Exh. JNS-25HCT Docket UE-210829 Witness: Jaclynn N. Simmons CONFIDENTIAL - REDACTED

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

DOCKET UE-210829

Complainant,

v.

PACIFICORP d/b/a PACIFIC POWER AND LIGHT COMPANY,

Respondent.

CROSS-ANSWERING TESTIMONY OF

JACLYNN N. SIMMONS

ON BEHALF OF STAFF OF WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

BCEIP Update

September 13, 2024

CONFIDENTIAL PER PROTECTIVE ORDER – REDACTED VERSION

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LIST OF EXHIBITS

Exh. JNS-26C Staff Workpapers for Calculation of Hydro Purchases

Exh. JNS-27 Office of Financial Management Per Capita Personal Income by County

1		I. INTRODUCTION
2		
3	Q.	Are you the same Jaclynn N. Simmons who submitted testimony in this proceeding
4		on August 21, 2024, on behalf of the Washington Utilities and Transportation
5		Commission Staff (Staff)?
6	A.	Yes.
7		
8	Q.	Have you prepared exhibits in support of your testimony?
9	A.	Yes. Exhibits JNS 26C- 27.
10		Exh. JNS-26C - Staff workpapers for calculation of Hydro purchases
11		Exh. JNS-27 - Office of Financial Management Per capita personal income by county
12		
13		II. PURPOSE AND SCOPE OF TESTIMONY
14		
15	Q.	Please state the purpose of your testimony.
16	A.	The purpose of my testimony is to respond to certain findings and recommendations
17		contained in the testimonies of Northwest Energy Coalition (NWEC), Renewable
18		Northwest (RNW), and Columbia River Inter-Tribal Fish Commission (CRITFC).
19		
20	Q.	What is the scope of your testimony?
21	A.	Staff will present its assessment on various aspects of each response testimony filed on
22		August 21, 2024. Regarding NWEC's response testimony, Staff will discuss minimum
23		designations and program design relating to energy benefits and named communities.

Regarding RNW, Staff will discuss 2027 Biennial Clean Energy Implementation Plan (BCEIP or Biennial Update) modeling concerns and the near-term Request for Proposals (RFP). Regarding CRITFC, Staff will discuss the request for a five-year conservation plan, the request for customer benefit indicators (CBIs), and PacifiCorp's hydro purchases.

III. RESPONSE TO NWEC

Α.

Q. What is the purpose of witness Thompson's testimony?

The purpose of witness Thompson's testimony is to address how PacifiCorp can better ensure that its named communities receive the benefits of clean energy resources, without shouldering a disproportionate share of the burdens, as the Company works towards compliance with the Clean Energy Transformation Act (CETA) by 2030. Witness Thompson's testimony advocates for establishing minimum designations for distributed energy resource (DER) programs to contribute to the equitable distribution of energy benefits. She recommends that PacifiCorp follow the same guidelines as Puget Sound Energy (PSE) to achieve these goals, with implementation set for the 2027 BCEIP Update. By setting this timeline, NWEC aims to address potential delays in delivering clean energy benefits to Washington customers and ensure that PacifiCorp takes proactive steps to meet equity goals outlined in CETA.

¹ Thompson, Exh. CT-1T, at 6:20-22.

Q.	Does Staff generally agree with witness Thompson's minimum designation and
	program design proposals?

3 A. Yes, with one exception, as explained below.

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5 Q. Does Staff disagree with any portion of NWEC's recommendation?

In testimony, Staff argues that 27 percent of energy benefits should go to named communities because the Company's Biennial Update indicates that highly impacted communities are 27.1 percent of their Washington customer base² and the Company updated this 27.1 percent to 27.3 percent in response to data requests.³ This is what is meant by the "minimum designation" percentage of energy benefits going to named communities.

