

Exhibit JKL-1

Multistate Cost Allocation Framework Proposal

MULTISTATE COST ALLOCATION FRAMEWORK

Summary

This multistate cost allocation framework (“Allocation Framework”) is intended to provide an alternative basis for a new allocation method for PacifiCorp. The premise of this Allocation Framework is that the states will continue to evolve to increasingly unique generation portfolios with different cost profiles, necessitating changes to several fundamental allocation approaches. This Allocation Framework addresses allocations on a least-cost system approach to the extent possible in a world where each state will end up being allocated the costs of a unique combination of generation resources being used to provide a variety of capacity and energy services. The following items are included with a proposal, recognizing many details and other items would need to be resolved as part of a comprehensive multistate allocation methodology:

- Resource Adequacy
- Operating Reserves and Ancillary Services
- Generation
 - Existing Generation – Shared by All States
 - Existing Generation – Coal
 - Existing Generation – Gas
 - Existing Generation – Rolling Hills
 - New Generation – Shared by All States
 - New Generation – Non-System Subscription
 - QFs
- Transmission
- Net Power Costs

1. Resource Adequacy

All states are required to be allocated or subscribe to sufficient generation capacity such that each state is responsible for the cost of a portfolio that complies with any applicable resource adequacy requirements (e.g., EDAM resource sufficiency test) on a standalone basis. In other words, each state shall be required to include in its state-specific generation portfolio sufficient planning reserves to ensure reliable service for that state.

To meet this requirement, PacifiCorp may propose and the states may agree that one or more states allocated or subscribing to generation capacity may virtually “sell” that capacity to one or more other states such that the other states can meet any applicable resource adequacy requirements on a standalone basis. The terms and conditions of such “virtual sales” must be acceptable to all of the states implicated. For example, a state that is long in generation capacity for two years may elect to allow another state that is short in generation capacity to use that capacity to meet resource adequacy requirements in lieu of constructing new generation. Presumably the state that is long would request payment at least slightly in excess of the cost of the capacity in rates, and the state that is short would be willing to pay that provided it is at least slightly less than the cost of new generation.

2. Operating Reserves and Ancillary Services

PacifiCorp will determine the amount of generation needed to provide operating reserves and ancillary services based on the units most likely analysis as part of their FERC ancillary services filings for the system as a whole. Separately, but using the same methodology, PacifiCorp will also calculate the amount of operating reserves and ancillary services needed for each state separately based on each states' loads and resources. (Note that Operating Reserves and Ancillary Services are separate and distinct from planning reserves discussed above and in the NPC section below.)

That share of the resources providing operating reserves and ancillary services will be allocated between the six states and the FERC-jurisdiction as follows:

First, using a load-ratio share (comparing the cumulative state loads with the PacifiCorp wholesale loads) a portion of that designated generation capacity and interruptible contracts will be designated as serving state retail loads and the fixed costs of those resources allocated to the six states as discussed below. The remaining capacity will be allocated to what could be considered a reserve pool or an allocation bucket called "PacifiCorp – Reserves" and PacifiCorp will be responsible for those fixed costs. Presumably, PacifiCorp may use that capacity to provide operating reserves and ancillary services to wholesale, (i.e., FERC-jurisdictional customers), based on the particular costs and rates associated with serving FERC customers as determined by FERC. There will be no more revenue crediting in state proceedings for federal revenues from the provision of operating reserves and ancillary services. PacifiCorp will retain all FERC-jurisdictional revenues associated with providing those operating reserves and ancillary services to FERC-jurisdictional customers.

Because each state's need for operating reserves and ancillary services will vary because each state's generation mix will vary, the traditional SG allocation may not be the most appropriate allocation method. For example, if a state has a situs-based battery storage generation resource that can be used to provide operating reserves that state may need a small share of the other resources otherwise providing operating reserves for the whole system. Conversely, if a state has a relatively large share of dispatchable resources in its generation portfolio, that state may need a smaller share of operating reserves than states that rely more heavily on intermittent resources.

To allocate the state portion of the costs of the generation facilities and interruptible contracts designated as providing operating reserves and ancillary services to the states, the following calculation will be done annually:

Using an agreed-upon methodology, PacifiCorp will determine annually, on a hypothetical basis, the amount of generation capacity or interruptible capacity needed to efficiently provide operating reserves and ancillary services for each state assuming that state's loads and resources were operated on a stand-alone basis.

