

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**In the Matter of PacifiCorp d/b/a Pacific
Power & Light Company's Biennial Clean
Energy Implementation Plan Update**

DOCKET UE-210829

**COMMISSION STAFF COMMENTS REGARDING
PACIFICORP d/b/a PACIFIC POWER & LIGHT COMPANY'S
BIENNIAL CLEAN ENERGY IMPLEMENTATION PLAN UPDATE
SUBMITTED IN COMPLIANCE WITH
CHAPTER 19.405 RCW and WACs 480-100-640 through -665
<AND UNDER CONSOLIDATED DOCKETS UE-191023 AND UE-190698, Order R-
601>**

January 11, 2024

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Introduction

In 2019 the Washington Legislature passed the Clean Energy Transformation Act (CETA) to address the impacts of climate change by transforming the energy supply and modernizing the electric system while ensuring the benefits are shared broadly.¹ The act sets the following mandatory targets:

- 2025 – All electric utilities must eliminate coal-fired resources serving Washington state customers.
- 2030 – All electric utilities must be greenhouse gas neutral—for example, remaining carbon emissions are offset by renewable energy, energy efficiency, carbon reduction project investments, or payments funding low-income assistance.
- 2045 – All electric utilities must supply one hundred percent of retail sales of electricity from renewable or zero-carbon resources.

The Utilities and Transportation Commission (Commission) issued rules implementing CETA on December 28, 2020.²

PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) filed a Public Participation Plan (PPP) for its clean energy implementation plan (CEIP) on May 3, 2021, and filed an updated PPP on July 30, 2021.³ And on December 30, 2021, PacifiCorp filed its 2021 CEIP and on March 13, 2023, the Company filed revised pages to its 2021 CEIP.⁴

On October 2, 2023, PacifiCorp filed a draft Biennial CEIP update for the 2022-2025 period in this docket. The Company filed the final Biennial Update (Biennial Update) on November 1, 2023, which included an update to its public participation strategy.⁵ On November 9, 2023, the Commission issued a Notice of Opportunity to Comment with a deadline of January 11, 2024.⁶

¹ RCW 19.405.010(1).

² *In the Matter of Adopting Rules Relating to Clean Energy Implementation Plans and Compliance with the Clean Energy Transformation Act*, Dockets UE-191023 & UE-190698, Order 601 at 58-59, ¶168 (CETA Rulemaking Order) (Dec. 28, 2020).

³ *In re PacifiCorp's Clean Energy Implementation Plan 2022 Public Participation Plan*, Docket UE-210305, PacifiCorp's Public Participation Plan, (Jul. 30, 2021).

⁴ *In re PacifiCorp's 2021 Clean Energy Implementation Plan*, UE-210829, PacifiCorp's Revised 2021 Final Clean Energy Implementation Plan, (March 13, 2023).

⁵ WAC 480-100-640(11).

⁶ *In re PacifiCorp's Clean Energy Implementation Plan*, Docket UE-210829, Notice of Opportunity to File Written Comment (Nov. 11, 2023).

WAC 480-100-640 (11) requires the utility to make a Biennial CEIP Update filing on or before November 1 of each odd-number year that the utility does not file a CEIP. The Biennial Update may be limited to a filing containing the biennial conservation plan (BCP) requirements in accordance with RCW 19.285.040⁷ or may make other changes consistent with the Company's integrated resource plan (IRP) progress report.⁸

Summary

Commission staff (Staff) reviewed PacifiCorp's Biennial Update for compliance with the rules and statute. In terms of filing requirements, Staff found that this Biennial Update was filed on time, in accordance with WAC 480-100-640(11). However, in terms of substance of the filing, we detail specific concerns with the changes made by the Company regarding its previous CEIP. With this filing, PacifiCorp addresses changes to the interim targets, specific targets, customer benefit indicators, and public participation. Staff provide a deeper analysis covering equity, demand response, and the potential need for new conditions in order for Staff to recommend approval of the Biennial Update.

