Exhibit No. MGW-1Tr
Docket UE-230482
Witness: Michael G. Wilding

BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, v. PACIFICORP dba PACIFIC POWER & LIGHT COMPANY Respondent.	Docket UE-230482

PACIFICORP

REBUTTAL TESTIMONY OF MICHAEL G. WILDING

REVISED May 28, 2024

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I. INTRODUCTION AND QUALIFICATIONS

Q. Please state your name, business address, and present position with PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company).

A. My name is Michael G. Wilding and my business address is 825 NE Multnomah Street, Suite 2000, Portland, Oregon 97232. My title is Vice President, Energy Supply Management (ESM).

Q. Please describe your education and professional experience.

A. I received a Master of Accounting from Weber State University and a Bachelor of Science degree in accounting from Utah State University. As Vice President of ESM, my responsibilities include directing PacifiCorp's front office organization in commercial and trading activities. ESM is responsible for commercially managing PacifiCorp's diverse generation portfolio. This includes the electric and natural gas hedging, term and day-ahead trading, real-time trading, and system balancing. I also oversee the Company's regulatory net power costs (NPC) filings and its environmental reporting. Before assuming my current position in February 2021, I worked on various regulatory projects including general rate cases, the multi-state process, and NPC filings. I have been employed by PacifiCorp since 2014.

II. PURPOSE OF TESTIMONY

Q. What is the purpose of your testimony in this case?

A. The purpose of my testimony is to provide some background and context on the actions that the Company has taken to procure resources and provide low-cost service to its customers. Additionally, I respond to the misguided criticisms from the Washington State Office of the Attorney General Public Counsel Unit (Public

Counsel) and the Alliance of Western Energy Consumers (AWEC) that the Company has not been investing in resources to serve Washington customers.

Q. Please summarize the recommendations in your testimony.

A. I recommend the Commission reject the recommendations from Public Counsel and AWEC as lacking any evidentiary basis and inconsistent with the actual actions the Company has taken to maintain low rates for customers.

Q. Are there any other witnesses from PacifiCorp providing testimony?

A. Yes, there are three other witnesses providing testimony in this proceeding:

- Company Witness Ramon J. Mitchell provides additional information on how the Washington Inter-Jurisdictional Allocation Methodology (WIJAM) balancing adjustment hedges for Washington customers and addresses the concerns of Staff of the Washington Utilities and Transportation Commission (Staff) regarding the Company's dispatch of its natural gas facilities;
- Company Witness Douglas R. Staples explains the Company's hedging practices and identifies the flaws and mischaracterizations in AWEC's testimony and recommendations;
- Finally, Company Witness John M. Fritz explains the Company's hedging and risk policies and responds to the recommendations from Staff on the Company's hedging policies.

III. DESCRIPTION OF PACIFICORP, COST ALLOCATION, AND COMPANY INVESTMENTS

Q. Why are you providing background on PacifiCorp's system and the history behind its allocation methodology?

A. This information provides important context into how PacifiCorp operates its system, how cost allocation for Washington customers has changed over time, and how the Company has developed and added resources for customers over the past few years.

Q. Please describe PacifiCorp's system operations.

A. PacifiCorp has operated its system on an integrated basis across its six-state territory since the Commission approved the merger of PacifiCorp and Utah Power and Light Company, finding that the merger benefits, including reducing system operating costs through the integrated economic dispatch of generation; reducing system reserve requirements and improving system reliability, were uncontradicted.[1] The Company's resource mix continues to be very diverse with hydro, wind, solar, coal, natural gas, and geothermal generation used to meet its peak demand of over 12,500 megawatts (MW). In addition, PacifiCorp has over 170 interconnections with other balancing authority areas (BAAs) and transmission operators, including the California Independent System Operator (CAISO). For system balancing purposes, PacifiCorp relies on regional energy market hubs for wholesale energy transactions.

