

Agenda Date: July 8, 2021

Item Number: A4

Docket: UE-210223

Company: PacifiCorp, d/b/a Pacific Power & Light Company

Staff: Jim Woodward, Regulatory Analyst

Recommendation

Issue an order in Docket UE-210223, granting PacifiCorp, d/b/a Pacific Power & Light Company's, motion and petition filed on April 1, 2021, allowing filing of the draft 2022 Clean Energy Implementation Plan (CEIP) by November 1, 2021, and final 2022 CEIP by January 1, 2022, subject to the following condition:

- PacifiCorp must develop and file a detailed integrated resource plan-to-clean energy implementation plan modeling workplan in docket UE-210223 by August 15, 2021.

Background

Electric investor-owned utilities (IOUs) must file clean energy implementation plans (CEIPs) by October 1, 2021, and every four years thereafter.¹ Additionally, the companies must file drafts of their first CEIPs by August 15, 2021.² The Washington Utilities and Transportation Commission (Commission) can grant an exemption to the rules and amend past orders.³

On April 1, 2021, PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) filed a motion requesting its 2022 draft CEIP filing date move from August 15 to November 1 and a petition requesting its final CEIP filing date move from October 1 to January 1, 2022.

PacifiCorp has requested these CEIP filing date delays because the Company is behind schedule completing its 2021 Integrated Resource Plan (IRP) due to modeling challenges, including delayed results and analyses, which will impact the CEIP.⁴ PacifiCorp contends the

¹ Per WAC 480-100-640(1).

² Dockets UE-191023 & UE-109698 (*Consolidated*), General Order 601, pp. 9-10, ¶ 25 (CETA Rulemaking Order) (Dec. 28, 2020).

³ Company operations rules in WAC 480-100-008 allow the Commission to grant an exemption to the rules in Chapter 480-100 WAC, if such an exemption is in the public interest. WAC 480-07-875(1) and WAC 480-07-395(4) give the Commission discretion in amending orders and interpreting motions, respectively.

⁴ [Order 02](#) in Docket UE-200420 requires PacifiCorp to “complete its Final IRP on or before September 1, 2021,” addressing a list of conditions grounded in Clean Energy Transformation Act (CETA) statute and rule (¶ 27).

current CEIP deliverable timetable per adoption order and rule is infeasible given the 2021 IRP, particularly the IRP's preferred portfolio and associated portfolio modeling, must inform the CEIP.⁵ PacifiCorp claims delaying its draft CEIP and final CEIP filings until November 1 and January 1, 2022, respectively, is in the public interest as it will allow the Company and interested stakeholders to collaborate on developing a CETA-compliant 2022 CEIP informed by the most complete and accurate 2021 IRP results.

Discussion

Modeling workplan recommended to mitigate increased compliance risk due to delayed CEIP.

Commission staff (Staff) support granting PacifiCorp's CEIP motion and petition with conditions, considering the IRP and associated clean energy action plan (CEAP), informs the subsequent CEIP and necessitates alignment of the various plans.⁶ Given the Commission has effectively extended the deadline for PacifiCorp's 2021 IRP from April 1 to September 1, 2021,⁷ Staff is in favor of extending similar flexibility to the Company's CEIP.⁸ Granting these requested delays will still compress PacifiCorp's CEIP development timeline from six to four months. PacifiCorp expects to fulfill its CEIP requirements within this shortened timeframe by undertaking select, non-modeling dependent CEIP activities in parallel to wrapping up its IRP.⁹ However, the October 1 final CEIP filing date in rule provides potential time to bring an insufficient CEIP into compliance with CETA before the statutory deadline.¹⁰ PacifiCorp's proposed petition and date extension effectively eliminates that cushion. If the Commission approves PacifiCorp's requested delays, the Company's risk of incurring penalties for an insufficient final CEIP may increase, as illustrated below.

⁵ PacifiCorp's Motion to Amend General Order 601, paragraph 25 (¶ 7) (PacifiCorp Motion) and PacifiCorp's Petition for Exemption of WAC 480-100-640(1) (¶ 8) (PacifiCorp Petition) in Docket UE-210223 (April 1, 2021).

⁶ CETA Rulemaking Order at 59, ¶ 170.

⁷ [Order 02](#) in Docket UE-200420, ¶ 27.

⁸ CETA Rulemaking Order at 59, ¶ 168.

⁹ PacifiCorp Petition, ¶ 9.

¹⁰ January 1, 2022, pursuant to RCW 19.405.060(1).

Table 1. Sample penalties to which PacifiCorp could be subject for filing an insufficient CEIP.

