being chosen even though the Base HH and Hunter Retire cases had lower PVRRs before the application of end effects.[24] The OCS reviewed the Public Input Meeting ("PIM") presentations for the 2025 IRP and it appears that PacifiCorp decided to add the evaluation of end effects at the last minute and did not discuss this approach with stakeholders in any PIMs.

In its reply comments in the Oregon 2025 IRP docket, PacifiCorp explained why it needed to assess end effects: "Both the Base HH and Hunter Retire portfolios have significantly higher costs than the Base MN portfolio starting in 2040, which coincides with the expiration of PTCs for resources coming online in 2030. PacifiCorp determined that extending the last modeled year for five additional years was a reasonable method of accounting for costs and risks beyond the horizon, and similar to the method used by PLEXOS. Solar and wind resources have expected lives of twenty-five and thirty years, respectively, such that resources added in 2030 would continue to operate beyond the five year period used to estimate end effects in the 2025 IRP."[25] Thus, PacifiCorp is concerned that Base HH and Hunter Retire just appear to be cheaper because the effect of expired PTCs on portfolio costs is not fully considered.

In addition, PacifiCorp points out that the near term 4-year Action Plans (2026 through 2029) for Base MN, Base HH and Hunter Retire are not significantly different. Significant differences in resources do not start until 2030. PacifiCorp also points out

[23] Id., page 279.
[24] Base MN and Base HH are two different price-policy scenarios modeled in the 2025 IRP. Base refers to the initial portfolio developed under a specific scenario (rather than a variant case). MN signifies medium natural gas prices and no federal CO_2 regulation. HH signifies high natural gas prices and high CO_2 costs. The Hunter Retire case is a variant of Base MN that assumes all three Hunter coal units cease operations by 2030 (this case was a request from certain stakeholders).
[25] Oregon Docket No. LC 85, PacifiCorp Reply Comments, August 26, 2025, page 42.

that policies may or may not change[26] in the future with a new administration in the White House but that it favors "caution and the postponement of irreversible decisions".[27] The OCS agrees with PacifiCorp's caution here and does not oppose the end effects approach except for the fact that PacificCorp did not discuss with stakeholders its intent to use end effects as the final criterion in selecting the preferred portfolio.

PacifiCorp excluded the Boardman to Hemmingway or B2H transmission line from the 2025 IRP preferred portfolio, a significant change from past IRPs.[28] The in-service date for this segment of PacifiCorp's Gateway West transmission project is tentatively set at the earliest to be in 2027.[29] The Energy Gateway transmission projects were first announced in 2007 with a goal of connecting Wyoming, Idaho, Utah, Oregon and Nevada.[30] However, PacifiCorp now claims that it lacks the necessary transmission rights from Bonneville Power Administration ("BPA"), a neighboring transmission system, to deliver power to Oregon load centers through B2H. BPA needs to complete a new transmission cluster study, but the study process has been delayed and until it is completed, it is unknown how PacifiCorp will be able to utilize the transmission capacity made available by B2H.[31]. PacifiCorp states that including B2H in the IRP preferred portfolio would be a "notably high-risk" approach for the near term.[32] However, as discussed above, PacifiCorp indicates that this transmission line is needed if it is to serve a significant amount of new large loads. The OCS believes that PacifiCorp's approach in modeling B2H in the 2025 IRP is reasonable.

SUMMARY

The biennial IRP is a complex and difficult process as it tries to meet divergent state policies and keep up with ever-changing federal legislation and other assumptions. The Company has decided it now needs to breakout the IRP process into jurisdictions in order to meet each jurisdiction's regulatory requirements. These difficulties highlight that the development of the preferred portfolio is not an exact science but that it is primarily an indication of where the Company's resource portfolio might be heading (based on the current assumptions which seem to be changing more frequently than ever).

PacifiCorp has stated that the Company does not need new resources in the near term to serve Utah customers and that resource needs are significantly more urgent for

[26] As a prime example, the OBBBA has significantly changed assumptions for PTCs and ITCs since the 2025 IRP was filed, see footnote 11 above.
[27] Oregon Docket No. LC 85, PacifiCorp Reply Comments, August 26, 2025, pages 43 – 44, for example planning to retire the Hunter coal plant early may be irreversible.
[28] PacifiCorp 2025 IRP, page 5.
[29] Id., page 83.
[30] Id., Page 88.
[31] Oregon Docket No. LC 85, PacifiCorp Reply Comments, August 26, 2025, pages 18-19.
[32] Id., page 19.

Oregon and Washington in order to meet their state policies. Therefore, PacifiCorp is pursuing new resources to meet Oregon and Washington laws with RFPs approved by the commissions in those states. According to PacifiCorp, the costs of resources acquired for Oregon and Washington environmental compliance will be allocated to those respective states.[33]

This indicates that the 2025 IRP results in near-term actions primarily to support the states of Oregon and Washington.

RECOMMENDATION

For the reasons discussed in our comments above, the OCS does not oppose PSC acknowledgement of PacifiCorp's 2025 IRP. A more definitive acknowledgement recommendation could be offered after the conclusion of the Multi-State Protocol ("MSP") proceeding (in Docket No. 25-035-47) on inter-state cost allocation and then for the 2025 IRP Update or the 2027 IRP.

cc:
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[33] Docket No. 25-035-52, Rocky Mountain Power Comments, September 19, 2025.