PacifiCorp currently has 1,600 MW of transmission rights, east to west, connecting its PacifiCorp East (PACE) and PacifiCorp West (PACW) BAAs. This includes 510 MW of Idaho Power Company transmission and 1,090 MW of PacifiCorp transmission. These transmission rights have allowed PacifiCorp to serve load in PACW without building additional resources in PACW. They also allow PacifiCorp to maintain reserves on its PACE generation resources, rather than duplicate reserve obligations in both BAAs, reducing total system operational costs. Further, PACE provides the blackstart capability required for both BAAs.

[1] *Re PacifiCorp Maine*, Docket No. U-87-1338-AT, Second Supplemental Order at 13 (Jul. 15, 1988).

PacifiCorp's geographic footprint allows it to take advantage of efficiencies and economies from both a planning and operational perspective due to retail load characteristics, variable resource diversity, and wholesale power market opportunities. This diversity of load and variable resources is effectuated through the network of transmission capability and PacifiCorp's ability to deliver its PACE resources to PACW for both energy and ancillary services.

Due to the diversity of its dispatchable resource fuel mix across its BAAs, PacifiCorp is able to effectively manage price exposure to natural gas spikes, as well as market fluctuations that may be due to low hydro years or low periods of variable resource generation. This type of diversity benefit is only available through the management of both BAAs on an integrated basis. PacifiCorp has an extensive transmission capability throughout its service territory. Additionally, the introduction of the Energy Imbalance Market (EIM) and the capability to wheel power through the CAISO from PACE provides PacifiCorp the ability to improve its intra-hour delivery of energy from the east to the west. As the EIM has grown and provided a significant benefit to customers, it has also provided PacifiCorp the ability to enhance the integration of its system across both BAAs due to the enhanced dispatch on a five-minute basis, and, more importantly, due to the availability of additional transmission capability. PACE has been an integral part of providing EIM benefits to Washington customers in its ability to decrement its coal fleet and receive imports from CAISO during times in the day when solar production is high in California. These imports from California carry the additional benefit of offsetting coal emissions and allow the Company to meet its load using low cost renewable generation. During the spring time, when California is more likely to be in over-supply conditions due to lower loads across the state, PacifiCorp's hydro facilities are less able to decrement to receive the low-priced imports due to stream flow management at the facilities. PACE, with its large operating range across the coal fleet, contains nimble resources that are able to decrement to very low operating levels to maximize the amount of renewable generation that can be allowed on the system, both internally and externally through the EIM. The benefit of importing low cost power through the EIM is a direct benefit to Washington customers through lower NPC, as well as the environmental benefit of displacing the thermal emissions.

Q. What was the West Control Area Inter-Jurisdictional Allocation Methodology (WCA)?

A. The WCA was the inter-jurisdictional cost allocation methodology adopted by the Washington Utilities and Transportation Commission (Commission) in 2006 to allocate costs and benefits of PacifiCorp's system to Washington.

The WCA isolated the costs and revenues associated with assets electrically interconnected to PacifiCorp's West Balancing Authority Area (PACW), and allocated to Washington a proportionate share of the costs and benefits based primarily on Washington's relative contribution to demand and energy requirements within PACW. The WCA included loads, generation and transmission assets, and wholesale contracts for facilities located in California, Oregon, and Washington. It also included transmission and generation assets located outside of California, Oregon, and Washington that are electrically interconnected to PACW, such as the Jim Bridger coal plant, which is physically located in PacifiCorp's East Balance

Authority Area (PACE). The WCA excluded all loads and assets located within PACE with the exception of the Jim Bridger Units 1-4 (Jim Bridger) and the associated transmission facilities.

Q. Did the WCA require the Company to rely on a higher amount of market purchases to reflect the fact that east side generation assets were not allocated to Washington customers?

A. Yes, when approving the WCA, the Commission noted that the "WCA must meet a higher proportion of its retail load with market purchases" than the east control area.[2]

Q. Did PacifiCorp seek approval of changes to the WCA?

A. Yes. The Company sought approval of the WIJAM as part of the 2020 PacifiCorp Inter-Jurisdictional Allocation Protocol (2020 Protocol) in its general rate case in docket UE-191024.

