

**Exh. ASR-4
Docket UE-220376
Witness: Andrew Rector**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**PACIFICORP, d/b/a PACIFIC POWER
& LIGHT COMPANY,**

Respondent.

DOCKET UE-220376

**EXHIBIT TO
TESTIMONY OF**

ANDREW RECTOR

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

*Docket UE-210223, PacifiCorp's Petition for Exemption from WAC 480-100-640(1) and
Motion to Amend General Order 601, Paragraph 25*

October 21, 2022

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PACIFICORP, dba PACIFIC POWER &
LIGHT COMPANY

Petitioner,

**PacifiCorp's Petition for Exemption of
WAC 480-100-640(1)**

I. INTRODUCTION

1 In accordance with Washington Administrative Code (WAC) 480-100-008, 480-07-110, and WAC 480-07-370(3), PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) petitions the Washington Utilities and Transportation Commission (Commission) to issue an order approving an exemption from the requirement set forth in WAC 480-100-640(1), which requires the Company to file its Clean Energy Implementation Plan (CEIP) by October 1, 2021, and instead permit PacifiCorp to file its CEIP by January 1, 2022, as allowed by Revised Code of Washington (RCW) 19.405.060(1)(a). Granting the Company's request is in the public interest because the CEIP will be informed by PacifiCorp's 2021 Clean Energy Action Plan (CEAP), which is a component of the Company's Integrated Resource Plan (IRP).¹ As detailed below, PacifiCorp will file a complete IRP no later than September 1, 2021. A delay in its CEIP is necessary given this filing's dependencies on the Company's IRP and CEAP.

2 PacifiCorp is an electric company and public service company in the State of Washington within the meaning of RCW 80.04.010, and is subject to the Commission's jurisdiction with respect to its prices and terms of electric service to retail customers in

¹ RCW 19.405.060(1)(b)(i).

Washington. The Company provides electric service to approximately 130,000 retail customers in Washington and approximately 1.9 million total retail customers in Washington, California, Idaho, Oregon, Utah, and Wyoming.

3 PacifiCorp's name and address:

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II. PACIFICORP'S EXEMPTION REQUEST

4 RCW 19.405.060(1)(a) provides, in part, that

By January 1, 2022, and every four years thereafter, each investor-owned utility must develop and submit to the commission:
(i) A four-year clean energy implementation plan ...

Further, RCW 19.405.060(c) provides that “[t]he Commission, after hearing, must by order approve, reject, or approve with conditions an investor-owned utility’s clean energy implementation plan and interim targets.” In WAC 480-100-640(1), the Commission sets forth the timing of the submission of the final CEIP. Specifically, WAC 480-100-640(1) provides

Unless otherwise ordered by the commission, each electric utility must file with the commission a CEIP by October 1, 2021, and every four years thereafter.

5 The Company is requesting an exemption of WAC 480-100-640(1), which requires the Company to file its CEIP by October 1, 2021, and instead requests that it be allowed to file its CEIP by January 1, 2022. An extension is needed given the issues the Company has encountered regarding its 2021 Integrated Resource Plan (IRP). On April 1, 2021 in docket UE-200420, the Company is filing an update to its January 4, 2021

draft IRP filing, with certain elements still in development (April 1 Filing).² In that filing, the Company explains that due to modeling issues encountered with its new resource planning modeling system, Energy Exemplar's Plexos model, the Company will submit an actionable and supportable 2021 IRP on or before September 1, 2021.

6 As explained further in its April 1 Filing, PacifiCorp's implementation of and transition to Plexos, including the necessary setup activities to ensure model functionality, have encountered challenges, which could not be foreseen until the inputs were setup in the model and PacifiCorp could start the portfolio development phase of the 2021 IRP development cycle.³ PacifiCorp presented the benefits of the Plexos system to stakeholders during the June 2020 public-input meeting, and the model transition has been ongoing throughout the 2021 IRP development cycle. Through the second half of 2020, as development progressed on setting up the model, PacifiCorp was able to complete a benchmarking exercise using the Plexos model based on inputs from the 2019 IRP to determine if the model developed reasonably similar outcomes were it to have been used at that time. PacifiCorp had a successful outcome from this exercise and discussed results with stakeholders at the November 2020 public-input meeting.

