Exh. JRS-1T
Docket UE-25_____
Witness: Joelle R. Steward

BEFORE THE WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, v. PACIFICORP dba PACIFIC POWER & LIGHT COMPANY Respondent.	Docket UE-25_____

PACIFICORP

DIRECT TESTIMONY OF JOELLE R. STEWARD

April 2025

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I. INTRODUCTION

Q. Please state your name, business address and present position with PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company).

A. My name is Joelle R. Steward, and my business address is 1407 West North Temple, Salt Lake City, Utah 84116. I am currently employed as Senior Vice President, Regulation.

II. QUALIFICATIONS

Q. Please summarize your education and professional experience.

A. I have a Bachelor of Arts degree in Political Science from the University of Oregon and an M.A. in Public Affairs from the Hubert Humphrey Institute of Public Policy at the University of Minnesota. Between 1999 and March 2007, I was employed as a Regulatory Analyst with the Washington Utilities and Transportation Commission (WUTC or Commission). I joined the Company in March 2007 as a Regulatory Manager, responsible for all regulatory filings and proceedings in Oregon. On February 14, 2012, I assumed responsibilities overseeing cost of service and pricing for PacifiCorp. In May 2015, I assumed broader oversight over regulatory affairs in addition to the cost of service and pricing responsibilities. In 2017, I assumed the role as Vice President, Regulation for Rocky Mountain Power; in November 2021, I assumed my current role as Senior Vice President, Regulation for Rocky Mountain Power.

Q. Have you appeared as a witness in previous regulatory proceedings?

A. Yes. I have testified on various matters in the states of Wyoming, Utah, Idaho, Oregon, and Washington.

III. PURPOSE OF TESTIMONY

Q. What is the purpose of your testimony?

A. My testimony provides an overview of PacifiCorp's Power Cost Only Rate Case (PCORC) filing, including PacifiCorp's proposal for a new inter-jurisdictional cost allocation methodology, the Washington 2026 Protocol. I provide a brief history of PacifiCorp's previous cost allocation methodologies developed through the Multi-State Process (MSP) and summarize the standards the Commission has applied in past cases when considering the Company's proposed cost allocation methodologies.

I also provide the broader context for this filing, including the Company's plan to file a new inter-jurisdictional cost allocation methodology, the 2026 Protocol, in other states later this year. Finally, I introduce the Company's witnesses that provide direct testimony in support of PacifiCorp's PCORC request.

IV. OVERVIEW OF THE PCORC FILING

Q. Please provide an overview of PacifiCorp's operations.

A. PacifiCorp provides retail electric service to more than 2.1 million customers in the western states of California, Idaho, Oregon, Utah, Washington, and Wyoming. PacifiCorp serves customers with generation, transmission, and distribution facilities located in a 10-state footprint across the western United States. PacifiCorp does business as Pacific Power in California, Oregon, and Washington and as Rocky Mountain Power in Idaho, Utah, and Wyoming. In Washington, PacifiCorp serves approximately 141,000 customers throughout Benton, Columbia, Garfield, Yakima, and Walla Walla Counties.

Q. Why is PacifiCorp filing a PCORC?

A. In the Company's last general rate case, the Commission ordered the Company to file this PCORC by April 1, 2025.[1] The Commission directed the Company to request a rate effective date of January 1, 2026, to remove coal-fired resources from rates as required by Washington's Clean Energy Transformation Act's (CETA). Additionally, in the Commission's order approving recovery of the Company's 2022 Power Cost Adjustment Mechanism (PCAM) deferral, the Commission ordered that, in the Company's next rate proceeding, PacifiCorp's approach to inter-jurisdictional cost allocation must include "alternatives to ensure Washington customers experience fair, just and reasonable rates."[2] Consistent with that directive, PacifiCorp has proposed the Washington 2026 Protocol to supersede the current cost allocation methodology—the Washington Inter-Jurisdictional Allocation Methodology (WIJAM).

Q. What is the scope of the PCORC filing?

A. The scope of the PCORC filing includes four primary elements:

1. Adopt the Washington 2026 Protocol for allocating system costs to Washington customers' rates, including the realignment of existing PacifiCorp generation resources and creation of separate power and natural gas hedge books for Washington and the rest of the PacifiCorp system.

2. Reset the net power cost (NPC) baseline using a calendar year 2026 forecast based on the revised allocations that the Company proposes in the Washington 2026 Protocol and other changes required for CETA compliance, and incorporate the change in the NPC baseline into base rates.

