

Agenda Date: May 25, 2021
Item Number: D1

Docket: UE-200420
Company: PacifiCorp, d/b/a Pacific Power & Light Company

Staff: Jim Woodward, Regulatory Analyst

Recommendation

Issue an order in Docket UE-200420 requiring PacifiCorp, d/b/a Pacific Power & Light Company, to file a complete 2021 Integrated Resource Plan pursuant to RCW 19.280.030 and WAC 480-100-620 in the same docket no later than September 1, 2021, subject to the conditions in Attachment 1.

Background

Washington statute and new rules direct electric investor-owned utilities (IOUs) to develop an integrated resource plan (IRP or plan) every four years.¹ The passage of the Clean Energy Transformation Act (CETA) during the 2019 Washington Legislative Session significantly increased the complexity and requirements to develop an IRP.²

PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) filed an incomplete 2021 integrated resource plan (IRP) with the Washington Utilities and Transportation Commission (Commission) in Docket UE-200420 on April 1, 2021, noting significant deficiencies in its cover letter.³ On April 2, 2021, the Commission served a Notice of Opportunity to File Written Comments on PacifiCorp's IRP due by May 3, 2021, and notice of recessed Open Meeting to review the plan on May 25, 2021.⁴

Staff's review of the Company's plan indicates the filing is not compliant with RCW 19.280.030 as it fails to contain the majority of required contents of an IRP.⁵ Most notably, PacifiCorp's filing lacks the data and supporting analytics to determine an IRP solution (i.e., preferred portfolio) and complete clean energy action plan (CEAP), as summarized in Attachment 2. Compared to the Company's 2021 draft IRP filed on January 4, 2021, which included load forecast and conservation potential assessment (CPA) data inputs,⁶ the only additional, substantive analysis PacifiCorp provided in its April 1 IRP filing is a partially complete

¹ RCW 19.280.030(1) and [WAC 480-100-625](#)(1).

² Definition of an integrated resource plan per [WAC 480-100-605](#).

³ *In re Petition for an Order Granting Exemption from the Requirements of WAC 480-100-238(4) and (5)*, Docket UE-180259, [Order 03](#), p. 6, ¶ 26 (Nov. 7, 2019).

⁴ See [Notice of Opportunity to File Written Comments and Notice of Recessed Open Meeting](#), Docket UE-200420 (Apr. 2, 2021).

⁵ Pursuant to RCW 19.280.030(1) and per WAC 480-100-620, with requirements and Staff's compliance comments summarized in Attachment 2.

⁶ See [Staff's Comments Regarding Pacific Power and Light Company's Draft Integrated Resource Plan Submitted in Compliance with RCWs 19.405, 19.280 and WACs 480-100-600 through -630 and Under Consolidated Dockets UE-191023 and UE-190698, Order R-601](#) (February 5, 2021).

economic, health, and environmental burdens and benefits assessment.⁷ In addition to other data, PacifiCorp should be able to leverage data from the Washington Department of Health's now complete cumulative impact analysis as well as input from the Company's initiated equity advisory group to complete this current-state assessment. Regarding its load forecast, Staff find the limited updates in the Company's April 1 IRP update surprising given it was Staff's understanding the load forecast was complete and PacifiCorp would provide all supporting load forecast data and analyses.⁸

PacifiCorp asserts long-running delays related to new PLEXOS long-term capacity expansion (LTCE) modeling software, which has added workload to the 2021 IRP development process, is the primary reason the IRP and subsequent CEAP is data-deficient.⁹ Despite PacifiCorp's best efforts, modeling setbacks continued to impede the Company's IRP development progress during the February through March 2021 period. Issues requiring various coding patches and updates included:

- Fuel costs reporting incorrectly,
- Model failing to compress data outputs into readable formats, and
- Twenty-year model runs taking 6 days or longer to execute, subsequently failing to solve due to infeasibilities.¹⁰

In its April 1 filing, PacifiCorp indicates overcoming these modeling challenges, which could not have been foreseen for a variety of reasons, will delay the Company from filing a complete 2021 IRP until September 1, 2021.¹¹ Staff fully expects PacifiCorp to complete its IRP by September 1, 2021, with no further delays. Staff have communicated to PacifiCorp the need to finish the analysis, including implementing any modeling contingency plans should PLEXOS ultimately fail to solve, as appropriate.

Discussion

Staff's proposed conditions list

PacifiCorp contacted Staff in February 2021, indicating the Company's April 1 filing likely would not comply with IRP statute and rule. During March and April, Staff proactively engaged the Company to develop a path forward to meet the statutory and rule requirements, considering:

⁷ PacifiCorp [April 2021 IRP Attachment A](#), Docket UE-200420, pp. 278-287 partially addresses the economic, health, and environmental burdens and benefits assessment per WAC 480-100-620(9).