Staff recognizes the 2022-2025 cycle is the first CETA implementation period for each utility, and this filing updates the 2021 CEIP. Staff also understands that the order approving and adopting the 2021 CEIP settlement was issued on October 25, 2023. Given that timing, Staff notes the conditions did not apply to this Biennial Update.⁹

In the Biennial Update, PacifiCorp describes the following interim and specific targets:

- 1) **Interim Targets**¹⁰: 31 percent of retail sales renewable or non-emitting by 2022, 26 percent by 2023, 25 percent by 2024 and 33 percent by 2025.
- 2) **Energy Efficiency Target**:¹¹ 187,115 megawatt hours (MWh) for 2022–2025.
- 3) **Renewable Energy Target**:¹²
 - a. Nearly 1,400 megawatts (MW) of new utility-scale renewables and battery storage.

⁷ RCW 19.285.040.

⁸ WAC 480-100-640(11).

⁹ *Wash. Utils. & Transp. Comm'n v. PacifiCorp d/b/a PacifiCorp & Light*, Docket UE-210829, Order 06 (Oct. 25, 2023).

¹⁰ See WAC 480-100-640(2) for a definition of interim targets.

¹¹ See WAC 480-100-640(3) for a definition of specific targets.

¹² See footnote 9.

b. Nearly 1,500 MW of repowered wind resources.

3) **Demand Response Target:** 37.4 MW by 2025.

Interim Targets

Overview

PacifiCorp’s Biennial Update lists a series of interim targets, including a 33 percent interim target by 2025, among other targets, as shown in Figure 1 below. **This is compared to a 60 percent by 2025 interim target in the 2021 CEIP.** Staff notes the resulting update is a 27 percent reduction in the interim target.

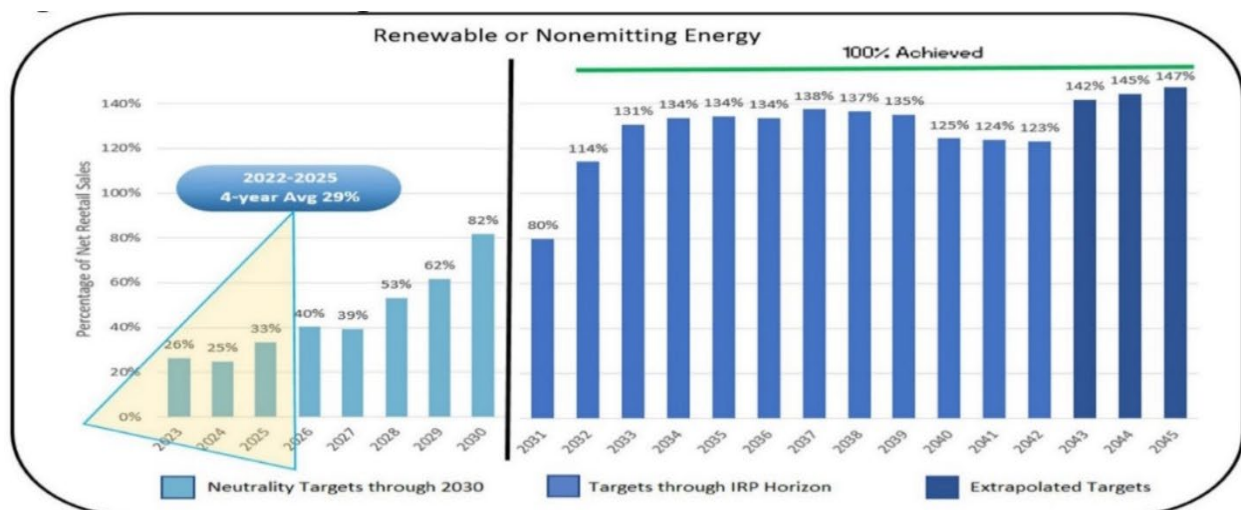


Figure 1: 2023-2045 Interim Targets

The statute requires all retail electricity sales to be greenhouse gas (GHG) neutral by January 1, 2030.¹³ As shown in Figure 1, PacifiCorp plans to reach 82 percent renewable or non-emitting electricity by 2030. The Company intends to use unbundled renewable energy certificates (RECs)¹⁴ to satisfy the 2030 standard, as allowed by statute.¹⁵ As proposed in its IRP progress report, and therefore revised as part of this Biennial Update, PacifiCorp proposed certain changes to thermal resources, as shown in Table 1 below.