3. Reset non-NPC costs consistent with CETA and the revised allocations in the Washington 2026 Protocol; and

[1] *WUTC v. PacifiCorp d/b/a Pacific Power & Light Company*, Docket Nos. UE-230172 and UE-210852 (Consolidated), Order 09/07 at ¶ 14 (May 16, 2024).
[2] *In the Matter of the Petition of PacifiCorp d/b/a Pacific Power & Light Company, 2022 Power Cost Adjustment Mechanism Annual Report*, Docket No. UE-230482, Order 07 at ¶ 111 (Oct. 30, 2024).

4. Provide the 20-year counterfactual analysis of Washington rates the Commission requested in its Final Order in the 2022 PCAM.[3]

Q. What impact does the PCORC have on the Company's revenues?

A. PacifiCorp's 2025 PCORC proposes an increase in revenues of approximately $33.9 million, or 7.9 percent overall. This reflects an NPC increase of approximately $16.3 million, a non-NPC increase of approximately $21.2 million, and a decrease of $3.6 million for the coal cost tracker and production tax credit updates. The Company's proposed rate increase would affect all rate schedules for electric service. Company witness Sherona L. Cheung provides more detail on the revenue requirement changes proposed in this case.

Q. What are the main drivers of the PCORC increase?

A. There are a number of factors contributing to this rate change. First, PacifiCorp is proposing to reallocate and reassign resources through the Washington 2026 Protocol in response to the requirement to remove coal from rates and Commission guidance to reduce Washington's reliance on market transactions. A significant portion of the proposal includes reassigning the Chehalis gas plant, which supports a larger capacity resource for Washington customers and supports additional compliance with Washington law and policy.

Second, increasing regional resource adequacy requirements are driving the need to secure additional capacity for Washington. While this still presents a rate increase, the proposed allocation methodology represents a smaller increase than continuing with the WIJAM.[4]

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[3] Docket No. UE-230482, Order 07 at ¶ 137.
[4] This comparison is detailed in the testimony of Company witness Ramon J. Mitchell, Exhibit RJM-1CT.

Third, these changes are also being made along with updates to the latest assumptions regarding forward power and gas prices. Company witness Ramon J. Mitchell describes the changes to the Company's NPC in detail through his testimony and Company witness Cheung describes the impact of the changes to revenue requirement in her testimony.

Q. Please summarize the key components of the Company's Washington 2026 Protocol.

A. As outlined in the testimony of Company witness Rick T. Link, the Company's proposed Washington 2026 Protocol works from the WIJAM framework, but proposes several material changes as follows:

- Moving from dynamic allocation factors (System Generation or SG) under the WIJAM to fixed allocation factors (Fixed System Generation or SG-F), based on a four-year historical average, for all existing non-emitting and natural gas resources assigned to Washington. This includes SG-F allocation of Jim Bridger's converted natural gas units (Units 1 and 2).
- Removing coal generation from NPC, and removing non-NPC coal generation costs from rates, currently being recovered under Schedule 92.
- Situs assigning the costs and benefits of the Chehalis natural gas plant to Washington.
- Increasing Washington's allocated share of the Rolling Hills wind plant costs from an SG allocation (7.9 percent) as currently prescribed under the WIJAM to approximately 34.9 percent, which reflects the addition of Oregon's system share of this resource.
- Removing the Hermiston natural gas facility from Washington rates.
- Modifying PacifiCorp's energy supply risk management policy to create a separate book for Washington, with limits to address resource adequacy and price volatility based on the Washington load and resources. Purchases made in the Washington book in accordance with the risk management policy will be situs assigned to Washington.
- Situs assigning the costs of new resources identified for Washington after April 1, 2025.

- Transitioning from the System Overhead (SO) allocation factor used in the WIJAM to a revised System Overhead (2026 Protocol SO) allocation factor that is more compatible with resource realignment and the use of fixed allocation factors.

Q. What considerations influenced the design of the Washington 2026 Protocol?

A. PacifiCorp is proposing to allocate costs based on resource adequacy and energy needs to more closely match how it is planning to meet load demands in each of the states in which it operates, including Washington. As Company witness Michael G. Wilding testifies, cost causation principles are the foundation of the allocation changes in the Washington 2026 Protocol. In addition, as discussed below, many of the principles that guided the design of the 2020 PacifiCorp Inter-Jurisdictional Allocation Protocol (2020 Protocol) are applicable to the development of the Company's new proposed methodology, including the anticipated transition to fixed allocation factors after expiration of the 2020 Protocol in 2025.