Q. Did PacifiCorp work collaboratively with Washington stakeholders to develop the WIJAM?

A. Yes, as an outgrowth of the Multi-State Process (MSP) discussions, in the spring of 2018, PacifiCorp and Staff began to specifically discuss a new cost allocation methodology. The Company worked collaboratively with Staff through various workshops, MSP meetings, and settlement negotiations to develop the WIJAM. Additionally, Staff spent considerable time reviewing data provided by PacifiCorp, visiting PacifiCorp's trading floor and transmission control center, and analyzing the operation of PacifiCorp's system. As the WIJAM took shape, Public Counsel and Packaging Corporation of America (PCA) joined the discussions around the WIJAM.

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[2] *WUTC v. Pacific Power & Light Co.*, Docket No. UE-061546 et al., Order No. 08 at ¶ 50 (Jun. 21, 2007).

Q. Did Staff, Public Counsel, and PCA support the WIJAM?

A. Yes. PacifiCorp, Staff, Public Counsel, and PCA all signed the WIJAM Memorandum of Understanding.

Q. Please describe the WIJAM.

A. As previously described in Company Witness Mitchell's testimony, the WIJAM has three primary components:

- Costs and benefits associated with PacifiCorp's entire transmission system will use a system allocation.
- Costs and benefits associated with PacifiCorp's existing and new non-emitting, non-qualifying facility (QF) resources will use a system allocation. Non-emitting, non-QF resources include all wind, solar, hydro, and geothermal generating resources.
- NPC will be allocated using a spreadsheet method that reflects assets included in Washington rates, including the allocation of EIM benefits.

Q. Did the move from the WCA to the WIJAM provide access to all the new investments that PacifiCorp was making?

A. Yes, the move from the WCA to the WIJAM brought in a significant amount of new wind and transmission to Washington customers.[3]

Q. Since 2020, has PacifiCorp invested in additional renewable resources to serve Washington customers?

A. Yes, in PacifiCorp's general rate case filed in 2020 and the general rate case filed in 2023, the Company added significant new resources and transmission. The 2020

[3] "[T]he Parties identify the direct and indirect benefits to Washington customers from the WIJAM compared to the WCA methodology: increased NPC benefits, greater benefits for its compliance with Washington's renewable portfolio standard (RPS), greater flexibility for compliance with CETA, increased PTCs, increased wheeling revenues, and increased system diversity." *WUTC v. PacifiCorp*, Docket No. UE-191024, Order No. 09/07/12 at ¶98 (Dec. 14, 2020).

general rate case included the Energy Vision 2020 projects and transmission. The 2023 general rate case included the Rock Creek, Rock River I, Foote Creek II-IV and Gateway South and Gateway West transmission projects over the course of the multi-year rate plan. These projects represent billions of dollars of investment in resources to serve Washington customers.

Q. Please describe Energy Vision 2020's wind investments.

A. PacifiCorp added 1,150 MW of new wind resources in Wyoming. These resources are three facilities built by the Company, the 500 MW TB Flats I and II facilities and the 250 MW Ekola Flats project, and one facility that is a combined build-own transfer and purchase power agreement, the 400 MW Cedar Springs facility.

Q. Please describe Energy Vision 2020's new transmission investments.

A. PacifiCorp built a new, 140-mile Gateway West transmission segment—the 500 kV Aeolus-to-Bridger/Anticline transmission line, plus network upgrades—in Wyoming to enable the new Energy Vision 2020 wind generation.

Q. Please describe the Gateway South and Gateway West Segment D.1 transmission projects that were included in the 2023 GRC.

A. Gateway South is a 414-mile, high voltage 500-kilovolt (kV) transmission line that will connect southeastern Wyoming to the Company's transmission system in central Utah. Gateway West Segment D.1 includes the construction of a new 59-mile, high voltage 230-kV transmission line from the Shirley Basin substation in southeastern Wyoming to the Windstar substation near Glenrock, Wyoming, and a rebuild of approximately 57 miles of the existing Dave Johnston–Shirley Basin 230-kV transmission line. The Gateway South and Gateway West Segment D.1 transmission projects provide a number of benefits including relieving congestion on the transmission system in Wyoming, enabling additional renewable resource interconnections, and improving overall reliability, all to the benefit of Washington customers.

