

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

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

For an Order Approving Forecasts  
Pursuant to RCW 70A.65.120

DOCKET UE-220789

ORDER 02

APPROVING PETITION AND  
REVISED FORECAST SUBJECT TO  
CONDITION

**BACKGROUND**

- 1 In 2021, the Washington State Legislature passed the Climate Commitment Act (CCA) through Engrossed Second Substitute Senate Bill 5126 into law, codified as RCW 70A.65, to reduce greenhouse gas (GHG) emissions. Also referred to as “Cap and Invest,” the law establishes a declining cap on GHG emissions from covered entities, and is intended to reduce emissions in the state by 95 percent by 2050.<sup>1</sup> The CCA allows electric utilities, which are subject to the Clean Energy Transformation Act (CETA), to receive no-cost allowances to mitigate the cost burden of the Cap and Invest Program on electric customers.<sup>2</sup> The CCA required the Department of Ecology (Ecology) to adopt rules, in consultation with the Washington Utilities and Transportation Commission (Commission) to establish the methods and procedures for allocating allowances for investor-owned electric utilities (IOUs).<sup>3</sup>
- 2 On September 29, 2022, Ecology published final rules under Chapter 173-446 Washington Administrative Code (WAC), the Climate Commitment Act Program. WAC 173-446-230 specifies that Ecology will use utility-specific four-year demand and resource supply forecasts to determine the cost-burden effect and the allocation of no-cost allowances to each electric utility.

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<sup>1</sup> See [Climate Commitment Act - Washington State Department of Ecology](#).

<sup>2</sup> WAC 173-446-230(1).

<sup>3</sup> RCW 70A.65.120.

- 3 On October 28, 2022, PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) filed its demand and resource supply forecast with the Commission using its 2021 CEIP as the source for its forecast of years 2023-2025 and its 2021 IRP for 2026. On January 5, 2023, PacifiCorp revised its filing. On January 20, 2023, PacifiCorp responded to an informal data request from Commission staff (Staff).
- 4 On January 24, 2023, the Commission entered Order 01 in this Docket, Approving Supply and Demand Forecast (Order 01). The Commission approved PacifiCorp's four-year demand and resource supply forecast subject to the modified condition that the Company must notify the Commission if there are any substantive changes, as that term may be defined by the Commission in a subsequent proceeding.
- 5 On December 14, 2023, PacifiCorp filed a Revised Petition Requesting Approval of Forecasts under RCW 70A.65.120 (Revised Petition).
- 6 In its Revised Petition, the Company discusses how since incorporating the Social Cost of Greenhouse Gas as required, the resulting forecast projects decreased emissions as prices for emitting resources increase. The bulk of the downward revision is due to the shift in supply from coal to gas generation in the years 2023- 2025. The revised forecast incorporates the more recent 2023 IRP forecast while the current demand and resource supply forecast relied on the 2021 CEIP<sup>4</sup> and IRP<sup>5</sup> which are now several years dated.
- 7 Staff has reviewed the Company's Revised Petition and its revised forecast and recommends that the Commission enter an order accepting the revised forecast.
- 8 In support of this recommendation, Staff notes that it had concerns related to the filing, as a result of the apparent incongruity between the lower emissions forecast and the lower clean energy interim targets in PacifiCorp's Biennial Update of the 2021 CEIP in Docket UE-210829. However, Staff's concerns were addressed, and Staff now understands the full range of factors affecting the change in the CEIP interim targets, including changes in the portfolio and allocation factor assumptions. Staff notes that the allocation methodology remains consistent with the Washington Inter-Jurisdictional Allocation Methodology.

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<sup>4</sup> UE-210829

<sup>5</sup> UE-200420

9 Staff asserts that the revised demand and resource supply forecast does represent a substantive change to the original forecast.<sup>6</sup>

10 Staff further asserts that adoption of this revised forecast may result in a more accurate allocation of no-cost allowances under the CCA.

11 Lastly, Staff notes that it contacted interested parties who had commented on the original filing in Docket UE-220789. As of May 14, 2024, none of those interested parties have taken issue with this filing.

### DISCUSSION

12 We approve the Company's Revised Petition and its revised forecast as filed on December 14, 2023, for the remainder of the first compliance period of the CCA.

13 After considering all relevant matters and for good cause shown, the Commission finds that the Company's Revised Petition and its revised forecast should be approved, as it will help ensure a more accurate allocation of no-cost allowances. The Revised Petition notifies the Commission of a substantive change, consistent with the requirement imposed in Order 01.<sup>7</sup>

### FINDINGS AND CONCLUSIONS

14 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric companies.

15 (2) PacifiCorp is an electric company and a public service company subject to Commission jurisdiction.

16 (3) PacifiCorp is an investor-owned electric utility subject to the requirements of Chapter 19.405 RCW.

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<sup>6</sup> Staff makes clear, in its recommendation to approve this forecast, that Staff does not intend to set a precedent as to what a substantive change should be for other companies in other circumstances.

<sup>7</sup> See Order 01 ¶ 21.

- 17 (4) The need to avoid an inaccurate allocation of no-cost allowances for the present  
calendar year is a significant concern.
- 18 (5) PacifiCorp's revised forecast should be approved pursuant to RCW 70A.65.120.
- 19 (6) This matter came before the Commission at its regularly scheduled open meeting  
on May 23, 2024.
- 20 (7) After reviewing PacifiCorp's Revised Petition and revised forecast and giving due  
consideration to all relevant matters and for good cause shown, the Commission  
approves PacifiCorp's Revised Petition and its revised forecast.

**ORDER**

**THE COMMISSION ORDERS:**

- 21 (1) The Commission approves PacifiCorp d/b/a Pacific Power & Light Company's  
Revised Petition and its revised forecast pursuant to RCW 70A.65.120.
- 22 (2) This Order shall not affect the Commission's authority over rates, services,  
accounts, valuations, estimates, or determination of costs, on any matters that may  
come before it.
- 23 (3) The Commission retains jurisdiction over the subject matter and PacifiCorp d/b/a  
Pacific Power & Light Company to effectuate the provisions of this Order.

Dated at Lacey, Washington, and effective May 23, 2024.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, Commissioner