Q. Do the changes in resource allocation in the Washington 2026 Protocol ensure that Washington is better able to meet its future resource adequacy and energy needs?

A. Yes. As compared to the WIJAM, the Washington 2026 Protocol improves Washington's ability to meet its future resource adequacy and energy needs. Company witness Wilding provides analysis on this point in his testimony.

Q. Will the Washington 2026 Protocol increase CETA compliance over the WIJAM?

A. Yes. As explained by Company witness Rohini Ghosh, the use of fixed system factors instead of the current dynamic factors increases the amount of non-emitting generation allocated to Washington. Coupled with the increased allocation of Rolling

Hills, the Washington 2026 Protocol results in a forecasted increase of 11.31 percent more CETA-compliant energy to serve Washington customers in 2026 compared to the WIJAM, and increases the Company's progress to meeting 2030 CETA standards by 3.77 percent.

Q. Is the Washington 2026 Protocol proposal in this case PacifiCorp's first filing to implement a new cost allocation methodology across all its states?

A. Yes. In the next several months, PacifiCorp intends to file the new cost allocation methodology, the 2026 Protocol, in other states the Company serves. The 2026 Protocol will include the changes necessary in other states to align with the Washington 2026 Protocol. Additionally, the Company intends to make another filing later this year to propose a mechanism to manage the Company's excess liability insurance costs and separately address the inter-jurisdictional allocation of these costs.

Q. Is the proposed change in Washington's cost allocation methodology driving the rate increase in this case?

A. No, it is not. In fact, as discussed in the testimony of Company witness Mitchell, the Company's proposed Washington 2026 Protocol reduces the Company's NPC compared to the WIJAM, lowering the overall rate increase in this case.

V. DEVELOPMENT OF THE WASHINGTON 2026 PROTOCOL

Q. Why is inter-jurisdictional cost allocation necessary for PacifiCorp?

A. As explained above, the Company provides service to customers in six states. PacifiCorp recovers the costs of providing retail electric service to customers through retail rates established in regulatory proceedings in each state. To ensure states receive the appropriate allocation of costs and benefits from PacifiCorp's integrated system, PacifiCorp has used the collaborative MSP to address allocation issues. This collaborative process has led to the development and adoption of a series of inter-jurisdictional cost-allocation methods over time.

Q. How long has PacifiCorp had multi-state cost-allocation agreements in place in the states in which it operates?

A. PacifiCorp has used agreed-upon inter-jurisdictional cost-allocation methods for over 35 years. These methods have evolved and been refined over time, with each cost-allocation method allocating to each state a portion of PacifiCorp's total system costs through a combination of both dynamic system factors and state-specific, or situs, factors.

Q. What cost-allocation method is PacifiCorp currently using in Washington?

A. PacifiCorp uses the WIJAM, which is appended to the 2020 Protocol. The Commission adopted the WIJAM and approved the 2020 Protocol in 2020.[5]

Q. What is the 2020 Protocol?

A. The 2020 Protocol is an agreement between PacifiCorp and certain parties, including regulatory agency staff, consumer advocates, and other stakeholders in Washington, Idaho, Oregon, Utah, and Wyoming. The parties to the 2020 Protocol agreed to support commission adoption and use of the 2020 Protocol in all PacifiCorp rate proceedings filed after December 31, 2019, until the end of the "Interim Period" on December 31, 2023. The Washington, Idaho, Oregon, Utah, and Wyoming

[5] *WUTC v. PacifiCorp d/b/a Pacific Power & Light Company*, Docket Nos. UE-191024 *et al.*, Final Order 09/07/12 at ¶¶ 102-03 (Dec. 14, 2020).

commissions approved the 2020 Protocol in 2020,[6] and the California Public Utilities Commission approved the 2020 Protocol in PacifiCorp's 2022 California general rate case.[7]

Q. Did the parties to the 2020 Protocol agree to extend the Interim Period and the duration of the 2020 Protocol?

A. Yes. In March 2023, the parties agreed to an amendment to the 2020 Protocol to extend the Interim Period and the duration of the 2020 Protocol until December 31, 2025. The commissions in Oregon, Idaho, Utah, and Wyoming approved the requested extension.[8] Washington did not extend the WIJAM at that time because, by its terms, the WIJAM continues until it is replaced.

