

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of	DOCKET UE-220789
PACIFICORP d/b/a PACIFIC POWER & LIGHT COMPANY	Petition
Petitioner,	
<u>Petition for Approval of Revised Demand and Resource Supply Forecasts</u>	

**I. Introduction**

1 Consistent with the Washington Utilities and Transportation Commission’s (Commission) Order 01, PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) requests the Commission approve a revised four-year Demand and Resource Supply forecast for years 2023-2026. This update would permit the Company to incorporate a substantive change to its forecast that results in decreased anticipated emissions, and reflects the cyclical updates to the Company’s demand and supply resources as required by the Company’s Integrated Resource Plan (IRP) and Clean Energy Implementation Plan (CEIP) filings.

2 PacifiCorp is an electric utility and public service company under RCW 80.04.010, and its public utility operations, retail rates, service, and accounting practices are subject to the Commission’s jurisdiction. PacifiCorp also provides retail electricity service under the name Pacific Power in Oregon and California and under the name Rocky Mountain Power in Idaho, Utah, and Wyoming. The Company’s principal place of business is 825 NE Multnomah Street, Suite 2000, Portland, Oregon 97232.

3 PacifiCorp’s principal contact information for this filing includes:

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4 Informal inquiries may be directed to Ariel Son, Regulatory Affairs Manager, at (503) 813-5410, and PacifiCorp requests that all data requests be addressed to:

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## II. Background

5 The Climate Commitment Act (CCA) directs the Washington Department of Ecology (Ecology) to design and implement a cap-and-invest program to reduce statewide greenhouse gas emissions. As part of this program, Ecology distributes no-cost allowances to qualifying electric utilities to mitigate the cost burden of the program on electric utility customers.<sup>1</sup> The allocation of no-cost allowances to each eligible investor-owned electric utility must be consistent with a four-year forecast of a utility’s supply and demand approved by the Commission, as well as the cost burden resulting from the inclusion of covered entities in the first CCA compliance period.<sup>2</sup> For multijurisdictional utilities like PacifiCorp, a “multistate resource allocation methodology that has been

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<sup>1</sup> RCW 70A.65.120(1).

<sup>2</sup> RCW 70A.65.120(2)(b).

approved by the [Commission] may be used in the relevant forecast.”<sup>3</sup>

6           In 2022, the Commission requested all investor-owned electric utilities file a four-year Demand and Resource Supply forecast that would inform Ecology’s allocation of no-cost allowances for the years 2023-2026.<sup>4</sup> The Commission provided that Demand and Resource Supply forecasts should represent the utility’s best estimate of its likely electricity usage and resource mix during the CCA’s first compliance period, and instructed utilities that resource forecasts must be derived from sources that most accurately predict the manner in which the utility will comply with the Clean Energy Transformation Act (CETA). The Commission further explained that a CEIP, or an IRP that serves as the basis of a CEIP, can be the sources of both the demand and resource forecasts, and asked utilities to address whether the Commission should permit annual updates to these four-year forecasts.

7           In early 2023, the Commission approved the Company’s revised Demand and Resource Supply forecast.<sup>5</sup> In approving the Company’s forecast, the Commission directed the Company to notify the Commission if any facts and circumstances would substantively impact the Company’s forecast, and request to update the forecast as necessary.<sup>6</sup>

8           On August 30th, 2023, the Commission provided an opportunity for utilities to comment on what frequency, and under what conditions, utilities should update their respective Demand and Resource Supply forecasts. The Company reiterated its position

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<sup>3</sup> WAC 173-446-230(2)(c)(v).

<sup>4</sup> Notice Requiring Petitions Requesting Approval of Forecasts Pursuant to RCW 70A.65.120 (September 30, 2022).

<sup>5</sup> Order 01 (Jan. 24, 2023).

<sup>6</sup> *Id.* ¶¶ 14–15, 21.

that it should be allowed to biennially update its four-year forecasts consistent with IRP and CEIP filing and update cycles, and in the event there are substantive changes to Washington’s cost-allocation methodology.<sup>7</sup>

**III. PacifiCorp’s Demand and Resource Supply Forecast should be revised.**

9 The Company’s revised four-year Demand and Resource Supply forecast for the 2023-2026 CCA compliance period is filed concurrently with this Petition. Table 1 below summarizes the results of the forecast, including the forecasted emissions and the forecasted annual allowances for the 2023-2026 compliance period, while Table 2 includes the Company’s currently approved forecast.