Q. Please describe the Rock Creek I and II wind projects.

A. The Rock Creek I and II wind projects have a total name plate capacity of 590 MW and are located in Carbon and Albany counties in southeast Wyoming. The projects were developed by Invenergy and came from a bid submitted and selected to the final shortlist in the Company's 2020 All-Source Request for Proposal process in the form of build-transfer agreements.

Q. Please describe the Foote Creek II-IV and Rock River I repowering projects.

A. These projects involved the acquisition of these facilities and upgrading the wind turbine generator (WTG) equipment of these wind facilities to increase the power generation from the facility and extend the life of the facility. The Foote Creek II-IV project, located in Wyoming, involved the acquisition of the project and installing new WTGs to replace the older wind turbines of much smaller capacity that were previously at the site. Similarly, the Rock River I acquire and repowering project, also located in Wyoming, acquired the resource and erected new WTGs to replace the smaller capacity turbines originally installed.

Q. Can you identify the amount of renewable generation that the Company has added since 2020 and the associated MWh that have been allocated to Washington customers?

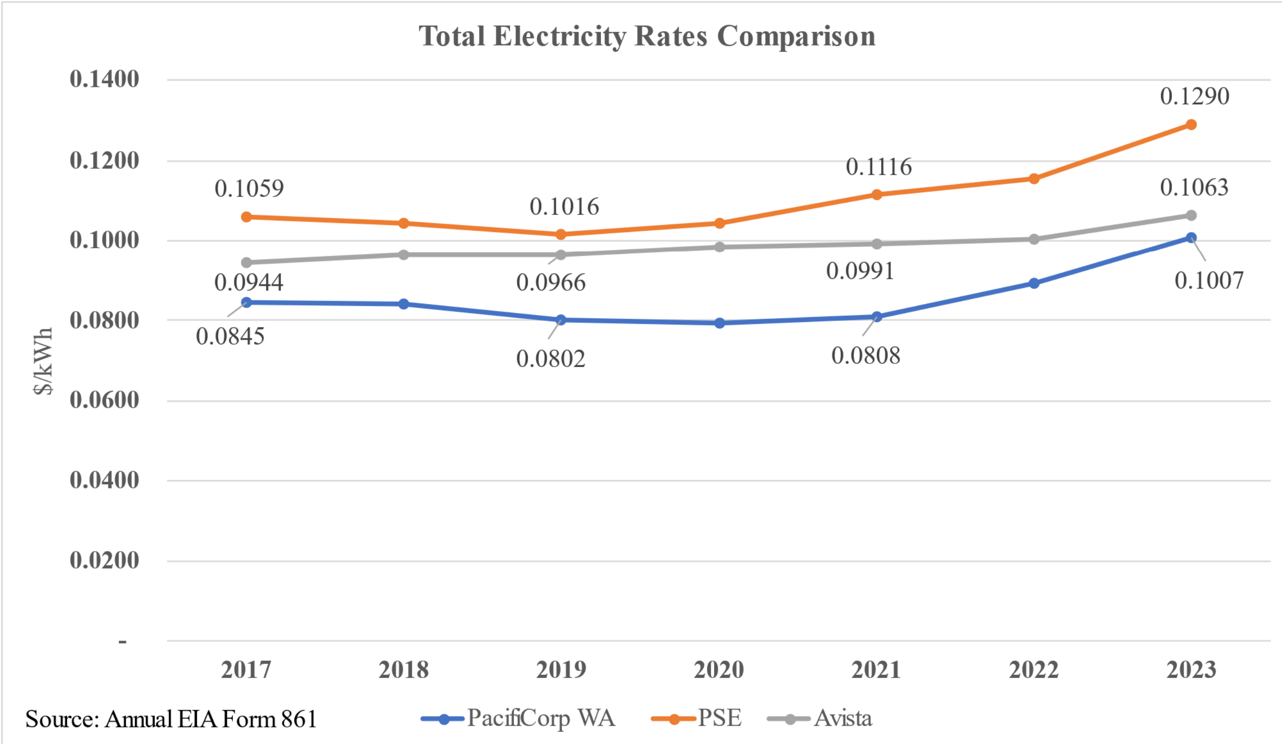
A. Yes, as shown in the table below, the new resources added by PacifiCorp since 2020 have resulted in 329,418 MWh (or an over 7 percent increase) of additional wind generation for Washington customers than would have been previously available in 2020.[4] Additionally, this table below includes only the wind generation that was online for the 2022 PCAM period; it does not include the additional wind generation that will be coming online during the recently approved multi-year rate plan for PacifiCorp.