While Staff is open to setting a DER target for specific communities that exceeds the Company's estimate (witness Thompson proposes 30 percent), Staff would prefer the minimum designation remain at 27 percent, as outlined in Staff's response testimony. Staff is comfortable with 27 percent as a "rounding" of the Company's estimations of both 27.1 and 27.3 percent. Setting a target higher than what PacifiCorp reports for its service territory is ambitious, as this territory differs significantly from PSE's, which witness Thompson uses for comparison. Additionally, PSE's percentages are closely aligned to their actual data, which shows that 33 percent of all residential customers are in high vulnerability block groups, 37 percent of their residential customers are in

² In the Matter of PacifiCorp d/b/a Pac. Power & Light Co. 's Revised Clean Energy Implementation Plan, Docket UE-210829, PacifiCorp's Revised 2021 Clean Energy Implementation Plan at 31 (March 13, 2023)

³ Simmons, Exh. JNS-22 at 1.

me	edium vulnerability block groups, and 34 percent are in low vulnerability block
gro	pups.4 Therefore, the 30 percent target is more reflective of the conditions they have
ide	entified in their region.

PSE differs from PacifiCorp in several ways: it serves over 500,000 customers, operates in a different region of the state, and has a higher per-capita customer base. As a result, programs and incentives should differ between the two companies. Given PSE's larger customer base and higher per-capita rate, the administrative and cost impact would be distributed among fewer customers in PacifiCorp's territory, which has a lower percapita customer base.⁵

Staff is concerned about the potential administrative and cost impact of requiring the same process and documentation for both PSE and PacifiCorp. However, Staff recognizes that the future outcomes for each service territory, as outlined in CETA, must ultimately be the same. In conclusion, the 27 percent target is a reasonable starting point and will be reviewed as the program evolves.

Q. Has Staff changed any of its recommendations based on NWEC's testimony?

Staff initially recommended implementation of the minimum designation and program design in the 2025 CEIP in its response testimony. However, after reviewing witness Thompson's testimony, Staff now revises its original recommendation,⁶

⁴ In the matter of Puget Sound Energy's 2021 Clean Energy Implementation Plan, Docket UE-210795, Redacted Final 2021 Clean Energy Implementation Plan (CEIP), consistent with the requirements of Order R-601, at 63 Figure 3-7, (December 17, 2021).

⁵ Simmons, Exh. JNS-27.

⁶ Simmons, Exh. JNS-1HCT, at 6:13-14. Simmons, Exh. JNS-19, at 6:12.

1		extending the deadline to the 2027 Biennial Update to allow for additional time for
2		collaboration with advisory groups.
3		
4	Q.	In sum, does Staff adopt NWEC recommendations regarding Minimum Designations
5		and Program Design?
6	A.	Partially. Staff supports setting minimum designations at 27 percent, as expressed in its
7		response testimony, while adopting NWEC's timeline as described above. However, if
8		the Commission adopts NWEC's recommendation for Minimum Designations and
9		Program Design, Staff will support that decision.
10		
11		Does this conclude your response to NWEC?
12	A.	Yes.
13		
14		IV. RESPONSE TO RNW
15		
16	Q.	What is the purpose of witness Ware's testimony?
17	A.	Witness Ware's testimony critiques PacifiCorp's Biennial Update for failing to establish
18		adequate interim clean energy targets and hindering progress under CETA. The testimony
19		raises concerns over the Company's inflated renewable resource cost assumptions ⁷ and
20		reliance on unproven technologies like small modular reactors (SMRs) and hydrogen
21		peakers.8 Witness Ware recommends that the Commission reject these reduced targets

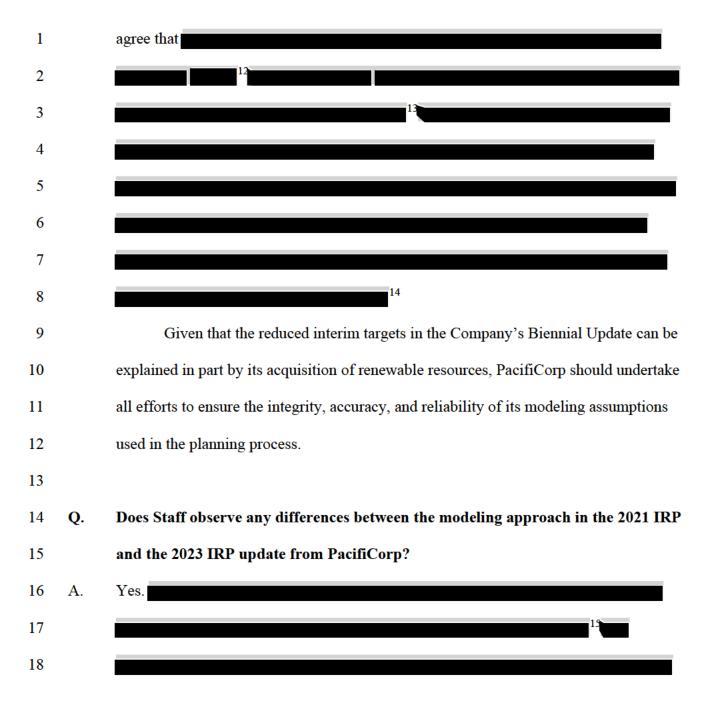
Ware, Exh. KW 1-T at 6:19-20 and 7:1-2.
 Ware, Exh. KW 1-T at 16:9-14.