¹³ RCW 19.405.040(1).

¹⁴ *In re PacifiCorp’s 2024-2025 Biennial Clean Energy Implementation Plan Update*, Docket UE-210829, PacifiCorp’s 2024-2025 Biennial Clean Energy Implementation Plan Update at 21, (Nov. 1, 2023) (BCEIP).

¹⁵ RCW 19.405.040(1)(b).

Table 1: Treatment of Thermal Resources

Thermal Resource Name	2021 CEIP¹⁶	Treatment in Progress Report 2021 CEIP¹⁷	Treatment in IRP Progress Report, 2022 General Rate Case, and 2023 Biennial Update	Cumulative Effect as Shown In 2023 Biennial CEIP Update
Colstrip (coal)	WIJAM share through end of 2023, 0% 2024 onwards (remove all coal)	WIJAM share through end of 2023, 0% 2024 onwards (until retired)	WIJAM share through end of 2025, 0% onwards (until retired)	Two years added before removed from Washington rates
Jim Bridger Units 1 & 2 (coal, converted to natural gas in 2024)	WIJAM share through end of 2023, 0% 2024 onwards (remove all coal)	WIJAM share through end of 2023, 0% 2024 onwards (converted to natural gas)	WIJAM share through end of 2029 (assumes gas conversion in 2024), 0% onwards	Five years added until removed from Washingtons rates
Jim Bridger Units 3 & 4 (coal)	WIJAM share through end of 2023, 0% 2024 onwards (remove all coal)	WIJAM share through end of 2023, 0% 2024 onwards	WIJAM share through end of 2025, 0% onwards.	Three years added until removed from Washington Rates
Hermiston (natural gas)	WIJAM share through end of 2023, 0% 2024 onwards.	WIJAM share through end of 2023, 0% 2024 onwards	WIJAM share through end-of-life (2036)	Three years added before removal from Washington rates
Chehalis (natural gas)	WIJAM share through end of 2023, 100% 2024 onwards.	WIJAM share through end of 2023, 100% 2024 onwards	WIJAM share through end-of-life (2043)	20+ years added before removal from Washington rates

¹⁶In re PacifiCorp's 2021 Clean Energy Implementation Plan, UE-210829, PacifiCorp's Initial filing, (Dec. 30, 2021).

¹⁷ In re PacifiCorp's 2021 Clean Energy Implementation Plan, UE-210829, PacifiCorp's Revised 2021 Clean Energy Implementation Plan, (July 3, 2023).

Staff highlights that PacifiCorp intends to continue using gas from Chehalis and Hermiston plants to serve Washington customers until their end-of-life.¹⁸ The Company also intends to remove the two coal-fired plants that currently serve Washington customers – Colstrip and Jim Bridger 3 & 4 – from its Washington allocation by the end of 2025. By the end of 2024, Jim Bridger 1 & 2, formerly coal units, should be gas-fired and continue to serve Washington customers until their end-of-life in 2029. PacifiCorp also intends to continue using gas from Chehalis and Hermiston plants to serve Washington customers until their end-of-life.¹⁹

PacifiCorp had some additional inputs for fuel costs in gas and coal in the modeling. These adjustments were due to the change in retirement plans for Jim Bridger units 3 & 4. In the 2021 CEIP the Company planned on a later retirement in 2037, fueled by coal until 2029 then by gas from 2030 and on, but in the Biennial Update, Jim Bridger 3 & 4 will be out of Washington rates by 2025. These adjustments include an increase to fuel costs for gas fired plants, which are based on the best available information and a decrease in coal costs, which are due to coal modeling changes (e.g., removing take or pay provisions and allowing for coal to retire in any year) for Jim Bridger 3 & 4, as it is set to retire earlier than previously expected.