[4] Source Data for this table is available in the initial filing workpapers of Company witness Jack Painter.

2022 Actual Wind Generation		
	2022 Wind Generation from Resources currently in Washington Rates	2022 Wind Generation from resources that were in Washington rates in 2020
	Total Generation (MWh)	**Total Generation (MWh)**
Glenrock I	328,535	
Glenrock III	123,123	
Goodnoe Hills	265,804	265,804
High Plains	383,965	
Leaning Juniper	253,408	253,408
Marengo I	391,503	391,503
Marengo II	196,630	196,630
McFadden Ridge	115,716	
Dunlap	469,881	
Foote Creek I	208,749	
Pryor Mountain Wind	814,117	
Rolling Hills	286,356	
Seven Mile Hill I	413,081	
Seven Mile Hill II	86,843	
Cedar Springs II Wind	603,521	
Ekola Flats Wind	805,728	
TB Flats Wind	1,488,986	
Total MWh Production	7,235,946	1,107,345
WA Allocation Factor	7.97%	22.31%
Total Wind MWh Production allocated to WA	576,422	247,004
Wind Generation as a Percentage of WA Load	12.41%	5.32%

Q. Please describe how PacifiCorp's rates compare to the other investor-owned utilities in Washington.

A. As shown in the charts below, PacifiCorp's electricity rates are relatively consistent with, if not lower than, the rates that Washington customers pay when they are served by other investor-owned utilities.


Total Electricity Rates Comparison
0.1400
0.1200
0.1000
0.0800
0.0600
0.0400
0.0200
-
$/kWh
0.1290
0.1059
0.1016
0.1116
0.1063
0.0944
0.0966
0.0991
0.1007
0.0845
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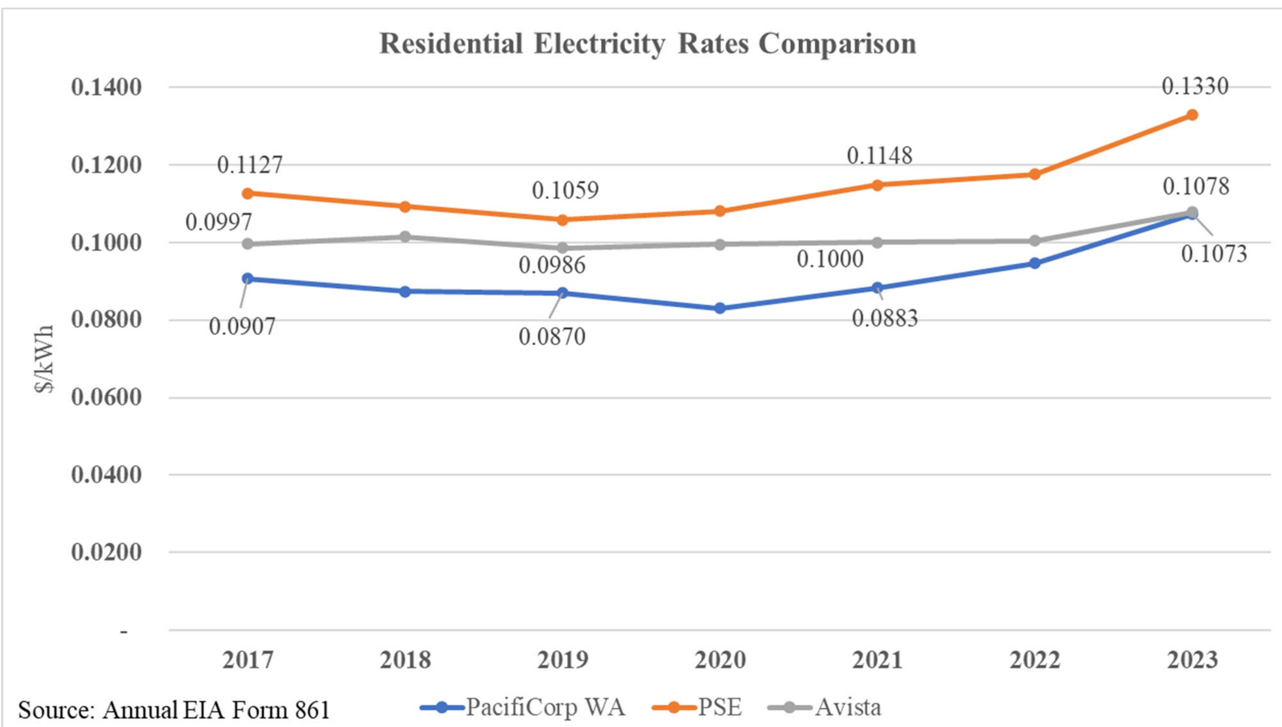
0.0808
2017
2018
2019
2020
2021
2022
2023
Source: Annual EIA Form 861
PacifiCorp WA
PSE
Avista


