

Exh. JDW-7C
Dockets UE-230172 and UE-210852
Witness: John D. Wilson
REDACTED

BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP d/b/a PACIFIC POWER
AND LIGHT COMPANY,

Respondent.

DOCKETS UE-230172 and
UE-210852 (Consolidated)

In the Matter of

ALLIANCE OF WESTERN ENERGY
CONSUMERS'

Petition for Order Approving Deferral of
Increased Fly Ash Revenues

EXHIBIT TO TESTIMONY OF

JOHN D. WILSON

ON BEHALF OF STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

PacifiCorp Response to UTC Staff Data Request No. 93

September 14, 2023

CONFIDENTIAL PER PROTECTIVE ORDER - REDACTED

UE-230172 / PacifiCorp
July 20, 2023
WUTC Data Request 93

WUTC Data Request 93

Power Costs - With respect to 230172-PAC-RJM-Aurora2024NPCMasterBaseWA1 (C) and other NPC master files:

- (a) Please identify all fixed costs included in NPCs and provide a justification.
- (b) Please explain why Leaning Jupiter is reflected under Long Term Firm Sales. Please provide relevant supporting documentation.
- (c) Please explain PSCo_Sale. Please provide relevant supporting documentation.
- (d) Please provide an explanation for the fixed costs of \$38,689,566 included in NPCs for Top of the World (wind), providing a full reconciliation of cost outputs with the source data located in 230172-PAC-RJM-AGNwResourceTableWindandSolar (C), tab Top of the World. Please provide relevant supporting documentation.
- (e) Please provide an explanation for the costs of \$380,759 included in NPCs for SR_Washington Post-MSP_QF (Solar QF) and Washington Post Merger Post-MSP_QF (Other QF), providing a full reconciliation of cost outputs with the source data located in 230172-PAC-RJM-AGNwResourceTableQFs (C), tab mn_x and 230172-PAC-RJM-GNwQF (C), tab Expense. Please provide relevant supporting documentation.
- (f) Please provide an explanation for the \$20,243,300 for short term firm purchases at COB and Mid-Columbia prices included in NPCs, providing a full reconciliation of cost outputs with the source data that appear to be located in 230172-PAC-RJM-GNSTF (C) tab GRID Forward STF 2024. In your response, please confirm that the purchase price for STF purchases at COB are priced much higher than those at Mid-Columbia and, if confirmed, explain why that is reasonable.
- (g) Please provide support for the data in tab EIM, including supporting documentation as necessary. In your response, please explain why the EIM expense is credited as an Admin fee against western wheeling expenses in table NPC, rows 241:242.
- (h) Please explain the 125% premium factor applied to most Emergency Purchases costs shown in tab Emerg Purch+Trapp Sales, rows 60:110. Please also explain if Emergency Purchases are priced using the OFPC or, if not, please provide an explanation for the pricing basis for Emergency Purchases including a full reconciliation of costs with source data and relevant supporting documentation.

UE-230172 / PacifiCorp
July 20, 2023
WUTC Data Request 93

Confidential Response to WUTC Data Request 93

- (a) The Company assumes that the reference to “fixed costs” is intended to be a reference to non-variable power costs that remain static over time regardless of changes in market conditions or system conditions. Based on the foregoing assumption, the Company responds as follows:

Net power costs (NPC) do not include fixed costs. NPC are comprised of variable costs.

- (b) The Company assumes that the reference to “Leaning Jupiter” is intended to be a reference to the “Leaning Juniper Revenue” listed on the NPC Report in the Long Term Firm Sales section. Based on the foregoing assumption, the Company responds as follows:

[REDACTED]

Please refer to Confidential Attachment WUTC 93-1 which provides copies of the wind indemnity agreement.

- (c) [REDACTED]

Please refer to Confidential Attachment WUTC 93-2 which provides a copy of the PSCo sale unit contingent sale agreement.

- (d) [REDACTED]

UE-230172 / PacifiCorp
July 20, 2023
WUTC Data Request 93

[REDACTED]

Please refer to Confidential Attachment WUTC 93-3 which provides a copy of the amended and restated power purchase agreement (PPA) with Top of the World Wind Energy LLC. Please refer to confidential file “230172-PAC-RJM-AGNwResourceTableWindandSolar (C)”, tab “Top of the World”, cell J4.