However, the Company's assessment is silent regarding impacts to vulnerable populations and fails to quantify disparate impacts within the utility's Washington service territory.

⁸ As discussed during Washington Staff and PacifiCorp IRP team bi-weekly touchpoint (Mar. 15, 2021).

⁹ PacifiCorp's PLEXOS delays are not new and drove the Company to file a petition on January 25, 2021, seeking a one-time exemption from draft IRP rule requirements that Staff supported and the Commission subsequently granted. *In re Petition for an Order Granting Exemption from the Requirements of WAC 480-100-625(3)*, Docket UE-200420, [Order 01](#), p. 5, ¶¶ 27-29 (PacifiCorp 2021 Draft IRP Order) (Feb. 11, 2021).

¹⁰ [Updated 2021 IRP Cover Letter](#) at 3-4.

¹¹ *Id.* at 5.

- Public participation IRP planning regulatory requirements;
- Realities as to when PacifiCorp could finish the modeling required for a complete 2021 IRP; and
- Forthcoming clean energy implementation plan review beginning in the fall of 2021.

The conditions list, Attachment 1 to this memo, contains the necessary elements to bring the Company's plan into compliance with relevant statute and rule. Attachment 1 details eight categories of requirements, ranging from IRP modeling to data disclosure, PacifiCorp needs to address in its 2021 IRP no later than September 1, 2021 (*see Attachment 1*).

Staff underscores these conditions are a subset of the collectively exhaustive list of IRP requirements set forth in WAC 480-100-600 through -630, against which PacifiCorp's 2021 IRP will ultimately be compared for compliance (*summarized in Attachment 2*).¹² Hence, these conditions do not serve as a prescriptive representation of the entire universe of requirements applicable to an IRP, including CETA statutory obligations. Staff's recommendations highlight requirements PacifiCorp must get right in its IRP and CEAP to successfully develop its subsequent 2022-2025 Clean Energy Implementation Plan (CEIP).¹³ Furthermore, Staff believes helping PacifiCorp focus on the most pivotal items, while acknowledging compliance with the full suite of new planning requirements may require more time, aligns with the Commission's intent to provide flexibility during the 2021 planning cycle.¹⁴

Staff shared the attached conditions list with PacifiCorp. After numerous conversations, PacifiCorp IRP representatives agree these requirements are grounded in statute and rule and are actionable. The Company plans to incorporate these items into its complete 2021 IRP no later than September 1, 2021.

Stakeholder outreach

Staff discussed the proposed modified review path and recommendation to require a conditions list for PacifiCorp's 2021 IRP with the Washington State Attorney General's Office Public Counsel Unit (Public Counsel), the Northwest Energy Coalition (NVEC), Renewable

¹² Socializing the full set of IRP compliance requirements has characterized Staff's coordination with PacifiCorp on its 2021 IRP development to date. Attachment 2 summarizes the degree to which PacifiCorp has addressed these requirements through the Company's April 1st IRP filing.

¹³ Importance around the correctness of IRP and CEAP data inputs to the CEIP is high as the CEIP "is an action plan with greater significance than any such plan utilities have previously provided to the Commission." *In re Adopting Rules Relating to Clean Energy Implementation Plans and Compliance with the Clean Energy Transformation Act and Amending or Adopting rules relating to WAC 480-100-238, Relating to Integrated Resource Planning*, Dockets UE-191023 & UE-109698 (*Consolidated*), General Order 601, p. 59, ¶ 170 (Dec. 28, 2020).

¹⁴ The Commission "understands[s] the 2021 cycle is unique and the first under CETA directives, with accompanying modeling and timing challenges...[and] will provide flexibility in the first round of submissions." *Id.* at ¶ 168.

Northwest, and the Sierra Club. NVEC, Public Counsel, and Sierra Club each filed comments in the docket and all three stakeholders support Staff's recommendation that the Commission require PacifiCorp to file a complete 2021 IRP no later than September 1, 2021, addressing the conditions outlined in Staff's Attachment 1 in a transparent manner.

Conclusion

Issue an order in Docket UE-200420 requiring PacifiCorp to file a complete 2021 Integrated Resource Plan pursuant to RCW 19.280.030 and WAC 480-100-620 in the same docket no later than September 1, 2021, subject to the conditions in Attachment 1.

Attachment 1: PacifiCorp 2021 IRP Staff conditions list

Attachment 2: PacifiCorp 2021 IRP progress matrix