

Exh. EVRR-1T
Docket UE-230172
Witness: Eshwar Vyakarna Rajshekar Rao

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP dba
PACIFIC POWER & LIGHT COMPANY

Respondent.

Docket UE-230172
(Consolidated)

In the Matter of

ALLIANCE OF WESTERN ENERGY
CONSUMERS'

Petition for Order Approving Deferral of
Increased Fly Ash Revenues

Docket UE-210852
(Consolidated)

PACIFICORP

REBUTTAL TESTIMONY OF ESHWAR VYAKARNA RAJSHEKAR RAO

October 2023

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1 **I. INTRODUCTION AND QUALIFICATIONS**

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

4 A. My name is Eshwar Vyakarna Rajshekar Rao (Eshwar Rao) and my business address
5 is 825 NE Multnomah Street, Suite 600, Portland, Oregon 97232.

6 **Q. Briefly describe your education and business experience.**

7 A. I received a Master of Electric Power System Engineering degree from North
8 Carolina State University, and a Bachelor of Electrical Engineering degree from
9 Bangalore Institute of Technology, India. I was previously employed as an Energy
10 Market Analyst at Energy Exemplar. I have been employed by the Company since
11 2021, where I am a Net Power Cost Specialist. In my current role, I am responsible
12 for providing technical modeling expertise associated with the Company’s regulatory
13 net power costs (NPC) filings.

14 **Q. Have you testified previously in previous regulatory proceedings?**

15 A. Yes. I have previously testified in front of the California Public Utilities Commission.

16 **II. PURPOSE OF TESTIMONY**

17 **Q. What is the purpose of your rebuttal testimony in this proceeding?**

18 A. I respond to the direct testimony of witness Bradley G. Mullins, filed on behalf of
19 Alliance of Western Energy Consumers (AWEC), regarding AWEC’s proposed
20 application of Ozone Transport Rule (OTR).¹

21 **Q. Please summarize your rebuttal testimony.**

22 A. The Company has proposed to remove the OTR from the total-Company NPC

¹ Unless personal pronouns are specified by a witness in their testimony, in my rebuttal testimony I use “they/them” when using a pronoun to refer to a witness.

1 forecast due to a recent court ruling and other administrative actions. The NPC impact
2 of this change is provided in the testimony of Company witness Ramon J. Mitchell. I
3 discuss the change in detail below.

4 **III. OZONE TRANSPORT RULE**

5 **Q. Please generally describe the OTR.**

6 A. The OTR is the Environmental Protection Agency’s (EPA) finalized federal plan for
7 interstate transport of the 2015 ozone National Ambient Air Quality Standards, and
8 had an effective date of August 4, 2023. The plan applied to 23 states, including Utah,
9 and includes requirements to eliminate significant contributions of ozone or ozone
10 precursors (specifically, nitrogen oxides (NOx)) to nonattainment or maintenance
11 areas in neighboring states. With respect to fossil fuel-fired electric generating units,
12 the final rule sought to implement an allowance-based trading program where each
13 unit was allocated a portion of the state’s NOx budget during the ozone season
14 (identified in the rule as May 1 – September 30).

15 **Q. Has the Company’s recommendation for the OTR changed?**

16 A. Yes. It is my understanding, based on conversations with the Company’s attorneys,
17 that the OTR is unlikely to apply in Utah and Wyoming during the relevant time
18 periods at issue in the Company’s current rate proceeding.²

² The Company removed OTR costs from its forecast because: (1) the Tenth Circuit Court of Appeals granted petitioners’, including PacifiCorp, motion to stay EPA’s final disapproval of Utah’s state implementation plan (“SIP”) on July 27, 2023 (*Utah v. United States EPA*, No. 23-9509 (10th Cir. Jul. 27, 2023) (order granting stay of EPA’s final disapproval)); and (2) EPA’s proposed approval of Wyoming’s OTR SIP (Air Plan Approval; Wyoming; Interstate Transportation of Air Pollution for the 2015 8-Hour Ozone National Ambient Air Quality Standards, 88 Fed. Reg. 54998, 54998-55006 (proposed Aug. 14, 2023) (to be codified at 40 C.F.R. pt. 52)). While timelines cannot be predicted precisely, the OTR stay for the state of Utah is expected to remain in place at least through the 2024 ozone season. For Wyoming, it is unlikely OTR would be implemented in 2024 since EPA has proposed to approve the state’s plan.

1 **Q. In the event that the legal circumstances change, is it possible that the Company**
2 **may seek a deferral if the OTR is implemented in 2024 or 2025?**

3 A. Yes, in the event the OTR is implemented for 2024 or 2025, PacifiCorp may seek a
4 deferral filing to address any increase in costs caused by the OTR.

5 **IV. REPLY TO AWEC**

6 **Q. What are AWEC's recommendations regarding the implementation of the OTR**
7 **in the Company's NPC forecast?**

8 A. AWEC witness Mullins recommends excluding the NPC impact of the OTR on
9 Wyoming from the final NPC forecast in this proceeding,³ but keeps the NPC impact
10 of the OTR on Utah.

11 **Q. Is this recommendation consistent with the current status of the implementation**
12 **of the OTR?**

13 A. No, as I stated above in my testimony, the implementation of the rule in Utah has
14 been stayed by a federal appellate court. This is why the Company recommends
15 removing the impact of the OTR for both Wyoming and Utah in the NPC forecast.

16 **Q. Is AWEC's recommendation consistent with witness Mullins' recommendations**
17 **in other jurisdictions**

18 A. No. AWEC witness Mullins has made recommendations in this proceeding that are
19 inconsistent with previous recommendations regarding the application of the OTR in

³ Mullins, Exh. BGM-1CT at 47:16-17.

1 other proceedings with the Company, in both Oregon⁴ and Wyoming,⁵ where he
2 recommended the removal of both Wyoming and Utah from the NPC forecast in
3 those proceedings.

4 V. CONCLUSION

5 **Q. Please summarize your recommendations to the Commission.**

6 A. I recommend the Commission accept the Company's proposal of removing the OTR
7 in its entirety from the Company's NPC forecast.

8 **Q. Does this conclude your rebuttal testimony.**

9 A. Yes.

⁴ *In the Matter of PacifiCorp, dba Pacific Power, 2024 Transition Adjustment Mechanism*, Oregon Public Utility Commission Docket No. UE 420, Exh. AWEC/200, Mullins/33:14-34:6 (Aug. 16, 2023) (“Since it is known that the Ozone Transport Rules will not apply to Wyoming and the application to Utah is still uncertain, I continue to recommend the modeling of the Ozone Transport Rule be removed from NPC.”).

⁵ *In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Electric Service Rates by Approximately \$140.2 million or 21.6 percent and to revise its Energy Cost Adjustment Mechanism*, Wyoming Public Service Commission Docket No. 20000-633-ER-23 (Record No. 17252), Exh. WIEC 202, Direct Testimony of Bradley G. Mullins at 58:16-59:1 (Aug. 14, 2023) (“Given that the Ozone Transport Rule will not apply to Wyoming in the Test Period and the uncertainty surround Utah’s SIP, I have not consider the Ozone Transport Rule in my NPC forecast.”).