7 A standard IRP development cycle would have portfolio modeling begin in the first quarter of the filing year with intensive and iterative portfolio runs and extensive cost and risk analysis leading up to selection of the least-cost, least-risk preferred portfolio, often

² *In the Matter of PacifiCorp's 2021 Integrated Resource Plan*, Docket No. UE-200420, PacifiCorp 2021 Integrated Resource Plan (Apr. 1, 2021). This Petition is being filed simultaneously with the Company's April 1 IRP Filing.

³ Following the 2019 IRP, PacifiCorp began the transition to using Plexos models. This model provides multiple improvements to the IRP process, including greater granularity, greater ability to model reliability outcomes through inclusion of loss of load probability and planning reserve margin, the ability to include endogenous transmission modeling without including topology additions or other complex setups, and the ability to include greater analysis of resource retirements and options.

just weeks before finalizing and filing the IRP. PacifiCorp had intended to present initial modeling results for stakeholder discussion at its January 28-29, 2021 public-input meeting, however, a number of modeling issues were encountered in January 2021 that involved fixes or software patches from the vendor as further described in the Company's April 1 Filing.

PacifiCorp has made progress resolving these issues to date and at this time is confident that it will be able to produce some initial portfolio results for discussion at its upcoming April 22-23, 2021 public-input meeting. As a result, PacifiCorp will be filing its final 2021 IRP by no later than September 1, 2021 and has provided a timeline to summarize how the Company and stakeholders would work together to achieve a September 1 filing date in its April 1 Filing. A final 2021 IRP filing date of no later than September 1, 2021 ensures sufficient stakeholder input on portfolio modeling and outcomes.

8 Without an exemption of WAC 480-100-640(1), PacifiCorp would have only one month between filing its final 2021 IRP on September 1 and the October 1 deadline for the CEIP filing set by WAC 480-100-640(1) – by way of comparison, the original timeline would have allowed six months between the IRP and CEIP filings. One month is an insufficient amount of time to develop the CEIP, especially in light of the fact that this year's CEIP will be the first developed by the state's investor-owned utilities. It also allows PacifiCorp time to inform the CEIP with the final 2021 IRP. Even though the Company will be working on a draft CEIP, which under General Order 601⁴ is due on August 15, 2021, the development of the draft CEIP will also be impacted by the filing of

⁴ *In the Matter of Adopting Rules Relating to Clean Energy Implementation Plans and Compliance with the Clean Energy Transformation Act; In the Matter of Amending or Adopting Rules Relating to WAC 480-100-238, Relating to Integrated Resource Planning*, Docket Nos. UE-191023 and UE-190698 (cons.); General Order No. 601, ¶25 (Dec. 28, 2020).

the final IRP. Thus, in a simultaneous filing in this new docket, the Company is requesting an extension of the filing date for the draft CEIP to November 1, 2021.

9 PacifiCorp acknowledges that the granting of its request will mean a Commission decision on the Company's CEIP will occur after January 1, 2021, and likely after it has rendered decisions on the CEIPs for the other Washington electric utilities. PacifiCorp is committed to working diligently to implement the final approved CEIP in an expeditious manner and does not anticipate a delay with the implementation of the CEIP. Progress toward the CEIP has already begun despite the absence of informative IRP modeling results. PacifiCorp has been working with a third-party consultant to establish the Equity Advisory Group (EAG) that will work collaboratively with PacifiCorp in developing the CEIP analytical framework. Recurring meetings will be scheduled. A draft EAG participation plan is detailed in the April 1 Filing. PacifiCorp is also on-track to file its CEIP public participation plan by May 1, 2021 pursuant to WAC 480-100-655(2). Further, WAC 480-100-645 sets forth the review process of the CEIP. The Company commits to working with stakeholders who file comments to PacifiCorp's CEIP to try to resolve issues in the public interest, which includes the best interest of the Company's customers. To the extent issues are resolved, the pressure on the need for an adjudicative proceeding, which would add time to the Commission approval process, lessens. Finally, the requested extension will not impact the Company ability to meet the CEIP reporting and compliance requirements contained in WAC 480-100-650.