Q. Why did the parties extend the Interim Period?

A. The 2020 Protocol defined certain unresolved issues as "Framework Issues." Prior to the extension, the parties (including Washington parties that were signatories to the 2020 Protocol) engaged in negotiations on the Framework Issues through the Framework Issues Workgroup. In those negotiations, the parties considered alternative resource allocation methods, which they agreed warranted further review. The extension allowed the parties to continue discussions seeking to resolve the

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[6] Oregon, Docket No. UM 1050, Order No. 20-024 (Jan. 23, 2020); Idaho, Case No. PAC-E-19-20, Order No. 34640 (Apr. 22, 2020); Utah, Docket No. 19-035-42, Order Approving 2020 Protocol (Apr. 15, 2020); Wyoming, Docket No. 20000-572-EA-19 (Record No. 15400), Memorandum Opinion, Findings, and Order (Dec. 3, 2020).

[7] *In the Matter of the Application of PacifiCorp (U901E), for an Order Authorizing a General Rate Increase Effective January 1, 2023*, Application 22-05-006, Decision 23-12-016 (Dec. 14, 2023).

[8] 2020 Protocol extension orders—Oregon, Docket No. UM 1050, Order No. 23-229 (June 30, 2023); Idaho, Case No. PAC-E-23-13, Order No. 35984 (Nov. 2, 2023); Utah, Docket No. 23-035-20, Order Approving Extension of the 2020 Protocol (July 27, 2023); Wyoming, Docket No. 20000-64 l-EA-23 (Record No. 17280), Order (Feb. 6, 2024).

Framework Issues and agree on a cost allocation methodology to propose for the post-Interim Period.

Q. Was the Framework Issues Workgroup able to reach consensus on the Framework Issues?

A. No. The Framework Issues Workgroup met for several years, but it did not appear able to reach consensus on a further extension of the 2020 Protocol or the terms of a replacement cost allocation methodology by the end of the Interim Period. In July 2024, PacifiCorp informed its commissions that, given the circumstances, it would propose a new cost allocation method by December 31, 2025, pursuant to Section 2.2.3 of the 2020 Protocol.

Q. What is Section 2.2.3 of the 2020 Protocol?

A. Section 2.2.3 reads:

> If the Company determines that it is unlikely that a Post-Interim Period Method agreement will be reached before the end of the Interim Period, then the Company will propose an allocation method for the Post-Interim Period for consideration by the Commissions. Parties are free to take any position regarding PacifiCorp's proposal, including proposing alternative allocation methodologies, or initiating a complaint or investigation of PacifiCorp's proposal.

Q. Is the Washington 2026 Protocol proposal in this case PacifiCorp's initial filing to implement a new cost allocation methodology under Section 2.2.3 of the 2020 Protocol?

A. Yes. As I noted above, PacifiCorp intends to file the 2026 Protocol in other states the Company serves in the next several months.

Q. Does the filing of the Washington 2026 Protocol respond to the Commission's directive in the Company's 2022 PCAM deferral?

A. Yes. The Commission determined that it should "revisit the concept of the WIJAM and its reasonableness and usefulness going forward."[9] The Commission ordered that, in the Company's next rate proceeding, PacifiCorp must "propose alternatives to ensure Washington customers experience fair, just and reasonable rates."[10]

Q. What reasons did the Commission provide for seeking to revisit the WIJAM?

A. The Commission was concerned that "Washington ratepayers are disproportionately bearing the costs of rising prices of gas and electricity on the wholesale market" and that the Company had not acquired sufficient new resources specifically for Washington customers.[11]

Q. Does the Company's new cost allocation methodology address the Commission's concerns about the WIJAM?

A. Yes, as discussed in greater detail in the testimony of Company witness Link, the Company's proposed Washington 2026 Protocol will reduce the reliance on market purchases to serve Washington load.

Q. Will the Washington 2026 Protocol supersede the WIJAM if approved?

A. Yes.

Q. What are the principal challenges to the current cost allocation methodology that the Company has tried to address through its proposed Washington 2026 Protocol?

A. For decades, PacifiCorp has relied on cost-allocation methods that dynamically allocate total-system costs to states. A bedrock of these cost-allocation protocols has been the use of PacifiCorp's system as a single whole: except for distribution, all

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[9] Docket No. UE-230482, Order 07 at ¶ 111.
[10] *Id.*
[11] *Id.* at ¶¶ 17, 111.

states were served from a common portfolio of assets, including generation assets, which enabled PacifiCorp to cost-effectively plan for and operate as an integrated whole, resulting in cost savings for all customers. However, divergent state policies across PacifiCorp's six-state service territory are increasingly challenging this bedrock. For example, CETA's requirement to remove coal from rates will necessarily result in Washington not being allocated the costs and benefits of coal-fueled generation while other states continue to include those resources in rates.