1		and uphold the original targets established in the 2021 Revised CEIP. Additionally,
2		witness Ware advocates for the initiation of a new resource procurement process to
3		ensure PacifiCorp meets its 2030 clean energy obligations, focusing on actionable
4		progress rather than speculative technologies.9
5		
6	Q.	What modeling concerns does Witness Ware describe?
7	A.	Witness Ware states that the base capital costs (\$/kW) modeled by PacifiCorp for solar,
8		wind, and storage resources are higher than those assumed by the National Renewable
9		Energy Laboratory (NREL), other western utilities, and the California Public Utility
10		Commission (CPUC). ¹⁰
11		
12		.11 According to witness Ware, these inflated costs could
13		lead to reduced investment in renewable resources, reductions to interim emission targets,
14		and a modeling bias in favor of future technologies that have yet to be demonstrated at
15		scale (e.g. small modular reactors and hydrogen peakers).
16		
17	Q.	Does Staff agree with the assumption that an extra cost adder exists within the
18		Company's modeling?
19	A.	Staff has not yet confirmed that the Company is using a specific cost adder. However,
20		Staff is inquiring through data requests more information regarding this issue. Staff does

⁹ Ware, Exh. KW 1-T at 24:12-17.

¹⁰ Ware, Exh. KW-3 Fig 7.3-7.5.

¹¹ Ware, Exh. KW-1THC at 8:8-10.



¹²Re in the Matter of PacifiCorp d/b/a Pac. Power & Light Co. 2023 IRP Update, Docket No. UE-200420, Highly Confidential and Confidential Integrated Resource Plan Workpapers, 200420-PAC-

IRP2023DevelopEscalation(NRELhardcoded)Update2020ASRFP (C) at Summary (April 09, 2024).

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Exh. JNS-25HCT

¹³See id. at 8.

¹⁴ See id. at 8.

¹⁵ See id. at 11.

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7	Q.	What is Staff's recommendation regarding the costs of renewables in PacifiCorp's
8		modeling?
9	A.	Staff does not recommend additional changes to the modeling contained in this Biennial
10		Update. However, it is the Company's obligation to demonstrate how its forecasts align
11		with industry best practices during the development of its preferred portfolio and clearly
12		explain differences with comparable utility planning processes. Staff proposes that this
13		will most effectively be achieved during the development of the 2025 IRP and CEIP,
14		which will better inform any ensuing RFP, positioning the Company to acquire necessary
15		resources ahead of the CETA mandate.
16		
17	Q.	Does Staff agree with witness Ware that the Commission should reject this filing
18		and have PacifiCorp uphold the targets settled on in October 2023? ¹⁶

¹⁶ In the Matter of PacifiCorp d/b/a Pac. Power & Light Co.'s Revised Clean Energy Implementation Plan, Docket No. UE-210829, Order 06 Final Order Approving and Adopting Settlement Agreement; Approving CEIP Subject to Conditions at 8:43 (October 25, 2023).

1	A.	Yes. Staff's primary recommendation is the full rejection of the Biennial Update and
2		urges the Commission to require PacifiCorp to adhere to the targets established in the
3		2021 Revised CEIP settlement. ¹⁷
4		
5	Q.	What does Staff think about witness Ware's recommendation of ordering the
6		Company to start a near-term RFP?
7	A.	Staff has conveyed its concerns regarding the Company's canceled 2022 ASRFP. ¹⁸ Staff
8		concurs with witness Ware on the importance of initiating a new RFP in the near term but
9		emphasizes the need for assurance that it results in tangible progress through effective
10		resource procurement. In Staff's testimony, Staff recommends that if the Commission
11		does not fully reject the BCEIP Update, it imposes a condition that prevents the Company
12		from suspending, canceling, or terminating its next RFP. ¹⁹
13		
14	Q.	Does Staff want to adopt or change any of its recommendations after witness Ware's
15		testimony?

