



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION
1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • www.utc.wa.gov

November 25, 2013

William R. Griffith
Vice President, Regulation
Pacific Power and Light Company
825 Northeast Multnomah, Suite 2000
Portland, Oregon 97232

**Re: PacifiCorp's 2013 Electric Integrated Resource Plan
Docket UE-120416**

Dear Mr. Griffith:

The Washington Utilities and Transportation Commission (Commission) has reviewed the 2013 Electric Integrated Resource Plan (IRP) filed by Pacific Power and Light Company (PacifiCorp) on March 28, 2012, 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 PacifiCorp 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 PacifiCorp with the following suggestions and requests for future IRP filings:

- Update the coal analysis.
- Show the capacity balance in the East and West control areas prior to any transfers.
- Continue acquiring renewable energy credits through requests for proposals issued at regular intervals.
- Continue to work with stakeholders to refine the System Operational and Reliability Benefits Tool.
- Do not use a zero-cost carbon assumption in the base case for the 2015 IRP.
- Explore ways the Company can contribute to Washington's emissions reductions goals and the rate impacts of any such measure.
- Model the East and West control areas separately.
- Update the Company's energy storage study and consider an energy storage demonstration project in the West Control Area.
- Conduct a thorough analysis of anaerobic digester potential in the Company's Washington service territory.
- Ensure that future smart grid analyses provide a fair and full assessment.
- Summarize the expected impacts of the Company's participation in the energy imbalance market with the California Independent System Operator.

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, 2014, and its next Electric IRP on or before March 31, 2015.

Sincerely,

STEVEN V. KING
Executive Director and Secretary

Attachment