Q. When did these challenges begin to emerge?

A. As early as 2015, the parties to the MSP were discussing these challenges. In fact, the predecessor to the 2020 Protocol, the 2017 Protocol, was negotiated as an interim and time-limited cost-allocation protocol, designed to provide cost-allocation stability while allowing time for parties to the MSP to continue to explore alternative cost-allocation protocols to better align with changing state policies. The 2020 Protocol similarly included an Interim Period, during which the allocations agreed to in the 2020 Protocol would apply and parties would continue to negotiate means to address various issues arising from diverging state policies.

Q. How have the challenges of diverging state policies been addressed in the Washington 2026 Protocol?

A. States' energy policies continue to develop and are being implemented in ways that makes it increasingly impossible for PacifiCorp to operate and dispatch a single resource portfolio for all customers across all jurisdictions while meeting its legal obligations in each state. For that reason, the Company's proposed Washington 2026

Protocol realigns existing resources to enable dispatch of a different resource portfolio to serve Washington customers consistent with the state's energy policies.

Q. In developing the 2020 Protocol, did the Company identify principles to help evaluate development of a transitional approach to cost allocations?

A. Yes. The Company's guiding principles established that a new cost-allocation protocol should:

- Provide a long-term, durable solution;
- Follow cost-causation principles;
- Minimize rate impacts at implementation;
- Allow for state autonomy for new resource portfolio selection;
- Maintain and optimize system-wide benefits and joint dispatch to the extent possible;
- Enable compliance with state policies;
- Ensure credit-supportive financial outcomes; and
- Provide the Company with a reasonable opportunity to recover its costs.

Q. Did the Company consider these principles in developing the Washington 2026 Protocol?

A. Yes, these guiding principles remain helpful and relevant. In Washington, however, the importance of maintaining and optimizing system-wide benefits has necessarily become secondary to complying with state policies (*i.e.,* CETA and the Climate Commitment Act) and allowing for state autonomy for new resource portfolio selection.

VI. STANDARDS FOR APPROVING COST ALLOCATION METHODOLOGIES

Q. What prior cost allocation protocols has the Commission considered?

A. The Commission has considered several of PacifiCorp's proposed allocation methodologies in the past. The Commission rejected the Company's Revised Protocol in 2006, finding that the Company had not adequately demonstrated that the resources allocated to Washington customers under that protocol were "used and useful for service in this state[.]"[12] The Company then proposed its West Control Area Inter-Jurisdictional allocation methodology for allocating costs to Washington customers, which the Commission adopted with modifications from Staff.[13] Most recently, the Commission approved the WIJAM in 2020.[14]

Q. How has the Commission applied the "used and useful" standard when considering a cost allocation protocol?

A. RCW 80.04.250 requires that Washington customers' rates include only resources that are "used and useful for service in this state[.]" To satisfy this standard, the Company "must demonstrate a quantifiable benefit to Washington ratepayers."[15] The Commission has determined that a cost-allocation methodology must assign to Washington customers only resources that provide either direct benefits, such as the "flow of power from a resource to customers," or indirect benefits such as "reduction of cost to Washington customers through exchange contracts or other tangible or intangible benefits[.]"[16]

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[12] *WUTC v. PacifiCorp, d/b/a Pacific Power & Light Company*, Docket Nos. UE-050684 and UE-050412 (Consolidated), Order 04/03 at ¶ 52 (Apr. 17, 2006).
[13] *WUTC v. PacifiCorp, d/b/a Pacific Power & Light Company*, Docket Nos. UE-061546 and UE-060817 (consolidated), Order 08, at ¶¶ 56-58 (June 21, 2007).
[14] Docket Nos. UE-191024 *et al.*, Final Order 09/07/12 at ¶ 102.
[15] Docket Nos. UE-050684 and UE-050412 (Consolidated), Order 04/03 at ¶ 51.
[16] Docket Nos. UE-050684 and UE-050412 (Consolidated), Order 04/03 at ¶ 50.

Q. Does the Company's proposed Washington 2026 Protocol allocate to Washington customers only resources that are used and useful for service in the state?

A. Yes. For most resource costs, the Washington 2026 Protocol carries forward the allocation method, or a version of that method, the Commission approved for previous protocols. Washington rates will include only generation resources that are interconnected to the transmission system that serves Washington customers.

