BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of PACIFICORP d/b/a PACIFIC POWER & LIGHT COMPANY Petitioner, Petition for Approval of Demand and Resource Supply Forecasts	**DOCKET UE-22____** **PETITION OF PACIFICORP REQUESTING APPROVAL OF FORECASTS PURSUANT TO RCW 70A.65.120**

I. INTRODUCTION

1 Consistent with the notice issued by the Washington Utilities and Transportation Commission (Commission) to all investor-owned electric utilities on September 30, 2022, PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) submits this petition requesting approval of its four-year demand and resource forecasts for the years 2023-2026 pursuant to RCW 70A.65.120.

2 PacifiCorp is an electric utility and public service company doing business in the state of Washington under RCW 80.04.010, and its public utility operations, retail rates, service, and accounting practices are subject to the Commission's jurisdiction. PacifiCorp also provides retail electricity service under the name Pacific Power in Oregon and California and under the name Rocky Mountain Power in Idaho, Utah, and Wyoming. The Company's principal place of business is 825 NE Multnomah Street, Suite 2000, Portland, Oregon, 97232.

3 PacifiCorp's name and address:

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In addition, PacifiCorp respectfully requests that all data requests be addressed to:

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Informal inquiries may be directed to Ariel Son, Regulatory Affairs Manager, at (503) 813-5410.

II. BACKGROUND

4 The Climate Commitment Act (CCA) directs the Washington Department of Ecology (Ecology) to design and implement a cap-and-invest program to reduce statewide greenhouse gas emissions. As part of this program, Ecology will distribute no-cost allowances to qualifying electric utilities to mitigate the cost burden of the program to electric utility customers.[1] The allocation of no-cost allowances to each eligible investor-owned electric utility must be consistent with a four-year forecast of a utility's supply and demand approved by the Commission, as well as the cost burden resulting from the inclusion of covered entities in the first compliance period of the CCA.[2]

5 On September 30, 2022, the Commission issued a notice providing that all investor-owned electric utilities must file with the Commission a petition requesting

[1] RCW 70A.65.120(1).
[2] RCW 70A.65.120(2)(b).

approval of a four-year demand and resource supply forecast for the years 2023-2026 pursuant to RCW 70A.65.120.

6 The Commission provided that the demand and resource forecasts should represent the best estimate of the most likely electricity usage and resource mix during the CCA's first compliance period. A resource forecast must be derived from sources that most accurately predict the manner in which the utility will comply with the Clean Energy Transformation Act (CETA). The Commission further explained that a Clean Energy Implementation Plan (CEIP) or an Integrated Resource Plan (IRP) that serves as the basis of a CEIP can be the sources of both demand and resource forecasts, that demand and resource forecasts should include considerations consistent with the public interest such as equity and environmental justice, and that any forecast included in a CEIP filed with the Commission should already incorporate equity considerations. Each investor-owned electric utility should also address whether the Commission should permit annual updates to its four-year demand and resource supply forecasts.

7 On October 1, 2022, Ecology published its rules related to the CCA which, in part, provide that "[f]or multijurisdictional electric companies, a multistate resource allocation methodology that has been approved by the [Commission] may be used in the relevant forecast."[3]

III. DEMAND AND RESOURCE FORECAST

8 The Company's four-year demand and resource forecast for the 2023-2026 CCA compliance period is filed concurrently with this Petition. Table 1 below summarizes the results of the demand and resource forecast, including the forecasted emissions and the

[3] WAC 173-446-230(2)(c)(v).

forecasted annual allowances for the 2023-2026 compliance period.

Table 1: PacifiCorp's 2023-2026 Demand and Resource Supply Forecast

	CO2e Emissions	2023		2024		2025		2026	
		WA MWh	CO2e	WA MWh	CO2e	WA MWh	CO2e	WA MWh	CO2e
Retail Sales (1)		4,076,594		4,091,630		4,069,088		4,052,790	
Load (2)		4,656,030		4,710,640		4,730,240		4,760,890	
Non-Emitting Plants	-	1,278,917	-	1,474,791	-	2,037,273	-	2,349,470	-
Coal Plants	1.0614	1,625,876	1,725,704	1,271,702	1,349,784	1,242,741	1,319,045	-	-
Gas Plants	0.4354	1,006,879	438,395	1,046,341	455,577	1,050,755	457,499	988,107	430,222
Market Purchases (unspecified)	0.4370	744,358	325,285	917,806	401,081	399,470	174,569	1,423,313	621,988
Market Sales	-	-	-	-	-	-	-	-	-
Total (3)		4,656,030	2,489,384	4,710,640	2,206,442	4,730,240	1,951,113	4,760,890	1,052,210

(1) Washington Retail Sales corresponding to CEIP Table 1.1
(2) Washington Load forecast 2021 IRP Table A.1
(3) Resource allocation includes 3.5% loss factor for resources outside of Washington.