10 WAC 480-100-008 provides that the Commission may grant an exemption from the provisions of any rule in WAC 480-100 in the same manner and consistent with the standards set forth in WAC 480-07-110. WAC 480-07-110(1) provides the Commission

the authority to “grant an exemption from, or modify the application of, any of its rules in individual circumstances if the exemption or modification is consistent with the public interest, the purposes underlying regulation, and applicable statutes.” If the Commission approves PacifiCorp’s request, the Company would have four months to complete the CEIP once it has filed its final IRP on or before September 1, 2021. As noted above, the original timeline would have allowed six months between the IRP and CEIP filings; however, if the extension is granted, the Company would have four months to complete the CEIP. Notwithstanding this shortened timeline, PacifiCorp expects to be able to file the CEIP as required by statute by January 1, 2022 and further outlines the proposed process to do so in its 2021 IRP to 22 CEIP required activities and project schedule component of the Company’s April 1 Filing. It is in the public interest to grant the Company’s request as it will allow the Company sufficient time to complete the CEIP, allowing it to be informed by the final 2021 IRP, which will be filed on or before September 1, 2021. Further the Company commits to implementing the approved CEIP in an expeditious manner to promote the public interest and does not anticipate shifts in timing for related, subsequent requirements.

11 The Company has discussed this request with Commission staff. Commission staff believes that granting this waiver is consistent with the public interest, the purposes underlying regulation, and applicable statutes, and therefore supports the Company’s petition in conjunction with the motion simultaneously filed in this same docket.

III. CONCLUSION

12 Based on the foregoing, the Company requests that the Commission exempt the Company from WAC 480-100-640(1), which requires the Company to file its CEIP by

October 1, 2021, and instead allow PacifiCorp to file its CEIP by January 1, 2022.

Granting the Company's Petition is in the public interest because the CEIP will be informed by PacifiCorp's 2021 CEAP, which is a component of the Company's 2021 IRP, which will be filed no later than September 1, 2021. A delay in its CEIP is necessary given this filing's dependencies on the Company's IRP and CEAP. Further, PacifiCorp does not anticipate that the implementation of the CEIP will be impacted by the granting of this Petition.

DATED: this 1st day of April, 2021.

Respectfully submitted,

_____/s/_____
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**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PACIFICORP, dba PACIFIC POWER &
LIGHT COMPANY

Motioner,

**PacifiCorp's Motion to Amend General
Order 601, paragraph 25**

I. INTRODUCTION

1 In accordance with Washington Administrative Code (WAC) 480-100-008, WAC 480-07-110, WAC 480-07-375 and WAC 480-07-870, PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) moves the Washington Utilities and Transportation Commission (Commission) to issue an order amending General Order 601 in dockets UE-191023 and UE-190698 (cons.),¹ which requires the Company to file a draft of its Clean Energy Implementation Plan (CEIP) by August 15, 2021, and instead require PacifiCorp file its draft CEIP by November 1, 2021. Granting the Company's request is in the public interest because the draft CEIP will be informed by PacifiCorp's 2021 Clean Energy Action Plan (CEAP), which is a component of the Company's Integrated Resource Plan (IRP).² As detailed below, PacifiCorp will file a final IRP no later than September 1, 2021. A delay in its draft CEIP is necessary given this filing's dependencies on the Company's final IRP and CEAP.

2 PacifiCorp is an electric company and public service company in the State of Washington within the meaning of RCW 80.04.010, and is subject to the Commission's

¹ *In the Matter of Adopting Rules Relating to Clean Energy Implementation Plans and Compliance with the Clean Energy Transformation Act; In the Matter of Amending or Adopting Rules Relating to WAC 480-100-238, Relating to Integrated Resource Planning*, Docket Nos. UE-191023 and UE-190698 (cons.); General Order No. 601, ¶25 (Dec. 28, 2020).

² RCW 19.405.060(1)(b)(i).

jurisdiction with respect to its prices and terms of electric service to retail customers in Washington. The Company provides electric service to approximately 130,000 retail customers in Washington and approximately 1.9 million total retail customers in Washington, California, Idaho, Oregon, Utah, and Wyoming.

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II. PACIFICORP'S REQUEST TO AMEND GENERAL ORDER

4 In General Order 601, the Commission adopted new rules and revised existing rules to implement the Clean Energy Transformation Act.³ As part of General Order 601, the Commission found

...that it is appropriate to request that utilities file a draft to their first CEIP. Availability of a draft of a utility's initial CEIP will allow the utility, Staff, and stakeholders to work through issues and concerns in a semi-formal process that provides transparency and record building with maximum flexibility. Utilities, therefore, should file a draft initial CEIP with the Commission by August 15, 2021, which will be the initial filing in each utility's docket.⁴

Thus, pursuant to General Order 601, PacifiCorp must file its draft CEIP by August 15, 2021.