¹⁷ See id. at 8.

¹⁸ In the Matter of PacifiCorp d/b/a Pac. Power & Light Co. 2022 All-source Request for Proposals, Docket UE-210979, Notice of Cancellation of PacifiCorp's 2022 All-Source Request for Proposals (April 3, 2024); In the Matter of PacifiCorp d/b/a Pac. Power & Light Co. 2022 All-Source Request for Proposals, Docket UE-210979, Update to PacifiCorp's 2022 All Source Request for Proposals Schedule (September 29, 2023).

¹⁹ Simmons, Exh. JNS-19.

1	A.	No. Staff is not recommending ordering the initiation of resource procurement. Staff's
2		concerns remain that the Company could still cancel, terminate, or suspend its next AS
3		RFP, as was the case with the 2022 ASRFP. ²⁰
4		
5	Q.	What is the difference between Staff's requested remedy that the Company not
6		being allowed to cancel any post-2025 IRP RFP, and witness Ware's requested
7		remedy of ordering an RFP?
8	A.	Staff's recommendation in its response testimony is for the Commission to order
9		PacifiCorp to submit a plan in the event it does not start an RFP for the resources
10		identified in the 2022 ASRFP regarding what and how the Company will procure
11		identified resource needs. Staff also recommends that the Commission order that the
12		Company cannot cancel, suspend, or terminate the RFP associated with its 2025 IRP. It is
13		unclear whether witness Ware's near-term RFP would be based on the next IRP or the
14		identified resource needs from the canceled 2022 ASRFP. It appears that Witness Ware's
15		testimony is silent on what modeling assumptions the Company should use to acquire
16		resources.
17		Based on the Company's testimony, ²¹ Staff believes that the Company will be
18		filing an All-Source RFP in conjunction with the filing of its next IRP, as required in
19		rule. ²² Staff believes an RFP from the IRP process will be based on its most recently

²⁰ In the Matter of PacifiCorp d/b/a Pac. Power & Light Co. 2022 All-source Request for Proposals, Docket UE-210979, Notice of Cancellation of PacifiCorp's 2022 All-Source Request for Proposals (April 3, 2024). In the Matter of PacifiCorp d/b/a Pac. Power & Light Co. 2022 All-Source Request for Proposals, Docket UE-210979, Update to PacifiCorp's 2022 All Source Request for Proposals Schedule (September 29, 2023).

²¹ Ghosh, Exh. RG-1T at 20:22-23.

²² WAC 480-107-009(2).

1		identified resources and needs. Staff believes that its recommendation ensures that the
2		Company completes an RFP, conducts a thorough analysis of bids, and can properly
3		evaluate bids if they are repriced or if economic conditions change.
4		
5	Q.	Are there any issues or concerns that should be considered in future proceedings?
6	A.	Staff believes more time is warranted to review and interrogate PacifiCorp's modeling
7		cost assumptions for renewables as identified by witness Ware. Staff believes this process
8		should take place in the context of the Company's next 2025 IRP which is due on March
9		31, 2025, and in the Company's next CEIP due on October 1, 2025. ²³
10		
11	Q.	Does this conclude your cross-answering testimony for RNW?
12	A.	Yes.
13		
14		VI. RESPONSE TO CRITFC
15		
16	Q.	What is the purpose of witness Takala and witness DeCoteau's testimonies?
17	A.	The testimonies of Witness Takala and Witness DeCoteau focus on the impact of
18		PacifiCorp's energy practices on tribal rights and the environment. Witness Takala
19		emphasizes the historical and cultural importance of the Columbia River's fisheries to the

²³ WAC 480-100-625(1);WAC 480-100-640(1).