Q. Has the Commission identified specific standards that apply when considering any modifications to an approved cost allocation methodology?

A. Yes. The Commission has explained that changes to an approved cost allocation methodology "should be considered in the context of an overall review of that methodology."[17] In past cases, the Commission has required that the Company demonstrate that "any change proposed more closely aligns the allocation of costs based on causation[.]"[18]

Q. Do the Company's proposed changes in the Washington 2026 Protocol more closely align cost allocations based on causation?

A. Yes. The Company's proposed changes include allocating a higher share of the Rolling Hills wind facility to Washington to provide additional non-emitting generation to serve Washington customers, situs-assigning the Chehalis gas facility to Washington, and removing coal generation resources from Washington rates. Company witness Link provides a detailed summary of each of the Company's proposed changes in the Washington 2026 Protocol. As Company witness Link

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[17] *WUTC v. PacifiCorp d/b/a Pac. Power & Light Company*, Docket No. UE-130043, Order 05 at ¶ 92 (Dec. 4, 2013).

[18] Docket No. UE-130043, Order 05 at ¶ 94.

explains, each of the Company's proposals more closely align the costs included in Washington customers' rates with cost causation. In addition, Company witness Wilding testifies that the Company based the design of the Washington 2026 Protocol on cost causation principles, more closely tying resource allocation to Washington's resource adequacy and energy needs.

Q. Does the Washington 2026 Protocol benefit Washington customers?

A. Yes. As Company witness Wilding demonstrates in his testimony, the Washington 2026 Protocol increases Washington's ability to meet its future resource adequacy and energy needs. As Company witness Ghosh testifies, the new allocation methodology increases the Company's current CETA compliance and simplifies resource planning for meeting future CETA targets.

Q. You mentioned above that the previous cost allocation methodologies were presented as part of an agreement among affected parties. How should the Commission consider the Company's proposal in this case to adopt a cost allocation methodology that the Company proposes unilaterally?

A. In past cases, the Commission has specified that whenever parties dispute a proposed change to the Commission's approved allocation methodology, "the party advocating the change must make a detailed and persuasive showing demonstrating that the proposed change is appropriate."[19] The Company's filing in this case demonstrates that the Company's proposed changes to the Commission-approved cost allocation methodology are appropriate.

[19] Docket No. UE-130043, Order 05 at ¶ 94.

VII. INTRODUCTION OF COMPANY WITNESSES

Q. How is PacifiCorp presenting this case?

A. PacifiCorp is presenting the following direct testimony in support of its PCORC filing:

- Rick T. Link, Senior Vice President of Resource Planning and Procurement, presents the Company's proposed Washington 2026 Protocol. Witness Link details the benefits to Washington customers and summarizes the Company's plan to file a new inter-jurisdictional cost allocation methodology, the 2026 Protocol, in other states later this year.

- Ramon J. Mitchell, Director of Net Power Costs, presents the Company's NPC forecast, explains the drivers of the Company's updated NPC forecast, and describes modeling changes the Company has made to improve its NPC forecast.

- Sherona L. Cheung, Revenue Requirement Manager, calculates impacts to the Company's revenue requirement from this PCORC filing. Witness Cheung specifically addresses the non-NPC change in rates resulting from the updated allocations in the Washington 2026 Protocol.

- Rohini Ghosh, Director, Clean Energy Planning, presents an analysis demonstrating how the proposed Washington 2026 Protocol impacts forecasted renewable and non-emitting energy that will qualify to meet compliance obligations under CETA.

- Michael G. Wilding, Vice President, Energy Supply Management, describes the Company's proposed changes to its hedging program and Western Resource Adequacy Program compliance, and explains the Company's participation in organized markets.

- Isaiah M.R. Zacharia, Senior Net Power Cost Analyst, and Daniel J. MacNeil, Commercial Analytics Adviser, present a counterfactual analysis comparing an alternative scenario where Washington's WIJAM energy deficit position is closed using energy from Washington-allocated generation resources instead of market transactions, as the Commission requested in the Final Order from the 2022 PCAM.[20]

- Finally, André T. Lipinski, Pricing and Cost of Service Specialist, provides an analysis of the Company's proposed rate spread and rate design for the increased revenue the Company requests in this PCORC.

[20] Docket No. UE-230482, Order 07 at ¶ 137.

Q. Does this conclude your direct testimony?

A. Yes.