Residential Electricity Rates Comparison
0.1400
0.1200
0.1000
0.0800
0.0600
0.0400
0.0200
-
$/kWh
0.1330
0.1127
0.1148
0.1059
0.1078
0.0997
0.0986
0.1000
0.1073
0.0907
0.0870
0.0883
2017
2018
2019
2020
2021
2022
2023
Source: Annual EIA Form 861
PacifiCorp WA
PSE
Avista

Q. So based on this information, has PacifiCorp been able to add a significant amount of renewable generation while maintaining rates that are relatively consistent with other Washington investor-owned utilities?

A. Yes.

IV. RESPONSE TO PUBLIC COUNSEL

Q. Public Counsel witness Earle states that PacifiCorp has "done nothing to specifically address Washington customers' market overexposure."[5] How do you respond to that criticism?

A. This criticism is inaccurate and does not reflect the significant investments that the Company has made over the same period referenced by Public Counsel witness Earle. As I discussed above, PacifiCorp has added significant new renewable generation while maintaining relatively consistent and low rates for customers. Notably, Public Counsel witness Earle has provided no evidence that the acquisition of some resource would have reduced costs for Washington customers.

Q. Public Counsel witness Earle states that PacifiCorp has acted imprudently with respect to Washington ratepayers in its long-term resource planning.[6] He additionally cites the Commission's warnings from the 2011, 2015, and 2017 Integrated Resource Plans (IRP). How do you respond?

A. The testimony of Public Counsel witness Earle raises a number of concerns. First, as I described in detail above, PacifiCorp has taken steps to acquire a significant amount of renewable resources, transmission, and has modified its cost allocation methodology to provide additional generation for Washington customers and reduce

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[5] Public Counsel Witness Earle, Exh. RLE-1T at 6 (Mar. 28, 2024).
[6] Exh. RLE-1T at 9.

the reliance on market purchases. Public Counsel witness Earle makes generalized statements without a thoughtful, or factual, assessment of PacifiCorp's actual resource additions or the risk that the addition of state-specific resources would pose to system operations. Indeed, Public Counsel witness Earle provided no assessment of whether a resource acquisition solely borne by PacifiCorp's Washington customers would have compared to market prices in the referenced time periods when decisions would have had to been made. Instead, Public Counsel witness Earle asserts that the Company is to blame for a failure to plan and the Commission should disallow all net power costs from 2022. These arguments do nothing to help the Commission develop a record on which to base a reasoned decision, let alone a decision so punitive.

As described in the testimony of Company witnesses Mitchell and Staples, PacifiCorp, under the WIJAM, serves Washington customers additional energy at prevailing power hedge prices, which remedies what would have otherwise been spot market exposure, which is a cost-effective way to account for the provision of electric service to Washington customers.[7] This is supported by the fact that PacifiCorp has had low $/kWh rates that are consistently comparable to the other investor-owned utilities in Washington.