1		Yakama Nation and CRITEC member tribes, advocating for changes to the hydroelectric
2		system that would protect salmon populations and honor treaty rights from 1855. ²⁴
3		Witness DeCoteau highlights CRITFC's Energy Vision for the Columbia Basin,
4		advocating for an energy system that balances the transition to renewable resources with
5		the protection of tribal rights, fish populations, and cultural resources. Witness DeCoteau
6		calls for direct involvement between PacifiCorp and tribal communities regarding energy
7		planning and policy decisions. ²⁵
8		
9	Q.	How heavily does PacifiCorp rely on the Bonneville Power Administration (BPA) to
10		meet its clean energy demands?
11	A.	PacifiCorp relies on the BPA for significant hydropower purchases to meet its clean
12		energy requirements. Data from the Company's 2023 and 2024 Clean Energy Progress
13		Reports indicate that PacifiCorp purchased from the BPA hydropower resources, with
14		Washington allocation, grant 26 for
15		Washington and The
16		BPA-supplied Washington-allocated hydropower in 2022 represents

²⁴ Takala, Exh. JT-1T at 3:8-12.

²⁵ DeCoteau, Exh. AKD-1T at 9:11-18.

²⁶ In the Matter of PacifiCorp d/b/a Pac. Power & Light Co. 's Revised Clean Energy Implementation Plan, Docket UE-210829, Confidential CEIP 2023 Progress Report at 2 Table 1 (July 3, 2022).

²⁷ In the Matter of PacifiCorp d/b/a Pac. Power & Light Co.'s Revised Clean Energy Implementation Plan, Docket UE-210829, Clean Energy Implementation Plan 2024 Progress Report at 3 Table 1 (July 1, 2023).

1		²⁸ However, Staff did not independently confirm the accuracy of
2		these numbers with the Company, as they are solely derived from the work papers
3		submitted by the Company. ²⁹
4		30
5		
6		31
7		
8	Q.	Is the distribution of BPA's hydropower equitable for the Indigenous populations in
9		the Company's service area?
10	A.	PacifiCorp's BPA hydropower purchases for 2022 and 2023 are allocated to Washinton
11		through the WIJAM. The Company has provided data that shows 6.2 percent ³² of its
12		customers reside on tribal lands. Staff can only assume that 6.2 percent of the
13		Washington-allocated hydropower purchase would flow to tribal lands, though it is
14		difficult to measure the tribe's share of the equitable benefits of clean energy provided by
15		the purchases from the BPA because not all Indigenous populations live on tribal lands.
16		
17	Q.	Does Staff have any recommendations regarding hydropower?

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²⁸ Simmons, Exh. JNS-26C; *In the Matter of PacifiCorp d/b/a Pac. Power & Light Co.'s Revised Clean Energy Implementation Plan*, Docket UE-210829, 210829-PAC-WP-2023-CEIP-Progress-Rpt-3(d)-3(e)-3(g)-4(b)(ii)-4(c) (C) (July 3, 2022); *In the Matter of PacifiCorp d/b/a Pac. Power & Light Co.'s Revised Clean Energy Implementation Plan*, Docket UE-210829, 210829-PAC-WP-CEIP-3(d)-3(e)-3(g)-4(b)(ii)-4(c)-7-1-24 (C) (July 1, 2023).

²⁹ See id.

³⁰ Simmons, Exh. JNS-26C.

³¹ See id.

³² Simmons, Exh. JNS-22, at 2.

1	A.	Not currently. Staff looks forward to more information on PacifiCorp's past and future
2		collaboration with the Yakama Nation, Yakama Reservation, and nearby tribal
3		communities on these matters.
4		
5	Q.	Witness DeCoteau requested that PacifiCorp be ordered to work with Yakama
6		Nation and CRITFC to develop CBIs, does Staff agree?
7	A.	Staff agrees that the Company should collaborate with Yakama Nation, CRITFC, and any
8		other Indigenous populations within its service territory to develop CBIs, as the rule ³³
9		mandates an equitable distribution of energy and non-energy benefits to vulnerable
10		populations and highly impacted communities. The rules also require CEIPs to include
11		customer benefit data and proposed CBIs. ³⁴
12		
13	Q.	What are Staff's thoughts on imposing a 5-year Conservation plan for energy
14		efficiency and low-income weatherization programs specific to Yakama Reservation
15		and tribal communities nearby?
16	A.	Witness DeCoteau's testimony discusses an assessment specific to the "Yakama
17		Reservation and tribal communities nearby."35 Staff notes that a general assessment of

energy efficiency across the service territory is completed in the context of the Biennial

Conservation Plan³⁶ (BCP) and through the Energy Independence Act (EIA).³⁷ The

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³³ WAC 480-100-610(4)(i)(ii).

