

rates in order to comply with the Clean Energy Transformation Act’s (“CETA”) mandate that coal-fired resources be removed from Washington rates before January 1, 2026. Because this remains an open issue in this proceeding, clarification of Order 08/06 is warranted. Staff supports AWEC’s Motion.

II. STANDARD OF REVIEW

2 In accordance with WAC § 480-07-835, “[a]ny party may request that the commission clarify a final order by filing a motion for clarification within ten days after the commission serves the order” A motion for clarification is appropriate to: “(a) Clarify the meaning of, or requirements in, the order so that the parties can accurately prepare compliance filings; (b) Make technical changes to reconcile the application of principle to data, resolve inconsistencies, or correct patent error without the need for parties to request reconsideration and without delaying post-order compliance; or (c) Correct typographical or other ministerial errors.”¹

III. STATEMENT OF FACTS

3 Washington Clean Energy Transformation Act (“CETA”) requires that all coal-fired resources be removed from Washington rates before January 1, 2026.² PacifiCorp proposed, and no party contested in this proceeding, to continue to include Jim Bridger Units 3 and 4 and Colstrip Unit 4 in rates through December 31, 2025, given the economic benefits associated with continuing to include these resources in rates until the units must be removed from Washington rates in order to comply with CETA. In Order 08/06, the Commission approved rates inclusive of Jim Bridger and Colstrip coal-fired units through December 31, 2025

¹ WAC § 480-07-835(1).

² RCW 19.405.030.

with NPC to be forecast on a rate-period by rate-period basis, as opposed to on a calendar-year basis. Regardless of the forecast period used, however, the inclusion of Jim Bridger Units 3 and 4 and Colstrip Unit 4 in rates through December 31, 2025 raises the issue of how PacifiCorp will update its Washington rates to reflect removal of these resources in order to meet CETA requirements, as this required removal occurs in the middle of the second year of PacifiCorp's Multi-Year Rate Plan.

4 In its Opening Testimony, PacifiCorp proposed to remove Jim Bridger and Colstrip facilities from the NPC forecast in order to comply with CETA via a stand-alone NPC update to be filed on October 31, 2025, based on a September 2025 Official Forward Price Curve and a rate-effective date of January 1, 2026.³

5 In response to PacifiCorp's proposal, AWEC argued that a stand-alone update is unreasonable due to the substantial impact to NPC that will occur upon resource removal, the lack of consideration PacifiCorp's proposal would have on other aspects of revenue requirement that could offset those impacts, and, therefore, would not result in just and reasonable rates.⁴ Accordingly, AWEC recommended that PacifiCorp be required to file a Power Cost Only Rate Case ("PCORC") on April 1, 2025, with a rate-effective date of January 1, 2026, that considers NPC and the impact of declining wind production rate base.⁵

6 In its cross-answering testimony, Staff Witness McGuire agreed with AWEC's concerns about PacifiCorp's stand-alone update proposal, concluding that "a proceeding wherein parties have an opportunity to examine and challenge new costs that the Company would seek to

³ Mitchell, Exh. RJM-1CTr at Table 5.

⁴ Mullins, Exh. BGM-1T at 22:7-23:9.

⁵ *Id.* at 23:4-9.

recover through the updated rates” is necessary.⁶

7 In its rebuttal testimony, PacifiCorp did not address AWEC’s proposal to update
its NPC to remove Bridger Units 3 and 4 and Colstrip Unit 4 via a PCORC, as opposed to the
limited update initially proposed by PacifiCorp.

8 On January 12, 2024, the parties filed post-hearing briefs on contested NPC issues
and the PCAM. AWEC’s post-hearing brief again argued that PacifiCorp should be required to
update NPC via a PCORC, as opposed to a stand-alone update, to address the removal of Jim
Bridger Units 3 and 4 and Colstrip Unit 4 from Washington rates.⁷ Staff’s post-hearing brief
made the same recommendation that PacifiCorp be required to use a PCORC to update NPC for
rates effective January 1, 2026.⁸

9 On March 19, 2024, the Commission issued Order 08/06 addressing contested
NPC issues; however, the Commission’s order does not resolve the process for updating NPC
that PacifiCorp must undertake in order to remove Jim Bridger Units 3 and 4 and Colstrip Unit 4
from Washington rates.

IV. DISCUSSION

10 In accordance with WAC 480-07-835(1), AWEC’s request for clarification is
both timely and necessary to clarify the requirements in Order 08/06 so that PacifiCorp can
accurately prepare compliance filings – including a PCORC – to update its NPC to remove Jim
Bridger Units 3 and 4 and Colstrip Unit 4 from rates effective January 1, 2026. Without
clarification, it is unclear what process PacifiCorp must use to update its NPC in order to meet
CETA requirements. Clarification of this issue will also correct the Final Order’s error of

⁶ McGuire, Exh. CRM-1T at 16:9-21.

⁷ AWEC’s Post-Hearing Brief at ¶¶ 27-28; *see also* Order 08/06 at ¶ 285.

⁸ Staff’s Post-hearing Brief at ¶ 1; Order 08/06 at ¶ 281.

omission to address a contested issue in this proceeding. AWEC requests that the Commission clarify the process that PacifiCorp must use in order to remove coal fired resources from Washington rates before January 1, 2026.

11 As noted above, the process that PacifiCorp should use to remove coal-fired resources from Washington rates was a contested issue in this proceeding. PacifiCorp’s initial proposal was to do a stand-alone, limited update to NPC for rates-effective January 1, 2026. Both AWEC and Staff addressed PacifiCorp’s proposal, each concluding that PacifiCorp’s proposal is problematic because of the substantial impact that removing these resources will have on Washington rates and other changes that will have occurred that could offset these impacts. Accordingly, both AWEC and Staff recommended that PacifiCorp be required to file a PCORC no later than April 1, 2025 to more holistically address NPC issues for rates-effective January 1, 2026. These same positions were raised in both AWEC’s and Staff’s post-hearing briefs. PacifiCorp has not substantively responded to AWEC’s and Staff’s PCORC proposals, including the substantive considerations that supported that recommendation from each party, in either testimony or briefing. Accordingly, AWEC assumes that PacifiCorp continues to adhere to its initial proposal to perform a limited NPC update in October 2025 to only remove Jim Bridger Units 3 and 4 and Colstrip 4 from rates.

12 Order 08/06 addresses a related issue – the time period over which PacifiCorp must forecast its NPC under the Multi-Year Rate Plan – but does not address the process that PacifiCorp must use in order to remove coal-fired resources from Washington rates. Notably, the process for updating NPC to remove coal-fired resources does not depend on the Commission’s determination of whether PacifiCorp should be required to use rate-years or calendar-years to forecast NPC. The appropriate process needs to be determined regardless of the forecast period

used to set NPC. As such, clarification at this juncture is appropriate because it does not hinge on an issue on which a party could seek reconsideration.

13 Further, clarifying that PacifiCorp must file a PCORC in order to remove Jim Bridger Units 3 and 4 and Colstrip 4 from rates is appropriate because PacifiCorp had the opportunity to – but did not – address on the record the arguments raised by either AWEC or Staff on this issue.

V. CONCLUSION

14 For the reasons set forth above, the Commission should grant AWEC’s Motion for Clarification and amend Order 08/06 to direct PacifiCorp to file a PCORC no later than April 1, 2025 for rates effective January 1, 2026 that removes Jim Bridger Units 3 and 4 and Colstrip Unit 4 from Washington rates and performs a holistic review of all of PacifiCorp’s NPC, which may mitigate the impact of removing coal from rates.

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Respectfully submitted,

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