

WUTC Data Request 12

At the recessed open meeting at 12:34:31 – 12:38:35, Mr. Burns indicated that the OTR stay caused a pause in the procurement for the whole system.

1. Why did the Company not just consider doing a WA only RFP procurement process/or situs WA only resource procurement?
2. What if the stay is lifted, how will that affect the Company's decision on procurement process?
3. Mr. Burns indicated that the pause would benefit everyone. By everyone, did he mean the whole system?

Response to WUTC Data Request 12

1. Uncertainties contributing to the suspension, and ultimate cancellation of PacifiCorp's 2022 All Source Request for Proposals (2022AS RFP) included a federal court's stay of the Ozone Transport Rule (OTR), on-going rulemaking by the United States (U.S.) Environmental Protection Agency (EPA) regarding regulation of greenhouse gas (GHG) emissions, evolving extreme weather risks affecting operational and resource requirements, and wildfire risk and liability. These same variables would also have an impact on a state-specific procurement. Moreover, there is sufficient time to recast our resource procurement efforts, now that we have more clarity around the OTR and EPA's GHG rules, and still meet state-specific targets.
2. The plan put forth in PacifiCorp's 2023 Integrated Resource Plan (IRP) was based on the initial OTR issued by the EPA with initial compliance starting in 2023, and more strict compliance starting in 2026. The EPA has since accepted the state implementation plan (SIP) for Wyoming, which will significantly reduce the impact of OTR on the 2023 IRP without regard for the outcome of the stay of OTR in Utah. In addition, the technology development that enables combustion turbines to convert to green fuels justified the extension of combustion turbine life assumptions in the 2023 IRP Update. This change in assumption has a significant impact on the preferred portfolio. These material changes in assumptions would need to be incorporated into procurement strategies to ensure we are procuring sufficient resources to reliably serve customers while meeting state-specific policy objectives.
3. Yes.

PREPARER: Tom Burns

SPONSOR: Tom Burns