PacifiCorp will calculate the cumulative sum of those six capacity calculations. Presumably because reserves can be shared, the cumulative sum of the six state-specific calculations will be greater than the actual cumulative capacity needed to provide reserves. Thus, for each state, PacifiCorp will divide each state's hypothetical stand-alone capacity need by the

cumulative sum of those six amounts to derive a percentage allocation. Then the resulting percentage allocation will then be applied for each state to determine the allocation of the fixed costs of the portion of the specific resources designated to provide the states with operating reserves and ancillary services.

For example, assume that PacifiCorp’s most recent units most likely analysis at FERC determines that to serve six states PacifiCorp needs 1000 MW of operating reserves provided by a specified percentage of a fleet of different resources. Assume further than when looking at each state in isolation PacifiCorp calculates a state-specific operating reserve need as follows for the six states – 500 MW, 350 MW, 250 MW, 125 MW, 50 MW, and 25 MW. The cumulative sum of those would be 1,300. For the state with the 500 MW of stand-alone capacity need, you would divide $500/1300 = 38.4\%$. Then you would multiply that 38.4% times the actual capacity need of 1000 MW and that state would be allocated 384 MW of capacity. To translate that into costs for purposes of setting rates you would do this calculation on a resource by resource basis meaning that the state would be allocated 38.4% of each resource that is designated as being used to provide reserves. In other words, if a particular resource is deemed to have 5% of its capacity set aside for reserves based on the units most likely analysis, the state would be allocated 38.4% of 5% of the fixed costs of that resource.

3. Generation

The straw proposal outlined below for generation is designed to allow PacifiCorp to comply with state-specific legislation while allowing for state flexibility and maximizing the state cooperation and participation in shared resources to the greatest extent possible through dynamically sharing common resources. This proposal eliminates the proposed redistribution of unallocated/unassigned resources to states and protects existing customers, while also providing an avenue for the Company to monetize any unallocated generation and the ability for large-load customers to develop projects that would be isolated from other customers.

Existing Generation – All Six States

Existing generation, including PPAs, that is accepted by all states will continue to be dynamically allocated using the 2020 Protocol SG factor methodology to allocate fixed costs, as applicable, and the 2020 Protocol SE factor to allocate variable costs, as applicable. Currently, this category captures all non-emitting resources, except Rolling Hills, and Bridger 1&2 (West-side Gas). Resources for which there is not unanimous acceptance will be treated as their own category in allocation factors. This proposal rejects the 2026 Washington Protocol’s proposed assignment of non-emitting resources to Washington on a fixed four-year average (2021 levels), with the other five states allocated the remainder. Instead, this proposal continues to treat Washington and Chehalis on a dynamic basis.

Table 1 – Six-State Common Generation

December 2024 Utah ROO Factors									PACIFICORP			
DESCRIPTION	FACTOR	CA	OR	WA	UT	ID	WY	FERC - UPL	OTHER	SUBSCRIP.	RESERVES	
1 System Generation	SG	1.3%	26.2%	7.5%	45.1%	6.0%	13.9%	0.0%	0.0%	0.0%	0.0%	

Existing Generation – Coal

A new factor SG-1 will be used for the allocation of fixed coal costs. This factor will be calculated in four steps.

First, to the extent coal generation is used to provide operating reserves or ancillary services a fixed share of the generation will be allocated to PacifiCorp – Reserves as discussed above. A constant share of variable O&M will be allocated to this bucket based on the same percentage but this proposal, tentatively, concludes that no share of fuel costs will be allocated to this bucket as the resources are generally not providing net energy when being used for operating reserves or ancillary services. Thus, no share of any energy output or revenues will be allocated to this bucket either.

Second, there will be a fixed share allocated to a new bucket called PacifiCorp – Subscription on that on January 1, 2026, will be equal to the Washington allocation of existing coal generation using the 2020 Protocol SG factor based on loads in 2025 (Table 2). That fixed share will remain constant over time. A constant allocated share of the variable costs will also be allocated to this bucket as well as a constant allocated share of the benefits of any energy output.

Third, there will be an additional fixed share allocated to PacifiCorp – Subscription on January 1, 2030, that will be equal to the Oregon allocation of existing coal generation using the 2020 Protocol SG factor based on loads in 2029 (Table 3). That fixed share will remain constant over time. A constant share of the variable costs will also be allocated to this bucket as well as a constant share of the benefits of any energy output.