Violation	Statute	Rule	Penalty
CETA violations <u>not</u> including failure to comply with elimination of coal and greenhouse gas neutral standards ^a	RCW 80.04.380	WAC 480-100-665(3)(b)(i)	Penalties of up to \$1,000 per violation per day ^b
	RCW 80.04.405	WAC 480-100-665(3)(b)(ii)	Penalties of up to \$100 per violation per day ^b
CETA violations (<i>general</i>)	RCW 19.405	WAC 480-100-665(3)(d)	IOUs notify retail customers of given violation(s) in published form

^a RCW 19.405.090 (Compliance, enforcement, and penalties) outlines penalties for noncompliance with RCW 19.405.030(1) and -.040(1). CEIP requirements are pursuant to RCW 19.405.060, and thus separate. Commission rule outlines enforcement for violations not subject to RCW 19.405.090 under WAC 480-100-665(3)(b).

^b Commission can assess penalties additively, given each “violation of the same requirement in statute, rule, or Commission order are separate and distinct violations.”

To help mitigate this growing CEIP compliance risk, Staff recommends the Commission approve PacifiCorp’s motion and petition, subject to the Company developing and filing a detailed IRP-to-CEIP modeling workplan by the original draft CEIP August 15 filing date. Such a workplan should help address the root cause of PacifiCorp’s 2021 planning cycle delays, including issues the Company has encountered implementing PLEXOS as its new portfolio development modeling platform. Commissioners expressed concern the Company continues to lack a contingency plan, if further modeling issues arise during IRP wrap up and CEIP development.¹¹

As of late June, significant IRP modeling work remains for PacifiCorp.¹² Staff worries the modeling adjustments and refinements required to move from the IRP to the CEIP may present a host of unexpected analytical problems, given no electric company has previously developed a CEIP. Moreover, PacifiCorp appears to be particularly susceptible to such issues because the Company continues to develop its IRP using a system-wide, six-state approach.¹³ PacifiCorp will

¹¹ [Order 02](#) in Docket UE-200420, ¶ 18.

¹² During its June 25, 2021, IRP public meeting, PacifiCorp concedes its modeling production process is just beginning “in earnest” and the Company has yet to undertake any portfolio reliability assessments (see [slides 40 and 44](#)).

¹³ Staff does not believe PacifiCorp has adequately considered to date what project activities, including modeling adjustments, are needed to move from the 2021 IRP to the 2022 CEIP. The Company’s [2021 IRP revised work plan](#) simply lists CEIP requirements on page 5 but fails to explain how 2021 IRP and CEAP results will inform relevant requirements.

need to undertake much more granular modeling of its Washington service territory and satisfactorily develop the specific targets and specific actions (e.g., programs and projects) required for its CEIP.¹⁴

Staff does not attempt to provide prescriptive guidance as to what such an IRP-to-CEIP modeling workplan would look like for PacifiCorp, given Company representatives best understand modeling timelines and constraints. However, Staff supports PacifiCorp providing a transparent framework that should address strategic questions related to CEIP development, including but not limited to the following:

- What modeling inputs or parameters does PacifiCorp need to adjust transitioning from a six-state IRP to a Washington-specific CEIP?
- What additional scenarios and/or sensitivities are necessary to comprehensively address the CEIP specific targets and actions requirements?
- What feedback loops are required to align PacifiCorp's 2021 IRP preferred portfolio and the interim targets the Company proposes for its 2022 – 2025 CEIP implementation period?¹⁵
- What are realistic timetables and Company resource levels required to complete modeling adjustments for a CETA-compliant, complete draft and final CEIP, by the filing deadlines?

Stakeholder outreach

Staff engaged in discussion with the Public Counsel Unit of the Washington State Attorney General's Office (Public Counsel), the Northwest Energy Coalition (NVEC), Renewable Northwest, and the Sierra Club. All stakeholders supported Staff's recommended approach to addressing PacifiCorp's motion and petition.¹⁶

Conclusion

Issue an order in Docket UE-210223, granting PacifiCorp's, d/b/a Pacific Power & Light Company's, motion and petition filed on April 1, 2021, as described in Staff's recommendation.

¹⁴ WAC 480-100-640(3) and (5).

¹⁵ WAC 480-100-640(2).

¹⁶ NVEC supports Staff's recommendation but also urged the Commission require PacifiCorp to make its data input files available in native file format to maximize transparency. Staff contends WAC 480-100-620(14) and -640(3)(b) require all electric IOUs to make such files available for their IRPs and CEIPs, respectively.