

WUTC Data Request 38

In response to the question: “Without an agreement on a future allocation methodology, and diverging state energy policies, how will PacifiCorp meet the CETA requirements in 2030?” found at MDM-1T page 19 lines 3-10, Mr. McVee replied that “First, negotiations continue on a new allocation methodology...”

- (a) Does CETA compliance in 2030 rely on a new allocation methodology?
- (b) If not, please provide the relevant work papers demonstrating how those needs will be met.
- (c) If it does rely on a new methodology, is this methodology one approved by the Commission? If so, please provide the documentation of that approval.

Response to WUTC Data Request 38

- (a) As stated in the direct testimony of Company witness, Matthew D. McVee, Exhibit MDM-1T, page 19, lines 3-10, PacifiCorp may need to procure resources that will have 100 percent of the costs and benefits assigned to the Company’s Washington customers. The system allocation methodology provides for the sharing of system resources, spreading costs and risks associated with those resources across PacifiCorp’s system, and reduces the need for state-specific resources.
- (b) PacifiCorp’s 2023 Biennial CEIP Update, based on PacifiCorp’s 2023 Integrated Resource Plan (IRP), describes both a systemwide plan for long-term resource capacity additions and estimates incremental resource needs to be situs cost-allocated to Washington customers for compliance with CETA targets from 2030 onwards, based on Washington-allocated energy. Please refer to the 2023 Biennial CEIP Update and supporting work papers filed with the Washington Utilities and Transportation Commission (WUTC) on November 1, 2023, for PacifiCorp’s demonstration of how CETA requirements will be met.
- (c) As WUTC staff is aware through its execution of the 2020 Multi-State Process (MSP) Inter-Jurisdictional Cost Allocation Methodology (2020 Protocol) and participation in PacifiCorp’s MSP Framework Issues Workgroup, a ‘new’ allocation methodology is under development. Accordingly, the response is that a ‘new’ allocation methodology has not been approved by the WUTC.

PREPARER: Rohini Ghosh

SPONSOR: Matthew McVee