[REDACTED]

1. Note that there is a formulaic spreadsheet error (not carried over into the general rate case (GRC)) which incorrectly shows a value of [REDACTED] in cell J4 tab Top of the World Wind.
2. Note that there is a second error (carried over into the GRC) which changes the Top of the World 2024 cost from \$38,689,566 (as-filed) to \$38,601,475.

(e) Please refer to the Company’s responses provided below:

1. The \$380,759 allocated to “SR Washington Post-MSP QF” is for the [REDACTED]. The monthly expenses are imported from confidential file “230172-PAC-RJM-GNwQF (C)”, tab “Expense” into confidential file “230172-PAC-RJM-AGNwResourceTableQFs (C)”, tab “mn_x” where the expense is converted to a positive value and divided by 1,000 for input into the Aurora model. These values, multiplied by 1,000, match the monthly values listed on the NPC report. There is less than one cent difference between the NPC report costs and the input expenses attributed to rounding.
2. The “Washington Post Merger Post-MSP QF” consists of the [REDACTED] PPAs which have equal annual forecasted costs. Please refer to confidential file “230172-PAC-RJM-AGNwResourceTableQFs (C)”, tab “Resource Table, QF”, cell K18 for the average price used to calculate costs. While preparing the response to this data request, the Company identified two errors in confidential work paper “230172-PAC-RJM-AGNwResourceTableQFs (C)”, tab “Resource Table, QF” for the “Washington Post Merger Post-MSP QF”,

UE-230172 / PacifiCorp
July 20, 2023
WUTC Data Request 93

Formulaic errors in cells G18 and K18 link to 2023 megawatt-hours (MWh) and 2024 prices as opposed to 2024 MWh and 2024 prices. Correcting these two formula errors increases 2024 costs for “Washington Post Merger Post-MSP QF” from \$214,683 to \$231,326. Please refer to Confidential Attachment WUTC 93-5 for contract pricing support and cost reconciliation for the [REDACTED]

(f)

(g) On the “EIM” tab in row 2, the “Inter-regional Transfer” benefit is an out of model forecast of the monetary benefits attributable to inter-regional energy transfers between the Company and other energy imbalance market (EIM) participants.

On the “EIM” tab in row 3, the “Inter-regional GHG” benefit is an an out of model forecast of the monetary benefits attributable to greenhouse gas revenues and costs associated with energy deemed by the California Independent System Operator (CAISO) as serving CAISO load.

On the “EIM” tab in row 4, the “EIM Admin Fees” represent two charges by the CAISO. The Grid Management Charge Codes (GMC) are comprised of daily and monthly charges which are assessed to participating Scheduling Coordinators (SC) for the purpose of recovering all of the CAISO’s direct and indirect operating costs. Please refer to Attachment WUTC 93-6 which provides a copy of CAISO’s published grid management rate schedule. CAISO’s published grid management rate schedule is publicly available and can be accessed by utilizing the following website link:

<https://www.caiso.com/market/Pages/Settlements/Default.aspx>.

EIM GMC BID TRNS FEE – This is the EIM charge code 4515 which is where the CAISO assesses their GMC Bid Transaction Fee. The Bid Segment Transaction Fee is designed to recover a portion of the costs the Independent System Operator (ISO) incurs during the execution of the day-ahead and real-

UE-230172 / PacifiCorp
July 20, 2023
WUTC Data Request 93

time markets. As such, this charge code will apply a \$0.005 fee per bid segment to each scheduling coordinator resource's final Clean Bids, Self-Schedules and Self-Provisions.

EIM GMC TRNSACT CHRG - This is the EIM charge code 4564 which is where the CAISO assesses their GMC EIM Transaction Charge. This EIM administrative cost covers staff and portions of ISO systems used to support EIM functionality.

For tab "NPC", the "EIM Admin Fees" are listed separately on row 242 to show cost details. Because these costs are also included in the Wheeling Expenses - West on row 241, the "EIM Admin Fees" in row 242 are subtracted from the Wheeling Expenses – West costs in row 241 to prevent double counting of the costs while allowing additional detail.

- (h) The 125 percent adder in the NPC report is a proxy for the price of what would otherwise be unserved load absent emergency actions in actual operations. In the Aurora model, an emergency purchase resource is a last resort resource to maintain system balance and the energy used from this last resort resource is valued at 125 percent of the underlying price curve.

Yes, emergency purchases are priced using the official forward price curve (OFPC).

Designated information in WUTC Data Request 93 and Confidential Attachment WUTC 93 is confidential per Protective Order in UTC Docket UE-230172.

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