

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PACIFICORP DBA PACIFIC POWER  
& LIGHT COMPANY,

Report Identifying Its 2020 -2021 Electric  
Biennial Conservation Target Under RCW  
19.285.040(1)(e) and WAC 480-109-  
120.(1)

DOCKET UE-190908

Petition to Retain the Commission  
Approved Biennial EIA Target, Penalty  
Threshold, Decoupling Commitment, and  
Ten Year Potential.

**I. INTRODUCTION**

1           PacifiCorp dba Pacific Power & Light Company (PacifiCorp or Company), files this petition, under Washington Administrative Code (WAC) 480-07-370(3) and Order 01 in docket UE-190908, to respectfully request that the Washington Utilities and Transportation Commission (Commission) issue an order authorizing the retention of the previously approved Energy Independence Act (EIA) Biennial target, EIA Penalty Threshold, Decoupling Penalty Threshold, and ten year potential. PacifiCorp has incorporated the social cost of carbon price to establish the ten year potential and establish conservation targets. The methodology to incorporate the social cost of carbon used in the Company’s 2019 Integrated Resource Plan<sup>1</sup> (2019 IRP Progress Report) aligns with key points provided by stakeholders.

**II. BACKGROUND**

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,

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<sup>1</sup> *In the Matter of Commission Staff’s Petition for an Order Granting Exemption from the Requirements of WAC 480-100-238(4) and (5)*, Docket No. UE-180259, Order 03, Ordering Paragraph 2 (Nov.7, 2019). “Pacific Power & Light Company’s 2019 IRP filing, submitted on October 18, 2019, is considered and accepted by the Commission as a progress report under RCW 19.280.030(1).”

service, and accounting practices are subject to the Commission’s jurisdiction.

PacifiCorp also provides retail electricity service 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:

Washington Dockets PacifiCorp 825 NE Multnomah Street, Suite 2000 Portland, OR 97232 <a href="mailto:washingtondockets@pacificorp.com">washingtondockets@pacificorp.com</a>	Carla Scarsella PacifiCorp 825 NE Multnomah Street, Suite 2000 Portland, OR 97232 <a href="mailto:carla.scarsella@pacificorp.com">carla.scarsella@pacificorp.com</a>
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In addition, PacifiCorp respectfully requests that all data requests be addressed to:

By e-mail (preferred) [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

By regular mail Data Request Response Center  
PacifiCorp  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232

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

### **III. PACIFICORP’S BASIS FOR RETAINING ITS APPROVED TARGETS**

#### **A. Description**

4 Every two years, PacifiCorp is required to set and meet specific energy conservation targets under the EIA.<sup>2</sup> The Commission has the authority and jurisdiction to review and approve those targets and has promulgated rules that require PacifiCorp to file a report identifying its 10-year achievable conservation potential and its biennial conservation target.<sup>3</sup> In Order 01 in this proceeding, the Commission approved

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<sup>2</sup> RCW 19.285.040(a)

<sup>3</sup> WAC 480-109-120

PacifiCorp’s biennial conservation plan targets and adopted the recommendation of the Commission Staff (Staff) that PacifiCorp file a petition to modify or retain the biennial EIA target, Penalty Threshold, Decoupling Penalty Threshold, and Ten-year Potential by April 15, 2020. Staff’s recommendation specified that the petition “must detail how the social cost of greenhouse gas emissions has been included in evaluating conservation targets and why the methodology used is appropriate.”<sup>4</sup>

5 PacifiCorp incorporated the social cost of carbon price in the ten year potential and established conservation targets filed in the 2020-2021 Biennial Conservation Plan (BCP) based on the P-18 case from its 2019 IRP Progress Report, which retires all coal by 2030. This approach is consistent with the approach identified by stakeholders. As a result, PacifiCorp now requests that the previously approved targets be retained. Table 1 below is a revised table from the Company’s 2020-2021 BCP<sup>5</sup> that represents the targets approved by the Commission at the December 17, 2019 open meeting, which PacifiCorp is proposing to retain.

