

APPENDIX E

APPENDIX E – REFILING PLAN

The refiling plan was drafted by the company and reviewed by Staff during the fourth quarter of 2022, and represents the strategy PacifiCorp has used in meeting its obligations under the Settlement.

Settlement terms: The Company will refile its CEIP using the P02-SCGHG portfolio as the basis of the CEIP portfolio and include a thorough, detailed explanation of how this portfolio applied only a SCGHG cost adder to every Washington allocated resource that was included in the portfolio. The refiled CEIP should include accompanying workpapers that illustrate the inputs and outputs that went into the portfolio, along with a step-by-step roadmap as part of the detailed explanation. The refiled CEIP should additionally include accompanying workpapers that illustrate the inputs and outputs that went into P02-MM-CETA portfolio, along with a step-by-step roadmap as part of the detailed explanation indicating how the P02-SCGHG portfolio was incorporated into the P02-MM-CETA portfolio. Parties acknowledge that using P02-SCGHG is non-precedential and that this settlement does not prevent any party from arguing in favor of a different methodology for incorporating SCGHGs as a cost adder in future proceedings.

Revised Clean Energy Implementation Plan (CEIP): The terms of the Settlement Agreement dictate that the Company use a portfolio that differs from the 2021 IRP Preferred Portfolio (P02-MM-CETA) as the CEIP portfolio, and requires that the social cost of greenhouse gas (SCGHG) carbon price assumption is the base assumption for all portfolios considered within the CEIP, for Washington-allocated resources. While the SCGHG assumption was considered for Washington-allocated resources in the originally filed CEIP, the P02-MM (medium carbon price) portfolio was also considered as a base for all other states' resources, thus informing the final system Preferred Portfolio that was presented in the CEIP.

In the Revised CEIP, the Company will replace the alternative lowest reasonable cost portfolio, P02-SCGHG-MM, with **P02-SCGHG**. The new CEIP portfolio will be called **P02-SC-CETA** and will replace the Preferred Portfolio, P02-MM-CETA. The portfolio changes in the Revised CEIP will impact the incremental cost calculation and the estimated interim targets of non-emitting and renewable energy generation for the 2021-2045 period. The long-term resources allocated to Washington customers will remain unchanged in the CEIP planning window 2022-2025. Any small Washington-allocated resource differences that result from switching from P02-MM-CETA to P02-SC-CETA are a direct result of reliability needs, and only occur in the out years, after 2030.

This change of portfolios will have an important impact on the narrative of the Revised CEIP as it will focus the discussion on Washington-allocated resource decisions and costs without the context of the rest of the system.¹ It is assumed that the SCGHG planning assumptions have no impact on the selection of other states' resources. The impacts of using the P02-SCGHG

¹ Exception: Appendix F, which also describes portfolios relevant to developing the dispatch of the 2021 IRP preferred portfolio under expected conditions.

portfolio, a system-wide portfolio developed using the social cost of greenhouse gas (SCGHG) dispatch cost assumption, will only be applied to Washington-allocated resource decisions and will not impact the resource selections, or retirements, for any other of PacifiCorp's states.

By replacing the base carbon price assumption with the SCGHG price curve, P02-SCGHG will become the "alternative lowest reasonable cost portfolio" – the portfolio that would result in an absence of CETA clean-energy targets, that is required by law to include the SCGHG planning assumption. Except where necessary for settlement compliance, we will only present the Washington-allocated resource portfolio and disregard any other resources that are not included in Washington customer rates. This Washington-allocated SCGHG portfolio resources and generation profile will then be assessed against the CETA clean-energy requirements, namely the 2030 and 2045 requirements for clean energy generation (i.e. does Washington-allocated non-emitting and renewable energy generation meet 80-100 percent of Washington retail sales?). Any compliance shortfall in those years will be addressed with an additional Washington-situs non-emitting resource. The final resulting portfolio P02-SC-CETA will include the Washington-allocated portfolios selected in P02-SCGHG, and any additional situs resources necessary for CETA-compliance.

Summary of narrative/filing changes for the Revised CEIP document:

A. Refile Analysis

1. The alternative lowest cost portfolio is defined as the Washington-allocated resources in P02-SCGHG.
2. Test the alternative lowest reasonable cost portfolio for CETA target compliance.
3. Add Washington-allocated resources necessary to achieve CETA target compliance. This is the "CEIP portfolio" (developed as P02-SC-CETA).
4. Create reports and workpapers for the CEIP portfolio (LT, MT and ST)
5. Calculate incremental cost of CETA by comparing the CEIP portfolio to the alternative lowest reasonable cost portfolio.

B. Narrative / Filing Changes

1. Remove any references to non-Washington resources outside of A.1 above through the entire document
2. Executive Summary
 - a. Drafting changes to denote the refile
3. Chapter 1 – Interim and Specific Targets
 - a. Describe the process "A" above
 - b. Describe each resource decision for the CEIP portfolio made in step A.3 as needed with elaboration provided in Appendix F
4. Chapter 2 – CBIs
 - a. Reviewed – no changes
5. Chapter 3 – Specific Actions
 - a. Reviewed – no changes
6. Chapter 4 – Incremental Cost Calculation
 - a. Present new incremental cost calculation and tables
 - b. Remove informational calculations

7. Chapter 5 – Public Participation – no changes
 - a. Reviewed – no changes
8. Chapter 6 – Annual Reporting
 - a. Reviewed – no changes
9. Appendices and workpapers
 - a. Substitute workpapers, edit references to materials changed or removed.
 - b. Addition of Appendices E and F to meet the detailed requirements of the settlement.