



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

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November 13, 2015

Bryce Dalley
Vice President, Regulation
Pacific Power and Light Company
825 Northeast Multnomah, Suite 2000
Portland, Oregon 97232

**Re: PacifiCorp's 2015 Electric Integrated Resource Plan
Docket UE-140546**

Dear Mr. Dalley:

The Washington Utilities and Transportation Commission (Commission) has reviewed the 2015 Electric Integrated Resource Plan (IRP) filed by Pacific Power and Light Company (Pacific Power) on March 31, 2015, and finds that it meets the requirements of Revised Code of Washington 19.280.030 and Washington Administrative Code 480-100-238.

Please be advised that this finding does not signal pre-approval for ratemaking for any course of action identified in the IRP. At the time of the Commission's review of a future Pacific Power request to include costs of resources into rates, the Commission will give due weight to the information, analyses and strategies contained in the most recent IRP along with other relevant evidence when determining the prudence of the company's actions.

Because an IRP cannot pinpoint precisely the future actions that will minimize a utility's cost and risks, we expect that the company will update regularly the assumptions that underlie the IRP and adjust its operational strategies accordingly.

Attached are specific comments from the Commission regarding the IRP. Generally, the Commission provides Pacific Power with the following suggestions and requests for future IRP filings:

- Model the company's east and west balancing areas separately, accounting for the way in which resources within those balancing areas are dispatched.
- Conduct a more thorough resource adequacy analysis that identifies and quantifies the market risks that Pacific Power faces.
- Re-run the S-15 sensitivity case as a full model run in the 2015 IRP Update.
- Consider developing an emissions reduction supply curve.
- Conduct a more in-depth study of energy storage and its potential impacts on Pacific Power's system. This study should provide a value to multiple benefit streams, including ancillary services.
- Re-assess the costs and potential for demand response resources in the western balancing area.
- Analyze the company's future resource needs for Washington RPS compliance based on the manner in which renewable energy generation is currently allocated to Washington, and report the analysis in the 2015 IRP Update.
- Further develop the IRP model's ability to include the impacts of the Energy Imbalance Market.

Commission Staff will provide additional detailed comments as PacifiCorp develops its next IRP. PacifiCorp should file its next Electric IRP work plan on or before March 31, 2016, and its next Electric IRP on or before March 31, 2017.

Sincerely,

STEVEN V. KING
Executive Director and Secretary

Attachment