

## WUTC Data Request 59

In response to Staff Data Request 54, the Company stated, “the cost adders for the 2022 ASRFP are as follows:

Solar: 34.47 percent  
Wind: 27.31 percent  
Battery storage: 5.06 percent”

For the calculation of these cost adders, please refer to Attachment WUTC 54-1 (for solar) and Confidential Attachment WUTC 54-2 (for wind and storage).”

- (a) Did the Company remove the adders in future years, or just reduce them?
- (b) Did the Company do any additional outreach for how other utilities were handling the increased costs within their IRPs?
- (c) It seems that renewable generating resources got major adders while the battery storage cost adder was only 5 %. Please explain why and supply the data that supports the increased adders for each item; solar, wind, and battery storage.

## Response to WUTC Data Request 59

- (a) The referenced adders apply through 2028, and transition linearly during 2029-2031 such that the adders are eliminated by 2032. In 2032 and all future years, costs are based on National Renewable Energy Laboratory (NREL) escalation forecasts, and no adders are applied.
- (b) No. Wind and solar resource costs are often location specific so the values used by other utilities might not be comparable. In addition, the costs for resources that are under consideration for procurement are commercially sensitive.
- (c) The adders reflect the difference between the NREL forecast for 2022 and the offers the Company had received from counterparties during the summer of 2022 for different technologies. At that time the battery storage costs offered to the Company were only slightly higher than the NREL forecast. The Company does not have any detailed information about why this was the case. That said, NREL’s battery storage cost estimate declines over time, so the percentage difference between the Company’s energy storage cost forecast based on actual offers and the NREL forecast would grow through 2028, as shown in the energy storage figure on tab “Summary” in confidential work paper “Docket 200420-IRP2023DevelopEscalation(NRELhardcoded)Update2020ASRFP (C)” referenced in the Company’s response to WUTC Data Request 54, specifically Attachment WUTC

54-1 (for solar) and Confidential Attachment WUTC 54-2 (for wind and storage) for the calculation of the adders.

PREPARER: Daniel MacNeil

SPONSOR: Rohini Ghosh