	CO2e Emissions	2023		2024		2025		2026	
		WA MWh	CO2e	WA MWh	CO2e	WA MWh	CO2e	WA MWh	CO2e
Retail Sales (1)		4,079,594		4,091,630		4,069,088		4,052,790	
Load (2)		4,656,030		4,710,640		4,730,240		4,760,890	
Non-Emitting Plants	-	1,278,917	-	1,474,791	-	2,037,273	-	2,349,470	-
Coal Plants	1.0614	1,625,876	1,725,704	1,271,702	1,349,784	1,242,741	1,319,045	-	-
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Total (3)		4,656,030	2,489,384	4,710,640	2,206,442	4,730,240	1,951,113	4,760,890	1,052,210

(1) Washington Retail Sales corresponding to CEIP Table 1.1
(2) Washington Load forecast 2021 IRP Table A.10
~~(3) Resource allocation includes 3.5% loss factor for resources outside of Washington.~~

9 PacifiCorp believes that the sources used for these forecasts will produce the best estimates for the first compliance period under the CCA (2023-2026) that also meet the CETA requirements and addresses considerations consistent with the public interest such as equity and environmental justice. The sources of information supporting these forecasts include PacifiCorp's 2021 CEIP[4] and the Washington Interjurisdictional Cost Allocation Method (WIJAM).

10 PacifiCorp's Final 2021 CEIP was filed in Docket UE-210829 on December 30, 2021. The 2021 CEIP was filed consistent with RCW 19.405.060 and WAC 480-100-620, and lists the specific actions PacifiCorp will take to make progress towards meeting

[4] The 2021 CEIP planning horizon (2022 to 2025) did not extend through 2026. PacifiCorp used the forecasts in 2021 IRP, which served as the basis for the forecasted values within the 2021 CEIP.

requirements in CETA. The load forecast used in this Petition represents the best estimate of the most likely electricity demand during the compliance period to serve Washington retail electric sales used to calculate the CETA interim targets. Consistent with Ecology's program rules, PacifiCorp's demand forecast represents the megawatt hours of electricity needed in a given calendar year to deliver its Washington electric customers retail sales as they appear in Table 1.1 of the 2021 CEIP and Table A.1~~0~~ of the 2021 IRP.[5] The cost burden calculation based on the Company's load forecast at generation is also consistent with the Company's compliance obligation under CCA emissions reporting rules in WAC 176-441 in that it captures cost burden from emissions associated with transmission losses.[6]

11 The WIJAM was approved as the Company's multistate resource allocation methodology in docket UE-191024.[7] The WIJAM establishes the method to allocate PacifiCorp's system-wide costs and resources to Washington and provides the basis for the resource forecast included in this filing. Consistent with Ecology's program rules, the WIJAM may be used in the resource forecast as it represents the generation mix that Washington customers will pay for in their retail rates. However, application of the WIJAM allocations for years 2024, 2025, and 2026 departs from the resource allocation factors used for those years in the 2021 CEIP, because the CEIP portfolio assumed "a tentative proposed future allocation methodology for resources added in 2024 and

[5] WAC 173-444-230 provides that Ecology will use utility-specific demand forecasts that provide estimates of retail electric load . . . ." RCW 19.405.020(36) provides that retail electric load "means the amount of megawatt-hours of electricity delivered in a given calendar year by an electric utility to its Washington retail electric customers. . . ."
[6] WAC 173-441-124(3)(b)(iv) (requiring that multijurisdictional retail providers must calculate emissions that have a compliance obligation using the provided equation).
[7] *WUTC v. PacifiCorp d/b/a Pacific Power & Light Co.*, Docket UE-191024, Final Order 09/07/12 (Dec. 14, 2020).

beyond."[8] This future methodology is currently being negotiated in the Multi-State Process (MSP) by stakeholders across PacifiCorp's six-state service territory. Accordingly, for the purposes of the Company's resource forecast in this Petition, PacifiCorp extended the current WIJAM cost allocation methodology for the years 2024 and beyond because it represents the most recent allocation methodology that has been approved by the Commission.

12 The Company further represents that the forecasts include appropriate equity and environmental justice considerations. The Company's CEIP was developed with significant public participation and in consultation with its equity advisory group, which resulted in important community benefit indicators and non-energy impact analyses across the Company's Washington service territory. As noted by Rocky Mountain Institute, in its reflection letter to PacifiCorp after working with the Company's equity advisory group for developing the CEIP, these indicators and non-energy analyses provide robust equity and environmental justice considerations.[9]

13 Finally, the Company requests the Commission to allow the Company to update its forecasts as needed based on future MSP negotiations, as well as permit PacifiCorp to biennially update its four-year demand and resource forecasts, consistent with the Company's IRP and CEIP filing and update cycles. This would permit the Commission to ensure that PacifiCorp's allocation of no-cost allowances is based on the most recent and accurate demand and resource forecasts to meet the important policy objectives under

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[8] *In re PacifiCorp's 2021 CEIP,* Docket UE-210829, Final CEIP at 13 (Dec. 30, 2021).

[9] RMI Reflection Letter at 1 ("Based on RMI's understanding of CETA's objectives and outcomes, we believe PacifiCorp's CEIP was the most comprehensive of Washington's three IOUs, demonstrating commitment to identifying named communities and developing CBIs across a diverse array of specific actions.").

CCA.[10]

IV. CONCLUSION

14 PacifiCorp respectfully requests that the Commission approve the four-year demand and resource supply forecasts filed concurrently with this Petition, and permit the Company to update the four-year demand and resource forecast as provided within this Petition.

Respectfully submitted this 28th day of October, 2022,

By: ______________________

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[10] RCW 70A.65.120(1) ("The legislature intends by this section to allow [] investor-owned electric utilities subject to the requirements of chapter 19.405 RCW, the Washington clean energy transformation act, to be eligible for allowance allocation as provided in this section in order to mitigate the cost burden of the program on electricity customers.").