Finally, the remaining shares will be dynamically allocated to the remaining states using the 2020 Protocol SG factor for the fixed costs and a new SE factor calculated based on the energy consumption of states sharing the resource to allocate the remaining variable costs.

If a state exits an existing resource in the future, PacifiCorp is responsible for ensuring that the resources are depreciated and paid for before exit (i.e., when the new PacifiCorp – Subscription bucket is established). All depreciation that had been accelerated in Washington and Oregon prior to their exit from the existing coal would be applied to offset the fixed costs associated with the share of the plants included in the PacifiCorp – Subscription bucket after they have exited the resources. At a minimum, the Company should be responsible for the full depreciation of Washington’s allocated share of WIJAM coal resources (i.e., Bridger 3&4 and Colstrip) that will be exited on December 31, 2025, if they did not choose to seek accelerated depreciation of the plants leading up to 2025.

Table 2 – Existing Generation – Coal (WA)

December 2024 Utah ROO Factors										PACIFICORP	
DESCRIPTION	FACTOR	CA	OR	WA	UT	ID	WY	FERC - UPL	OTHER	SUBSCRIP.	RESERVES
1 System Generation	SG	1.3%	26.2%	7.5%	45.1%	6.0%	13.9%	0.0%	0.0%	0.0%	0.0%
2 System Generation - WA Coal Adj.	SG-1.1	0.0%	0.0%	-7.5%	0.0%	0.0%	0.0%	0.0%	0.0%	7.5%	0.0%
3 System Generation - OR Coal Adj.	SG-1.2	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4 System Generation - Coal TOTAL	SG-1	1.3%	26.2%	0.0%	45.1%	6.0%	13.9%	0.0%	0.0%	7.5%	0.0%

Table 3 – Existing Generation – Coal (WA & OR post-2029)

December 2024 Utah ROO Factors											PACIFICORP	
DESCRIPTION	FACTOR	CA	OR	WA	UT	ID	WY	FERC - UPL	OTHER	SUBSCRIP.	RESERVES	
1 System Generation	SG	1.3%	26.2%	7.5%	45.1%	6.0%	13.9%	0.0%	0.0%	0.0%	0.0%	
2 System Generation - WA Coal Adj.	SG-1.1	0.0%	0.0%	-7.5%	0.0%	0.0%	0.0%	0.0%	0.0%	7.5%	0.0%	
3 System Generation - OR Coal Adj. (2030)	SG-1.2	0.0%	-26.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	26.2%	0.0%	
4 System Generation - Coal TOTAL	SG-1	1.3%	0.0%	0.0%	45.1%	6.0%	13.9%	0.0%	0.0%	33.6%	0.0%	

The portion allocated to the PacifiCorp – Subscription bucket can be allocated by PacifiCorp as follows. First, PacifiCorp may propose and a state may accept some or all of the capacity and associated energy as a subscription resource to meet the state’s needs. Second, PacifiCorp may elect to sell some or all of the capacity and associated energy to large load customers as permitted by state law. Third, PacifiCorp may elect to sell some or all of the capacity and energy into wholesale markets (current practice).

Table 4 – Subscription Example

December 2024 Utah ROO Factors											PACIFICORP	
DESCRIPTION	FACTOR	CA	OR	WA	UT	ID	WY	FERC - UPL	OTHER	SUBSCRIP.	RESERVES	
1 System Generation	SG	1.3%	26.2%	7.5%	45.1%	6.0%	13.9%	0.0%	0.0%	0.0%	0.0%	
2 System Generation - WA East-side Gas Adj.	SG-2.1	0.0%	0.0%	-7.5%	0.0%	0.0%	0.0%	0.0%	0.0%	7.5%	0.0%	
3 System Generation - WA East-side Gas Subscription for Native Load	SG-2.2	0.0%	3.0%	0.0%	2.0%	0.0%	0.0%	0.0%	0.0%	-5.0%	0.0%	
4 System Generation - WA East-side Gas -Subscription Situs Large Load	SG-2.3	0.0%	0.0%	0.0%	2.5%	0.0%	0.0%	0.0%	0.0%	-2.5%	0.0%	
5 System Generation - WA East-side Gas Excluded TOTAL	SG-2	1.3%	29.2%	0.0%	49.6%	6.0%	13.9%	0.0%	0.0%	0.0%	0.0%	

Preliminary analysis shows the initial allocation of the existing coal generation would be about 7.5% to the PacifiCorp – Subscription bucket. That is based on the 2024 Washington share of the SG factor. The expectation is that the PacifiCorp – Subscription bucket of the existing coal generation would then increase to about 33.7% on January 1, 2030, based on Oregon’s 2024 loads and 26.2% SG allocation in 2024.