Q. Public Counsel witness Earle claims that PacifiCorp has provided no evidence that Company decisions prior to 2023 were prudent in long-term planning with regard to the exposure of Washington Customers to market prices."[8] How do you respond?

A. It has always been understood that by not acknowledging the existence of the east

[7] Exh. RJM-1T at 11.
[8] Exh. RLE-1T at 9-10.

side of PacifiCorp's system, the WCA would expose Washington customers to more market pressures.[9] However, PacifiCorp has taken steps to remedy this issue, by working with parties to develop the WIJAM, which immediately provided benefits from *all* the Company's non-emitting resources and greater market benefits. Washington customers were able to benefit from access to the best geographic locations for that renewable generation and the billions of dollars that the Company has spent on building and accessing those resources. However, building or acquiring new resources alone is not going to solve a market exposure issue given Washington's recent energy policies and the need to plan for new types of resources.

PacifiCorp is not making more market purchases because of Washington's cost allocation; Washington is being allocated an estimated cost of hedged market purchases to account for the difference between system operations (the system being adequately served) and an approved cost allocation methodology.

Q. Do you agree with Public Counsel witness Earle's contention that PacifiCorp is claiming that it is helpless to address Washington Customers' market overexposure?[10]

A. No. As I note in detail above, PacifiCorp has enacted new cost allocation methodologies and added significant new resources to address this. Additionally, PacifiCorp agrees with Public Counsel witness Earle's contention that the WIJAM does not prevent the acquisition of new resources.[11] It does quite the opposite, it has enabled the addition of significant new resources for the benefit of Washington

[9] Docket No. UE-061546 et al., Order No. 08 at ¶ 50.
[10] Exh. RLE-1T at 10-11.
[11] Exh. RLE-1T at 11-12.

customers. PacifiCorp continues to work on approaches to alleviate these issues, but efforts to collaborate are often met with the same approach presented by Public Counsel witness Earle (*i.e.*, generalized statements that ignore prior regulatory decisions, seek to create a punitive regulatory environment, and lack constructive engagement).

Q. Public Counsel witness Earle contends that PacifiCorp has not established what level of market exposure is appropriate. How do you respond?

A. PacifiCorp has provided testimony from Company witnesses Staples and Mitchell on how the Company hedges for market exposure based on the resource mix that the Company currently has. Additionally, I have provided testimony on how the Company has worked to modify cost allocation methodologies and invested billions in renewable resources to meet the needs of Washington customers. Public Counsel witness Earle has provided no evidence that the Company should have taken other actions, acquired different resources, or that any of those actions would have resulted in lower rates for Washington customers.

Q. Public Counsel witness Earle states PacifiCorp's other customers are underexposed to market because of Washington's overexposure.[12] How do you respond?

A. First of all, as discussed in the testimony of Company witness Mitchell, customers in PacifiCorp's other jurisdictions are not underexposed to markets as compared to Washington customers. Not only does Public Counsel witness Earle provide no support for this thesis, but the evidence is also entirely to the contrary. PacifiCorp's

[12] Exh. RLE-1T at 12.

entire system maintains an open position to make market purchases as part of a least-cost least-risk solution to serve customers. However, the explanation is much simpler, market prices have risen for everyone and that means it costs more to serve customers everywhere.

Washington customers may have a larger amount of *allocated* market purchases, inclusive of hedges, that are calculated to account for the removal of east-side thermal generation from the cost-allocation methodology. However, as noted above, the Company has been acquiring a significant amount of renewable generation to work towards closing that position while also balancing the rate impacts on Washington customers and to avoid overbuilding the system.

Q. Public Counsel witness Earle contends that the 2023 IRP provides no hope that the Company will resolve Washington's market overexposure going forward.[13] How do you respond?

A. It is not the role of the IRP process to mitigate a specific market exposure, it is to find the least-cost, least-risk resource mix for serving customers, and that has always included market purchases.

Q. Public Counsel witness Earle recommends disallowance of the entire PCAM balance.[14] Is this a reasonable adjustment?

A. No, this is a ridiculous adjustment that is not supported by the Company's history of prudently managing costs, acquiring resources, and working to avoid detrimental rate impacts on Washington customers as described above. Additionally, PacifiCorp's earned ROE was 0.81% in 2022 and -7.30% in 2023. This means that in 2022 and

[13] Exh. RLE 1T at 13.
[14] Exh. RLE-1T at 4.