**Table 1: PacifiCorp’s revised 2023-2026 Demand and Resource Supply Forecast**

	CO2e		2023		2024		2025		2026	
	Emissions	WA MWh	CO2e	WA MWh	CO2e	WA MWh	CO2e	WA MWh	CO2e	
Retail Sales <sup>(1)</sup>		4,132,188		4,144,559		4,109,809		4,095,573		
Load <sup>(2)</sup>		4,638,720		4,692,110		4,700,760		4,721,760		
Non-Emitting Plants	-	1,330,136	-	1,306,568	-	2,111,855	-	2,384,744	-	
Coal Plants	1.0614	1,434,501	1,522,579	790,960	839,525	803,426	852,757	-	-	
Gas Plants	0.4354	1,226,084	533,837	1,437,900	626,062	1,469,024	639,613	1,166,630	507,951	
Market Purchases (unspecified)	0.4370	647,999	283,176	1,156,682	505,470	316,455	138,291	1,170,386	511,459	
Market Sales	-	-	-	-	-	-	-	-	-	
<b>Total<sup>(3)</sup></b>		<b>4,638,720</b>	<b>2,339,592</b>	<b>4,692,110</b>	<b>1,971,057</b>	<b>4,700,760</b>	<b>1,630,660</b>	<b>4,721,760</b>	<b>1,019,409</b>	

<sup>(1)</sup> Washington Retail Sales corresponding to 2023 IRP Table A.11  
<sup>(2)</sup> Washington Load forecast 2023 IRP Table A.1  
<sup>(3)</sup> Resource allocation includes 3.5% loss factor for resources outside of Washington.

**Table 2: PacifiCorp’s current 2023-2026 Demand and Resource Supply Forecast**

	CO2e		2023		2024		2025		2026	
	Emissions	WA MWh	CO2e	WA MWh	CO2e	WA MWh	CO2e	WA MWh	CO2e	
Retail Sales <sup>(1)</sup>		4,076,594		4,091,630		4,069,088		4,052,790		
Load <sup>(2)</sup>		4,656,030		4,710,640		4,730,240		4,760,890		
Non-Emitting Plants	-	1,278,917	-	1,474,791	-	2,037,273	-	2,349,470	-	
Coal Plants	1.0614	1,625,876	1,725,704	1,271,702	1,349,784	1,242,741	1,319,045	-	-	
Gas Plants	0.4354	1,006,879	438,395	1,046,341	455,577	1,050,755	457,499	988,107	430,222	
Market Purchases (unspecified)	0.4370	744,358	325,285	917,806	401,081	399,470	174,569	1,423,313	621,988	
Market Sales	-	-	-	-	-	-	-	-	-	
<b>Total<sup>(3)</sup></b>		<b>4,656,030</b>	<b>2,489,384</b>	<b>4,710,640</b>	<b>2,206,442</b>	<b>4,730,240</b>	<b>1,951,113</b>	<b>4,760,890</b>	<b>1,052,210</b>	

<sup>(1)</sup> Washington Retail Sales corresponding to CEIP Table 1.1  
<sup>(2)</sup> Washington Load forecast 2021 IRP Table A.1  
<sup>(3)</sup> Resource allocation includes 3.5% loss factor for resources outside of Washington.

10 The two tables demonstrate that the revised Demand and Resource Supply

<sup>7</sup> *In re Commission CCA Investigation*, Docket No. U-230161, PacifiCorp Comments (September 7, 2023).

forecast has different Washington retail sales, load, and resource allocations for each year of the CCA's first compliance period, compared to the current forecast based on the 2021 IRP and CEIP. As a result, the Company's forecasted Washington-allocated emissions differ each year.

11           This revised forecast results in an approximate ten percent decrease in the Company's anticipated emissions associated with Washington retail customers. Compared to the current forecast, the revised data has *lower* emissions for 2023, 2024, 2025 and 2026, and overall *lowered* emissions for the compliance period (approximately 6.9 million pounds of CO<sub>2e</sub> over the four year compliance period in the revised forecast, compared to approximately 7.7 million pounds of CO<sub>2e</sub> in the current forecast). If approved, this revised Demand and Resource Supply forecast would result in a more appropriate, and lower, allocation of no-cost allowances to the Company under the CCA, and which could mitigate the need for a true-up of allowances based on mismatched forecasts.