Regarding capital costs associated with existing plants prior to 2030, until a state exits from a resource, all plant additions will be allocated to all states that continue to receive the benefits of the plant. Once a state exits a plant, their share of the undepreciated capital additions will be allocated to the PacifiCorp – Subscription bucket. It is between PacifiCorp and the exiting state(s) whether and the extent to which those costs should be paid for by the state through increased depreciation prior to exit. Of course, PacifiCorp can then seek to allocate any undepreciated costs to any state or customer that agrees to subscribe to the resource going forward.

For capital maintenance of the coal plants between January 1, 2026 and December 31, 2029, a pro rata share may be determined and included in Oregon rates as discussed above and booked to accumulated depreciation to offset the plant costs when Oregon exits coal. This should not impact allocation factors. Capital additions would need to be tracked and a method devised for Oregon ratemaking purposes between 2026 and 2030.

Existing Generation – System Gas and East-Side Gas

System Gas

Existing gas generation will be first allocated to the PacifiCorp – Reserves bucket as discussed above. Then, the remaining capacity that is accepted by all states will be allocated using the 2020 Protocol SG factor. This would apply to Bridger 1 and 2, Chehalis, and Hermiston. This six-state factor would be a dynamic factor and adjust with loads.

Variable costs, including variable O&M and fuel, will be allocated the same way as discussed in the Existing Coal section above.

Table 5 – Existing Generation – System Gas

December 2024 Utah ROO Factors											PACIFICORP	
DESCRIPTION	FACTOR	CA	OR	WA	UT	ID	WY	FERC - UPL	OTHER	SUBSCRIP.	RESERVES	
1 System Generation	SG	1.3%	26.2%	7.5%	45.1%	6.0%	13.9%	0.0%	0.0%	0.0%	0.0%	

East-Side Gas

The development of a new SG-2 factor for east-side gas would follow the same process as used for existing coal meaning that a portion will be assigned to PacifiCorp – Reserves, then, on January 1, 2026, a 7.5% allocation would be assigned to the PacifiCorp – Subscription bucket and the remainder would be allocated to the other five states dynamically. This factor would be applied to all of the east-side gas plants not included in Washington rates at YE 2025, including Current Creek, Lakeside, Gadsby, and Naughton (gas peaking).

Variable costs, including variable O&M and fuel, will be allocated the same way as discussed in the Existing Coal section above.

Table 6 – Existing Generation – WA East-side Gas Excluded

December 2024 Utah ROO Factors											PACIFICORP	
DESCRIPTION	FACTOR	CA	OR	WA	UT	ID	WY	FERC - UPL	OTHER	SUBSCRIP.	RESERVES	
1 System Generation	SG	1.3%	26.2%	7.5%	45.1%	6.0%	13.9%	0.0%	0.0%	0.0%	0.0%	
2 System Generation - WA East-side Gas Adj.	SG-2.1	0.0%	0.0%	-7.5%	0.0%	0.0%	0.0%	0.0%	0.0%	7.5%	0.0%	
3 System Generation - WA East-side Gas Excluded TOTAL	SG-2	1.3%	26.2%	0.0%	45.1%	6.0%	13.9%	0.0%	0.0%	7.5%	0.0%	

Existing Generation – Rolling Hills

The development of a new SG-3 factor for the fixed costs associated with Rolling Hills would follow the same process as used for existing coal except that the exiting state in this instance is Oregon. That means that on January 1, 2026, a 26.2% allocation would be assigned to the PacifiCorp – Subscription bucket and the remainder would be allocated to the other four states dynamically. Variable O&M would be allocated on a fixed basis to the PacifiCorp – Subscription bucket and then a dynamic SE basis to the states remaining in Rolling Hills. Any state could elect

to subscribe to the Rolling Hills Wind (approx. 26 MW) and it would be added to their state’s allocation of the resource (e.g., adjustment SG-3.2).¹

