

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP dba
PACIFIC POWER & LIGHT COMPANY

Respondent.

Docket UE-210402

PACIFICORP

CROSS-EXAMINATION EXHIBIT FOR BRADLEY G. MULLINS

**Net Power Cost Indicative Update
Docket No. UE-390
2022 PacifiCorp Oregon Transition Adjustment Mechanism**

January 7, 2022

November 8, 2021

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, OR 97301-3389

RE: UE 390—2022 Transition Adjustment Mechanism – Net Power Cost Indicative Update for 2022

PacifiCorp d/b/a Pacific Power (PacifiCorp or the Company) encloses for filing the updated 2022 net power cost forecast for posting indicative transition adjustments. This filing is based on Order No. 21-379, granting the Company's Transition Adjustment Mechanism (TAM) application, as adjusted for market caps and the nodal pricing model, and subject to a final update.¹

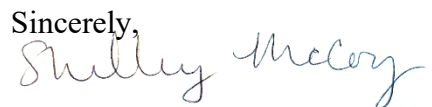
This filing indicates a 2022 net power cost forecast of \$1.369 million on a total company basis. Based on this indicative forecast, Oregon-allocated net power costs are \$350 million. This is a decrease of approximately \$20 million (Oregon-allocated) from the July Update. In support of this filing, the following exhibits are attached:

- Exhibit A – Summary of updates since the July Update filing and impacts on net power costs.
- Exhibit B – Description of updates to net power costs and other TAM filing elements.
- Exhibit C – Attestation of Michael Wilding, in accordance with paragraph 13 of the Stipulation adopted by Order No. 10-363 (Docket UE 216) and paragraph 15 of the Stipulation adopted by Order No. 14-331 (Docket UE 287).
- Exhibit D – Updated Oregon allocation of net power costs.
- Exhibit E – Copy of the indicative transition adjustments and Schedule 201 rates posted on the Company's website November 8, 2021.

The Company has provided the net power cost Generation and Regulation Initiative Decision Tools project, report, and workpapers supporting this filing, as required by the TAM Guidelines. The confidential material is provided subject to the protective order issued in this proceeding.

Please direct questions about this filing to Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

Sincerely,



Shelley McCoy
Director, Regulation

¹ *In the Matter of PacifiCorp, dba Pacific Power, 2022 Transition Adjustment Mechanism, Docket No. UE 390, Order No. 21-379 (Nov. 1, 2021).*

Exhibit A

Oregon TAM 2022 (April 2021 Initial Filing)	NPC (\$) =	1,445,454,540
	\$/MWh =	23.87

Oregon TAM 2022 (July 2021 Update Filing)	NPC (\$) =	1,438,997,542
	\$/MWh =	23.76

	Impact (\$)	NPC (\$)
Updates		
U01 - Commission Order	(23,827,954)	
U02 - Official Forward Price Curve	(65,717,179)	
U03 - Short-Term Firm Transactions	81,357,932	
U04 - Qualifying Facility and Long-Term Contracts	35,798,687	
U05 - Transmission Updates	28,389,920	
U06 - Market Cap Updates	8,626,542	
U07 - EIM Benefits Update	(63,856,616)	
Total Updates =	771,333	
System balancing impact of all adjustments	(69,876,312)	
Total Change from June 2020 Update Filing	(69,104,979)	
Oregon TAM 2021 (November 2020 Indicative Filing)	NPC (\$) =	1,369,892,563
	\$/MWh =	22.62

Exhibit B

Exhibit B

UE-390
November 2021
Oregon Transition Adjustment Mechanism (TAM) Indicative Update
Update Explanations

Updates to NPC:

Update 1 – Adjustments to Comply with Commission Order

Adjustments to the market caps and the nodal pricing model fee to comply with the Commission order. These adjustments reduce total company net power costs (NPC) by approximately \$23.8 million.

Update 2 – November 1, 2021 Official Forward Price Curve

This update incorporates PacifiCorp's official forward price curve as of November 1, 2021. The impact of this update decreases NPC by approximately \$65.7 million on a total company basis.

Update 3 – Short-Term Firm Transactions

This update incorporates PacifiCorp's new wholesale short-term firm transactions for electricity and natural gas, both physical and financial transactions, through November 3, 2021. The impact of this update increases NPC by approximately \$81.3 million on a total company basis.

Update 4 – Qualifying Facility (QF) and Long-Term Contracts

PacifiCorp has incorporated QF and long-term contract changes based on status updates provided by owners. This update increases NPC by approximately \$35.8 million on a total company basis.

Update 5 – Transmission Updates

This update incorporates PacifiCorp's long-term transmission rights in Wyoming. This update increases NPC by approximately \$28.4 million on a total company basis.

Update 6 – Market Cap Updates

This update applies the Commission-approved market cap methodology to all market hubs at which PacifiCorp transacts, including Mid-Columbia and Palo Verde. Recent market volatility and current market prices indicate limited market depth at these markets. Energy market prices have more than doubled since the July update, reflecting industry-wide supply constraints. Consistent with PacifiCorp's original application of market caps to all six market hubs based on liquidity issues, market caps are again required system-wide to avoid unreasonable sales volumes and coal generation. This update increases NPC by approximately \$8.6 million on a total company basis.

Update 7 – Energy Imbalance Market (EIM) Benefits Update

EIM benefits were updated using PacifiCorp's official forward price curve as of November 1, 2021.

Exhibit B

System balancing impact of all adjustments

This update recalculates NPC based on the inclusion of Updates 1 through 7, including the screening of gas-fired units and adjustment of incremental coal prices. The combined impact of all updates decreases NPC by approximately \$45.3 million on a total company basis.

For supporting documentation, please refer to the concurrent NPC work papers and 3-day NPC work papers.