2023, PacifiCorp did not recover the costs of providing electricity to its customers in rates. To the extent that PacifiCorp is denied the prudent costs of operating its system for Washington customers, it will impact the ability of the Company to access the debt markets and cost-effectively make future investments for customers.

Q. Public Counsel witness Earle recommends that PacifiCorp should hedge for Washington customers separately or require an independent third-party to do so at shareholder expense.[15] Is this a reasonable recommendation?

A. No. As discussed in depth in the testimonies of Company witness Mitchell, Company witness Staples, and Staff witness Yeomans, PacifiCorp's "energy risk management policy is prudent, reasonable, and effective."[16] This recommendation is simply unfounded.

Q. Public Counsel witness Earle recommends that PacifiCorp should reform its IRP process so that it optimizes on behalf of Washington ratepayers.[17] Is this an appropriate recommendation.

A. No. This recommendation raises several concerns. First, the Commission should not address planning issues in this proceeding. The record has not been adequately developed and the Commission has appropriately refrained from making significant policy directives without a thorough record and thoughtful evaluation. Second, PacifiCorp operates as a single system and therefore plans as a single system. Washington already has significant other avenues to address the Company's resource planning process. PacifiCorp's planning efforts are, necessarily, evolving to address

[15] Exh. RLE-1T at 4.
[16] Staff Witness Yeomans, Exh. WY-1CT at 5 (Mar. 28. 2024).
[17] Exh. RLE-1T at 4.

changing state energy policies given the complex operational environment facing utilities. However, Public Counsel witness Earle's recommendations fail to recognize the reality of utility operations, or how planning for customers in PacifiCorp's Washington service area in isolation may impact rates. The Commission should develop a record that explores the risk to PacifiCorp's Washington customers before taking any actions such as those recommended by Public Counsel witness Earle.

V. RESPONSE TO AWEC

Q. Are there statements that AWEC Witness Bradley G. Mullins makes to which you want to respond?

A. Yes. AWEC Witness Mullins makes two statements that must be called out as they have no relevance to this proceeding and are simply meant to distract the Commission. The first is a reference to future procurement. The second is a reference to the Berkshire Hathaway, Inc. annual shareholder letter.

Q. AWEC Witness Mullins claims that PacifiCorp has suspended its 2023 All Source RFP, and this will harm Washington's short position.[18] Does this have any relevance to 2022 net power costs?

A. None whatsoever. AWEC's argument does not apply to the prudence of the Company's past decision. The 2023 All Source RFP has no impact on the Company's power costs in 2022. Any resources that would have been acquired through that RFP would not have been in service until 2026 or beyond. AWEC Witness Mullins is well aware of the time required for resource development, evaluation, financing, interconnection, and construction.

[18] AWEC Witness Mullins, Exh. BGM-1CT at 4-5 (Mar. 28, 2024).

Q. AWEC Witness Mullins additionally cites Warren Buffet's recent statement in the shareholder letter and cites it as a basis to disallow the entire PCAM balance on the basis "that PacifiCorp has not found it desirable to invest in Washington's Portfolio."[19] How do you respond?

A. First of all, the notion that PacifiCorp has not found it "desirable" to invest in Washington's portfolio is patently false. As I discussed in detail above, PacifiCorp has invested billions of dollars in renewable generation and transmission to serve Washington customers. Secondly, attempting to conflate a broad statement from Warren Buffet about the difficulties that wildfires cause for investments in utilities across the western United States into a disallowance in a specific proceeding is inappropriate and simply unsupportable.

X. CONCLUSION

Q. Please summarize your recommendations to the Commission.

A. I recommend that the Commission reject the recommendations and adjustments proposed by AWEC and Public Counsel as unfounded and allow the Company recovery of the PCAM balance as recommended by the Company.

Q. Does this conclude your rebuttal testimony?

A. Yes.

[19] Exh. BGM-1CT at 5.