Table 7 – Existing Generation – Oregon Rolling Hills Excluded

December 2024 Utah ROO Factors										PACIFICORP	
DESCRIPTION	FACTOR	CA	OR	WA	UT	ID	WY	FERC - UPL	OTHER	SUBSCRIP.	RESERVES
1 System Generation	SG	1.3%	26.2%	7.5%	45.1%	6.0%	13.9%	0.0%	0.0%	0.0%	0.0%
2 System Generation - OR Rolling Hills Removal	SG-3.1	0.0%	-26.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	26.2%	0.0%
3 Subscription - Washington	SG-3.2	0.0%	0.0%	26.2%	0.0%	0.0%	0.0%	0.0%	0.0%	-26.2%	0.0%
4 System Generation - OR Rolling Hills - TOTAL	SG-3	1.3%	0.0%	33.6%	45.1%	6.0%	13.9%	0.0%	0.0%	0.0%	0.0%

Each year after a resource has been assigned to the PacifiCorp – Subscription bucket and held constant, the remaining allocation of the resource will be handled through a prorata adjustment to the SG factor to maintain the fixed nature of a portion of the resource and dynamically allocate the remainder. In Table 8, a hypothetical year two example is shown where Oregon’s SG increased by 0.3%. The Oregon share is reduced back to 26.2% and difference is reallocated to the other states based on their new SG allocations. This same concept would be applied to the other resources placed in the PacifiCorp – Subscription category on a going forward basis.

Locking in the fixed allocation of resources placed in the PacifiCorp – Subscription bucket allows for the proper tracking of resources that are subscribed and does not allow the amount to shrink or grow, which is fair to the Company and to states or large customers that are subscribing to a specific amount of resources.

Table 8 – Year 2 of Rolling Hills Excluded; Subscription Held Constant / Prorata SG

December 2024 Utah ROO Factors										PACIFICORP	
DESCRIPTION	FACTOR	CA	OR	WA	UT	ID	WY	FERC - UPL	OTHER	SUBSCRIP.	RESERVES
1 System Generation - Year 1	SG	1.3%	26.2%	7.5%	45.1%	6.0%	13.9%	0.0%	0.0%	0.0%	0.0%
2 System Generation - Year 2	SG	1.2%	26.5%	7.2%	45.5%	6.1%	13.5%	0.0%	0.0%	0.0%	0.0%
3 Pro Rata Adjustment for OR .3% change		0.01%	-0.3%	0.03%	0.21%	0.03%	0.06%	0.0%	0.0%	0.0%	0.0%
4 System Generation	SG	1.2%	26.2%	7.2%	45.7%	6.1%	13.5%	0.0%	0.0%	0.0%	0.0%

New Resources – System Six state allocation

New generation that is accepted by all states will be considered subscribed but the amount of the subscription will continue to be dynamically allocated using the 2020 Protocol SG factor for fixed costs and the 2020 Protocol SE factor for variable costs. PacifiCorp may also propose some share of new resources be allocated to either or both of the PacifiCorp – Subscription bucket or PacifiCorp-Reserves bucket.

¹ The Washington Utilities and Transportation Commission approved an increase in Washington’s allocation of Rolling Hills from 7.9 percent to 34.9 percent in Docket No. UE-250224, Order 08 (December 22, 2025).

Table 9 – New Generation - System

December 2024 Utah ROO Factors										PACIFICORP	
DESCRIPTION	FACTOR	CA	OR	WA	UT	ID	WY	FERC - UPL	OTHER	SUBSCRIP.	RESERVES
1 System Generation	SG	1.3%	26.2%	7.5%	45.1%	6.0%	13.9%	0.0%	0.0%	0.0%	0.0%

New Resources – Non-System Subscription

New generation that is not accepted by all six states will not be constructed unless it is fully subscribed to by one or more states or as PacifiCorp may otherwise propose (e.g., PacifiCorp may propose that 80% of the new resource be subscribed to by one or more states and 20% be used by PacifiCorp to serve large loads or to provide reserves). The states participating in a subscribed new resource will determine whether that subscription will be based on fixed shares or dynamically allocated shares and, if dynamically allocated, the methodology used to calculate the shares over time. Each such resource will have its own unique allocation factor as a result (e.g., SG-4.X).

