

October 30, 2024

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Oct 30, 2024

VIA ELECTRONIC FILING

Jeff Killip
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

RE: Advice 24-05—Schedule QF—Avoided Cost Purchases from Cogeneration and Small Power Purchases

PacifiCorp dba Pacific Power & Light Company (PacifiCorp) submits proposed tariffs applicable to PacifiCorp’s electric service in the state of Washington in compliance with RCW 80.28.050, WAC 480-106-040, and the Washington Utilities and Transportation Commission’s (Commission) Rules and Regulations. The Company respectfully requests an effective date of January 1, 2025.

Fourth Revision of Sheet No. QF.11	Schedule QF	Avoided Cost Purchases and Procedures for Qualifying Facilities
Fourth Revision of Sheet No. QF.12	Schedule QF	Avoided Cost Purchases and Procedures for Qualifying Facilities
Fourth Revision of Sheet No. QF.13	Schedule QF	Avoided Cost Purchases and Procedures for Qualifying Facilities
Fourth Revision of Sheet No. QF.14	Schedule QF	Avoided Cost Purchases and Procedures for Qualifying Facilities
Fourth Revision of Sheet No. QF.15	Schedule QF	Avoided Cost Purchases and Procedures for Qualifying Facilities
Fourth Revision of Sheet No. QF.16	Schedule QF	Avoided Cost Purchases and Procedures for Qualifying Facilities
Fourth Revision of Sheet No. QF.17	Schedule QF	Avoided Cost Purchases and Procedures for Qualifying Facilities

WAC 480-06-040(1) requires utilities to file a revision to its tariff for purchases from qualifying facilities, a schedule of estimated avoided costs that identifies, both separately and combined, its avoided cost of energy and its avoided cost of capacity by November 1 of each year. The revised Schedule QF includes these components.

In PacifiCorp’s 2023 update filing (docket UE-230890), the Company requested a five-year waiver of WAC 480-106-040(1)(b) as it requires an estimated avoided cost of capacity be “based on the projected fixed cost of the next planned capacity addition identified in the succeeding twenty years in the utility’s most recently acknowledged integrated resource plan.” The

Commission granted PacifiCorp's request for a waiver and accepted the Company's filing based on capacity costs from the most recently *filed* IRP or IRP Two-Year Progress Report. The 2023 update filing included capacity costs based on Peaking Capacity Value, as well as Clean Energy Premium Value related to the incremental cost of the additional resources needed to meet Clean Energy Transformation Act compliance targets. This capacity cost methodology continues to be used in this update, and the 2021 IRP Two-Year Progress Report filed on May 31, 2023, remains the most recently filed, so proxy resources are unchanged.

- Peaking Capacity Value is based on a Frame "F" Simple Cycle Combustion Turbine, from the Company's 2021 IRP Two-Year Progress Report, and includes twelve months of capacity payments starting in 2025, which is the first year in which the proposed rates will be effective.
- Clean Energy Premium Value is based on the incremental cost of the wind and solar resources added for CETA compliance starting in 2030 in the Company's 2021 IRP Two-Year Progress Report. The Clean Energy Premium Value reflects the fixed costs of these resources, less production tax credit revenue and the capacity and energy value applicable to each resource under the proposed Schedule QF. The associated Clean Energy Premium Values are converted to a dollar per megawatt-hour value and levelized over the life of each resource. The average of the values for wind and solar is added to the capacity costs for each resource type.

For compliance with WAC 480-106-040(2), the Company has continued to use a capacity contribution for wind and solar QFs that reflects the values and methodology from its 2021 IRP, filed on September 1, 2021, as its 2021 IRP Two-Year Progress Report did not include updated values. For compliance with WAC 480-106-050(4)(d), the Company has continued to use wind and solar integration costs identified in its 2021 IRP Two-Year Progress Report.

The proposed rates in the revised Schedule QF reflect the impacts of updated market prices for electricity as of September 30, 2024. In addition, the levelization period for the avoided cost of capacity required under WAC 480-106-040(1)(c) has been rolled forward by one year.

The update to market prices results in lower rates in 2025-2026. Thereafter, the update to market prices results in relatively modest up and down changes, with levelized results that tend toward higher rates over time. The impact of higher market prices is partially offset by a reduction in the Clean Energy Premium Value, as higher levelized energy prices starting in 2030 reduce the incremental cost of the proxy wind and solar resources.

PacifiCorp is providing workpapers, which contain sensitive commercial information, as confidential under the provisions of WAC 480-07-160. A redacted version is also being provided.

PacifiCorp respectfully requests that all data requests regarding this matter be addressed to:

By e-mail (preferred): datarequest@pacificorp.com

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Please direct informal questions to Ariel Son, Regulatory Affairs Manager, at (503) 813-5410.

Sincerely,

/s/

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Enclosure

24-05-PAC-Attach-A-10-30-24.pdf

24-05-PAC-Attach-B-10-30-24.pdf

24-05-PAC-WP-Avoided-Cost-Study-10-30-24.xlsx

24-05-PAC-WP-Avoided-Energy-Cost-Sept-2023-OFPC-10-30-24 (C).xlsx

24-05-PAC-WP-Avoided-Energy-Cost-Sept-2023-OFPC-10-30-24 (R).xlsx