**Table 1 – Revised 2020-2021 EIA Target and EIA Penalty Threshold**

Category	Savings ( MWh at Gen)	Savings (MWh at site) <sup>1</sup>
Pro Rata Share of 10-year conservation potential	101,899	93,189
<b>EIA Target</b>	<b>101,899</b>	<b>93,189</b>
Decoupling threshold	5,095	4,660
Total Utility Conservation Goal	<b>106,994</b>	<b>97,849</b>
Excluded Programs (NEEA)	(6,791)	(6,211)
<b>Utility Specific Conservation Goal</b>	<b>100,203</b>	<b>91,638</b>
<b>EIA Penalty Threshold (EIA Target minus NEEA savings)</b>	<b>95,108</b>	<b>86,979</b>

<sup>4</sup> See *In the Matter of Pacific Power & Light Company 2020-2029 Ten-Year Achievable Electric Conservation Potential and 2020-2021 Biennial Conservation Target Under RCW.285.040 and WAC 480-109-010*, Docket No. UE-190908, Order 01 at Attachment A (Dec. 17, 2019).

<sup>5</sup> See *In the Matter of Pacific Power & Light Company 2020-2029 Ten-Year Achievable Electric Conservation Potential and 2020-2021 Biennial Conservation Target Under RCW.285.040 and WAC 480-109-010*, Docket No. UE-190908, PacifiCorp’s 2020-2021 Biennial Conservation Plan for it Washington Service Area at 8, Table 2 (Nov. 1, 2019).

## **B. PacifiCorp's Conservation Commitments**

The Savings Targets and Thresholds that PacifiCorp filed in its 2020-2021 BCP were based on the 2020-2021 Washington state pro-rata share of the P-18 case from the 2019 IRP Progress Report, which retires all coal by 2030 and incorporates the Social Cost of Carbon price policy scenario.<sup>6</sup> Case P-18 models the social cost of carbon from System Optimization for expansion planning through Planning and Risk Stochastics for dispatching, and is further described in the 2019 IRP Progress Report.<sup>7</sup> During the review of the 2020-2021 BCP in docket UE-190908, a workshop held on January 16, 2020 (January 16 Workshop) was identified as a milestone during which additional information on the social cost of carbon would be provided. At the January 16 Workshop, methodologies for incorporating the social cost of greenhouse gases in resource planning were discussed. Further, the January 16 Workshop allowed stakeholders to gather feedback and guidance related to greenhouse gas pollution cost modeling in the IRP. There were five presentations at the workshop; Snohomish & Tacoma Power, Climate Solutions, NW Energy Coalition, Avista Corporation, and Northwest Power and Conservation Council. PacifiCorp representatives from various departments, including resource planning and conservation, participated in the workshop.

## **C. IRP modeling done to support approved target aligns reasonably with key points in the January 2016 Workshop**

6 Presentations by Climate Solutions, NW Energy Coalition, and Northwest Power and Conservation Council provided broad insights and are used in this petition as a guide in assessing if PacifiCorp's modeling of the social cost of carbon in P-18 was

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<sup>6</sup> Docket No. UE-180259, *PacifiCorp's 2019 Integrated Resource Plan*, at 212, 234.

<sup>7</sup> *Id.* at 171, 234.

appropriate. Those broad insights are identified in the report, which is Attachment 1 to this Petition along with an explanation of how the P-18 case already incorporates them. PacifiCorp also provided responses to questions from Commission Staff around the social cost of carbon and IRP modeling. The Company's responses provide additional support for how the social cost of carbon was included in Case P-18 and are provided as Attachment 2 and Attachment 3.

7           Case P-18 was developed through full IRP modeling, with System Optimizer and Planning and Risk and applies a social cost of carbon to planned thermal retirements in 2030. Conservation was modeled simultaneously with all other resources in the IRP and the Social Cost of Carbon adder sends an economic signal to select additional non-emitting resources such as conservation. IRP modeling framework and application of the Social Cost of Carbon are generally consistent with regional efforts conducted by Northwest Power Planning and Conservation Council. The social cost of carbon values were from the Western Interagency work group. The social cost of carbon was applied to all (existing and new) emitting resources in PacifiCorp's system. Every ton in every year of the long term plan was assessed with the social cost of carbon. Case P-18 incorporated the social cost of carbon in a manner that was consistent with the broad principles that were outlined at the January 16 workshop and should therefore remain the basis for the approved targets.

#### **IV. CONCLUSION**

8           For the foregoing reasons, PacifiCorp respectfully requests that the Commission order with an effective date of May 22, 2020, that the Company retain the Commission approved EIA Biennial target, EIA Penalty Threshold, Decoupling Penalty Threshold, and ten year potential originally approved in Order 01 in this proceeding.