5 The Company is requesting that the Commission amend General Order 601 as it relates to PacifiCorp and allow the Company to file its draft CEIP by November 1, 2021. An extension is needed given the issues the Company has encountered regarding its 2021

³ Revised Code of Washington (RCW) 19.405.

⁴ Docket Nos. UE-191023 and UE-190698 (cons.); General Order No. 601, ¶25.

Integrated Resource Plan (IRP). On April 1, 2021 in docket UE-200420, the Company is filing an update to its January 4, 2021 draft 2021 IRP filing (April 1 Filing), with certain elements still in development.⁵ In that filing, the Company explains that due to modeling issues encountered with its new modeling system, Energy Exemplar's Plexos, the Company will submit its final 2021 IRP on or before September 1, 2021.

6 As explained further in its April 1 Filing, PacifiCorp's implementation of and transition to Plexos,⁶ including the necessary setup activities to ensure model functionality, have encountered challenges, which could not be foreseen until the inputs were setup in the model and PacifiCorp could start the portfolio development phase of the 2021 IRP development cycle. A standard IRP development cycle would have portfolio modeling begin in the first quarter of the filing year with intensive and iterative portfolio runs and extensive cost and risk analysis leading up to selection of the least-cost, least-risk preferred portfolio, often just weeks before finalizing and filing the IRP. PacifiCorp had intended to present initial modeling results for stakeholder discussion at its January 28-29, 2021 public-input meeting, however, a number of modeling issues were encountered in January 2021 that involved fixes or software patches from the vendor. PacifiCorp has made progress resolving these issues to date and at this time is confident that it will be able to produce some initial portfolio results for discussion at its upcoming

⁵ See *In the Matter of PacifiCorp's 2021 Integrated Resource Plan*, Docket No. UE-200420, PacifiCorp 2021 Integrated Resource Plan (Apr. 1, 2021). This Motion is being filed simultaneously with the Company's April 1 IRP Filing.

⁶ Following the 2019 IRP, PacifiCorp began the transition to using Plexos models. This model provides multiple improvements to the IRP process, including greater granularity, greater ability to model reliability outcomes through inclusion of loss of load probability and planning reserve margin, the ability to include endogenous transmission modeling without including topology additions or other complex setups, and the ability to include greater analysis of resource retirements and options. PacifiCorp presented the benefits of the Plexos system to stakeholders during the June 2020 public-input meeting, and the model transition has been ongoing throughout the 2021 IRP development cycle.

April 22-23, 2021 public-input meeting. As a result, PacifiCorp will be filing its final 2021 IRP by no later than September 1, 2021 and has provided a timeline to summarize how the Company and stakeholders would work together to achieve a September 1 filing date in its April 1 Filing. A final 2021 IRP filing date of no later than September 1, 2021 allows for the time to develop a 2021 IRP that is actionable and supportable and providing for sufficient stakeholder input through PacifiCorp's public-input process.

7 At the time General Order 601 was issued, the Company still believed that it would be able to file its final 2021 IRP by April 1, 2021. However, it encountered unforeseeable challenges that could not have been discovered until the inputs were setup in the model and PacifiCorp could start the portfolio development phase of the 2021 IRP development cycle. It was in February 2021 that the Company determined that it would not be able to produce a final 2021 IRP to be able to submit on April 1, 2021. The delay in the final 2021 IRP necessarily impacts both the draft CEIP and final CEIP. By filing its draft CEIP on November 1, 2021, the Company can incorporate the results of the final 2021 IRP into the draft CEIP. This will allow the Company to submit a more meaningful plan on November 1, 2021 for Staff and stakeholders to consider, which is important given that this will be the Company's first CEIP cycle.

8 Conditions related to the Company's finalizing its 2021 IRP were unknown at the time the Commission issued General Order 601. Granting the Company an additional two and half months to file its draft CEIP will allow it to produce a more meaningful plan for stakeholders to evaluate and not waste Commission and stakeholder resources. There is good cause to grant the Company's request.

III. CONCLUSION

9 Based on the foregoing, the Company requests that the Commission amend General Order 601, which requires the Company to file its draft CEIP by August 15, 2021, and instead allow PacifiCorp to file its draft CEIP by November 1, 2021. Granting the Company's request is in the public interest because the draft CEIP will be informed by PacifiCorp's 2021 CEAP and final 2021 IRP. Also, granting the Company's motion will allow for efficient use of Commission and stakeholder resources as they would be able to evaluate a more meaningful draft CEIP.

DATED: this 1st day of April, 2021.

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