Table 10 – New Generation – Non-System

December 2024 Utah ROO Factors										PACIFICORP	
DESCRIPTION	FACTOR	CA	OR	WA	UT	ID	WY	FERC - UPL	OTHER	SUBSCRIP.	RESERVES
1 System Generation (System Subscribed)	SG-4	1.3%	26.2%	7.5%	45.1%	6.0%	13.9%	0.0%	0.0%	0.0%	0.0%
2 New Resource - Gas Plant W - Subscription and Reserves	SG-4.1	0.0%	20.0%	15.0%	30.0%	5.0%	10.0%			10.0%	10.0%
2 New Resource - Wind Plant X (Undersubscribed 2 States)	SG-4.2	0.0%	60.0%	20.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.0%	0.0%
3 New Resource - Batteries Resource Y (Fully Subscribed 4 States)	SG-4.3	0.0%	10.0%	20.0%	60.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4 New Resource - Gas Plant Z (Oversubscribed 3 States)	SG-4.4	0.0%	70.0%	40.0%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5 Pro-rata Adjustment	SG-4.4.1	0.0%	-26.2%	-15.0%	-18.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6 New Resource - Gas Plant Z Total	SG-4.4	0.0%	43.8%	25.0%	31.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Qualifying Facilities

The cost allocation of Qualifying Facilities (“QFs”) contracts will follow the method described in the 2020 Protocol with all legally enforceable obligations under a QF agreement before December 31, 2019, system assigned using an SG-5 allocator. Other than the Washington treatment, no state has objected to the system treatment for these contracts, but if a commission disallowance occurs, the costs could be made the responsibility of the approving state, or the Company, and a sub-factor adjustment could be made to reassign the cost responsibility (e.g., SG-5.1). This methodology assumes Washington is treated the same as the other five states; any cost responsibility between the 2026 Washington Protocol and this proposal would be the Company’s responsibility.

Any post-2019 QF contracts will be situs assigned and would have a QF-5.X allocation factor that would designate situs assignment for each new contract and situs assignment to the state of origin.

This proposal would also maintain the Wyoming adjustment in the 2020 Protocol for a QF credit adjustment of \$7.175 million per year through 2029 (p. 30 of the 2020 Protocol and fn. 17 & 18). This adjustment does not affect other states and is the responsibility of the Company.

Table 10 – Qualifying Facilities

December 2024 Utah ROO Factors											PACIFICORP	
DESCRIPTION	FACTOR	CA	OR	WA	UT	ID	WY	FERC - UPL	OTHER	SUBSCRIP.	RESERVES	
1 QFs - Pre-2020 System Total (Converts to Situs in 2030)	SG-5.1	1.3%	26.2%	7.5%	45.1%	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
2 QFs - Post 2019 Situs Treatment												
3 Qualifying Facilities Generation - Post 2019 Situs CA	QF-5.2	100%										
4 Qualifying Facilities Generation - Post 2019 Situs OR	QF-5.3		100%									
5 Qualifying Facilities Generation - Post 2019 Situs WA	QF-5.4			100%								
6 Qualifying Facilities Generation - Post 2019 Situs UT	QF-5.5				100%							
7 Qualifying Facilities Generation - Post 2019 Situs ID	QF-5.6					100%						
8 Qualifying Facilities Generation - Post 2019 Situs WY	QF-5.7						100%					

4. Transmission and Wheeling

Moving forward the specific resources used to serve each state will be unique. This suggests that the current ST factor that assumes a shared collection of resources may not be appropriate. As such, the proposal would be to transition to a 12-CP ST factor consistent with the current FERC methodology for cost allocation.

5. Net Power Costs

Generally the straw proposal framework supports both the interim and long-term approach proposed by PacifiCorp in the 2026 Protocol regarding energy. Specifically, the proposal contemplates, ultimately, moving to a calculation using nodal pricing in conjunction with the EDAM. Until that is fully developed and implemented, this proposal rejects the short-term approach proposed in the 2026 Protocol. Instead, if the Company files a rate case prior to implementation of a new cost allocation methodology, it must provide its analysis using the 2020 Protocol, without limiting the Company’s or other parties’ rights to propose alternative methodologies in such proceedings.

6. Capacity Leaning

If all states show up resource sufficient, there is no capacity leaning, and the EDAM simply optimizes energy costs in the day ahead. However, states will not share the same portfolio of resources. Nevertheless, PacifiCorp will bid in all resource capacity for EDAM to optimize to serve load across its BAs regardless of which state is contributing to the capacity costs. Thus, there must be some compensation for the states who are paying the fixed costs of resources used to ensure other states are resource sufficient.

With PacifiCorp's exit from the WRAP, there is not currently an RA model that can reliably determine the capacity forward showing of states. PacifiCorp has noted that it is working on an RA solution with CAISO, but those discussions appear to be in nascent stages. As a result there is no specific proposal to value capacity leaning at this time.