BEFORE THE WASHINGTON

UTILITIES & TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

PACIFICORP d/b/a PACIFIC POWER & LIGHT COMPANY,

Respondent.

DOCKET UE-250224

DR. ROBERT L. EARLE
ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT

EXHIBIT RLE-11

Rolling Hills and Average Cost of Wind

August 20, 2025

Exh. RLE-11: Rolling Hills and Average Wind Costs

The Commission recently reaffirmed what it said 10 years ago that PacifiCorp has a "responsibility to manage its power costs using integrated resource planning, carefully structured hedging practices, conservation initiatives, and other means available to PacifiCorp and other utilities."[1] In 2022, the Commission listed numerous warnings to PacifiCorp about risk exposure to market fluctuations and specifically directed the Company to demonstrate that its "portfolio of long-term resources the Company acquired or chose not to acquire" was prudent.[2]

In the Power Cost Only Rate Case (PCORC) order, the Commission details how in its acknowledgment letters for the 2011, 2015, and 2017 IRPs, it cautioned PacifiCorp on its reliance on market purchases.[3] The Commission went on to say "PacifiCorp has made significant investments in recent years, but the evidence in this case shows that the Company's continued reliance on market purchases has exposed Washington customers to significant price increases."[4] The Commission concludes "despite these clear indications from the Commission, the Company continues to rely on market purchases to meet Washington customers' load."[5]

PacifiCorp has had the opportunity to remedy Washington's net short position, but has failed to do so. Indeed, PacifiCorp's Regulatory Projects Director, according to her own

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[1] *Wash. Utils. & Transp. Comm'n v. PacifiCorp d/b/a Pacific Power & Light Co.*, Dockets UE-230172 and UE-210852, Order 08/06, ¶ 402 (Mar. 19, 2024) (citing *Wash. Utils. & Transp. Comm'n v. PacifiCorp*, Docket UE-130043, Order 05, ¶ 172 (Dec. 4, 2013)).
[2] *Wash. Utils. & Transp. Comm'n v. PacifiCorp d/b/a Pacific Power & Light Co.*, Docket UE-210402, Order 06, ¶ 108 (Mar. 29, 2022) (hereinafter *PCORC Docket*). The Commission also stated (¶ 3) that, "We are concerned, however, that the Company may not have prudently managed market risk for its Washington customers."
[3] *Id.* ¶¶ 142–144.
[4] Id. ¶ 146.
[5] *Id.* ¶ 147.

testimony in PacifiCorp's 2023 Clean Energy Implementation Plan docket, is not aware of Washington's short position relative to other states.[6]

A fair pricing of Rolling Hills and other wind facilities that would be reallocated to Washington under Public Counsel's alternative would use the average price of wind facilities. According to PacifiCorp's Integrated Resource Plans from 2015 to 2025, the average price of constructing new wind (2026 $) was 40.85. That excludes the benefits from production tax credits.

[6] Rohini Ghosh, TR. 286:12–22, *Wash. Utils. & Transp. Comm'n v. PacifiCorp d/b/a Pacific Power & Light Co.*, Docket UE-210829(Vol 6. Oct. 21, 2024). "**Q.** But are you familiar with PacifiCorp's PCAM, how it works? **A.** Honestly, no. **Q.** Okay. Let's ask it this way. Are you familiar that – are you aware that PacifiCorp's six-state system -- pardon me – leaves Washington short on generation relative to its load? **A.** I'm not really aware. I know what the WIJAM allocation generally looks like for Washington customers, but I'm not really aware of, you know, Washington's short position relative to other states."