12           PacifiCorp represents that this ten percent decrease in anticipated emissions represents a substantive change as discussed under Order 01, and merits Commission approval. It is also consistent with the update schedule that the Company articulated in its initial Petition and subsequent comments, and will produce the best estimates for the first CCA compliance period.

13           First, the revised Demand and Resource Supply forecast incorporates the Company's most recent retail sales and load forecast for Washington operations. Consistent with Ecology rules, this revised forecast represents the megawatt hours of electricity that PacifiCorp anticipates needing in a given calendar year for Washington

electric customers.<sup>8</sup> This is the Company’s best estimate of the expected electricity demand to serve Washington retail electric sales, and is based on the Company’s 2021 IRP Two-Year Progress Report,<sup>9</sup> that informed the Company’s 2023 CEIP Biennial Update. This is contrasted with the current sales and load forecast from the 2021 CEIP and 2021 IRP that is several years dated.<sup>10</sup>

14           Second, the cost burden calculation based on the Company’s load forecast at generation is also consistent with the Company’s compliance obligation under CCA emissions reporting rules in WAC 176-441, because it captures cost burdens from emissions associated with transmission losses.<sup>11</sup>

15           Third, the resource assumptions reflect the Company’s resource allocation assumptions under the Western Inter-Jurisdictional Allocation Protocol (WIJAM). The Commission approved the WIJAM in 2020, and establishes the method to allocate PacifiCorp’s system-wide costs and resources to Washington.<sup>12</sup> Consistent with Ecology’s program rules which require that the Company use an allocation methodology approved by the Commission,<sup>13</sup> the WIJAM may be used in the resource forecast as it represents the generation mix that Washington customers pay for in their retail rates.

#### **IV. The Commission should conclude that this Petition is timely.**

16           While Staff had initially proposed that any requests to update the forecast should

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<sup>8</sup> WAC 173-444-230 (Ecology will use utility-specific demand forecasts “that provide estimates of retail electric load.”); RCW 19.405.020(36) (retail electric load “means the amount of megawatt-hours of electricity delivered in a given calendar year by an electric utility to its Washington retail electric customers.”).

<sup>9</sup> 2021 IRP Two-Year Progress Report, Table A.11.

<sup>10</sup> CEIP, Table 1.1.

<sup>11</sup> WAC 173-441-124(3)(b)(iv) (requiring that multijurisdictional retail providers must calculate emissions that have a compliance obligation using the provided equation).#

<sup>12</sup> *WUTC v. PacifiCorp d/b/a Pacific Power & Light Co.*, Docket No. UE-191024, Final Order 09/07/12 (Dec. 14, 2020).

<sup>13</sup> WAC 173-446-230(2)(c)(v).

be filed by June 15 of each year,<sup>14</sup> it is unclear whether the Commission adopted this deadline in Order 01, or instead directed the Company to update the Commission as necessary when there were material changes to the forecast.<sup>15</sup>

17           Given this forecast informs the number of allowances that the Company will receive from Ecology, if the Company were to re-file this Petition in June of 2024 it is possible that the Company would receive a higher number of no-cost allowances (as the current forecast reflects higher forecasted emissions). Accordingly, the Company respectfully requests the Commission interpret Order 01 as either: (1) allowing PacifiCorp to request the Commission to update its forecast with this filing, as the forecast as substantively changed; or (2) interpret this filing as a request to update the Company’s forecast, well in advance of the June 15, 2024 annual deadline. Either appear consistent with Order 01, and would permit the Company to submit a revised forecast to Ecology to ensure the Company receives the reasonable amount of no-cost allowances.

## V. Conclusion

18           PacifiCorp respectfully requests that the Commission approve the revised four-year demand and resource supply forecasts filed concurrently with this Petition.

Dated this 14th day of December, 2023.

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<sup>14</sup> *Id.* ¶ 9.

<sup>15</sup> *Compare Id.* ¶ 15 (“We thus approve these forecasts, subject to the condition detailed above . . . [discussing Staff’s proposal] . . .”), *with* ¶ 21 (not including any annual deadline to update the forecast).