³⁴ WAC 480-100-640(4) (a-c).

³⁵ See id. at 15:6-11.

³⁶ WAC 480-109-120.

³⁷ RCW 19.285.

development of the plan must include public participation in the development of the tenyear conservation potential and biennial conservation target, including biennial program details, program budgets, and cost-effectiveness calculations.³⁸ However, improving it in the specific interest of Yakama Nation, the reservation, and nearby tribal communities aligns with CETA and Staff's position in other filings, as explained in more detail below.

Staff does not oppose a specific carve-out for the Yakama Reservation and the tribal communities nearby within the conservation plans, reports, and annual filings.

CETA requires an equitable distribution of energy and non-energy benefits³⁹ to vulnerable populations and highly impacted communities, including consultation with community-based organizations and Indian tribes.⁴⁰ Staff believes there is justification to include a section for the Yakima Nation, Reservation, and other tribal communities.

Further, PacifiCorp estimates that 6.2 percent of its customers are on tribal lands. For example, 6.2 percent out of approximately 130,000 customers, results in approximately 8,060 customers on tribal lands. Staff emphasizes that this is merely a Company-generated estimate in response to a data request, and it does not include Indigenous populations living off tribal lands.

In sum, Staff would not oppose additional processes and requirements specific to the Yakama Nation and nearby tribal communities, within the existing conservation plan process, as doing so seems fundamental to the objectives of CETA.

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³⁸ WAC 480-109-120(3); WAC 480-109-120(4).

³⁹ RCW 19.405.060(1)(c)(iii).

⁴⁰ RCW 19.4-5.020(22); RCW 19.405.020(39) (a-b); RCW 19.405.120(4)(a)(ii); WAC 480-100-640(4)(a).

⁴¹ Simmons, Exh. JNS-22.

1	Q.	How does Staff envision effective and equitable public participation in response to
2		CRITFC's requests?
3	A.	Staff visualizes an inclusive approach to engagement to be pursued through proper
4		representation at advisory group meetings, or a mutually agreed-upon process between
5		PacifiCorp, the Yakama Nation, and other adjacent tribal governments, individuals, and
6		organizations. These discussions would cover CEIP topics and the BCP, and these
7		discussions will help the Company better address the needs of its consumers, and result in
8		the most effective measures.
9		There are advisory group requirements for the CEIP and conservation process
10		under rule and statute. ⁴² These rules require input from the utility's customers and
11		advocacy groups.
12		
13	Q.	Does Staff want to add to its recommendation to the Commission after reviewing
14		CRITFC's concerns?
15	A.	Yes. Even if the Commission fully rejects the Biennial Update, Staff recommends that
16		PacifiCorp be required to include participation and feedback from Yakama Nation, and
17		other adjacent tribal governments, individuals, and organizations, in its CEIP and BCP
18		planning process, and submit proof that it has made reasonable efforts to do so. This
19		could involve participation in key advisory groups such as the Company's Demand-Side
20		Management Advisory Group (DSM AG) and Equity Advisory Group (EAG). However,
21		Staff understands that Native nations are given unique status as the only community that

⁴² WAC 480-100-655; RCW 19.405.120(4)(a)(iii).

1		is explicitly named in CETA. ⁴³ Staff recommends that this process be agreed upon by the
2		Company and the other entities.
3		Additionally, the Company should be intentional when requesting feedback,
4		ensuring adequate timelines for due dates are communicated, and that space is held
5		within the process for these entities to communicate their priorities, even if they are not
6		on the Company's agenda. Staff points to witness Harmon's testimony in the 2024 Puget
7		Sound Energy general rate case for further suggestions. ⁴⁴
8		Furthermore, the Company should be required to work with the Yakama Nation
9		and CRITFC to develop CBIs that help identify the needs of the Indigenous populations
10		within their respective service territory.
11		
12	Q.	Does this conclude your testimony?
13	A.	Yes.

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⁴³ RCW 19.405.120(4)(a)(ii), RCW 19.405.020(23), WAC 480-100-640(4)(a), WAC 480-100-655(1)(b), WAC 480-100-605.

⁴⁴ Wash. Utils. & Transp. Comm'n v. Puget Sound Energy, Docket UE-240005, Testimony of Byron L. Harmon at 36:11-38:13 (Aug. 6, 2024).