Table 2: Comparison of Annual and 4-Year Average 2021 CEIP and 2023 Biennial Update Interim Targets

	Interim Targets				
	2022 Projected	2023 Projected	2024 Projected	2025 Projected	Average Projected
2021 CEIP	31%*	31%*	40%*	60%*	41%*
2023 CEIP Update	31%*	26%*	25%*	33%*	29%*

*Numbers are from the percentage of retail sales that come from renewable resources or non-emitting resources.

Table 2 shows a decrease in PacifiCorp’s projected renewable or non-emitting energy serving retail sales for every year in the compliance period.²⁰

These reductions were caused by many factors, beyond the details specific to thermal resources described after Table 1 above. In the 2021 CEIP, the Company assumed a new method of allocating interstate resources to Washington, called the Multi-State Protocol (MSP) and thought it would have been approved by the time of the CEIP’s approval. This timeline was consistent with the sunset date for the 2020 Inter-Jurisdictional Cost Allocation Protocol, which is the

¹⁸ See BCEIP at 15.

²⁰ Figure 1 is located on page 5.

allocation methodology used for all of PacifiCorp's other states. However, as negotiations on a successor agreement progressed, circumstances changed, and additional time was necessary to develop a successor to these cost allocation methodologies, and extensions of the 2020 Protocol have been approved in the Company's other states. As a result, the IRP progress report and Biennial Update have reverted to using the only currently approved allocation methodology in Washington: WIJAM.²¹

Other factors contributing to the changed interim targets include the recently enacted federal Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA) as well as the Ozone Transport Rule (OTR), though Staff is unsure about the quantitative or cumulative effect of these changes on the interim targets. PacifiCorp made efforts to include the new statutes in its modeling, by modeling IRA tax credits and more, but also recognizes they still have work to do to incorporate *more details* into the Company's modeling and plan. Staff look forward to additional discussions within the Company's upcoming IRP Advisory Group regarding modeling and incorporating IRA and IIJA effects.

Staff Analysis

At the time of publication of these comments, Staff is still reviewing the assumptions and modeling that led to the significant reduction in the Company's interim targets. Staff acknowledges that the reasons for the reduction, summarized above, may be valid reasons for a substantial reduction in the interim targets, including the reversion to an old, approved allocation methodology.²² Moreover, through discussions, the Company asserts that it plans to comply with, and even surpass, the clean energy transformation standards dates.²³ Indeed, the Company projects to achieve 114 percent of retail sales served by renewable or non-emitting resources by 2032, 13 years before the 100 percent clean statutory requirement.²⁴

Regardless, Staff is concerned that the suspension of the Company's 2022 all-source RFP

²¹ See *WA UTC vs PacifiCorp General Rate Case*, UE-191024, Final Order 09/07/12 Rejecting Tariff Sheets; Approving and Adopting Settlement Stipulation, at 9, (Dec. 14, 2020).

²² *In re PacifiCorp's 2024-2025 Biennial Clean Energy Plan Update*, UE-210819, 210829-PAC-CEIP-Biennial-Rpt-WP-PS1-SC-CETA-Interim-Targets-11-28-23 (C).xlsx, at WA CETA summary tab and WA allocations tab, (Nov. 28, 2023).

In re PacifiCorp's 2021 Clean Energy Implementation Plan, UE-210819, 210829-PAC-WP-P02-MM Inita WA Resource Allocation 12-31-21(c), at tabs WA CETA summary and Master Lookup Plexos tab, (Dec. 31, 2021).

²³ WAC 480-100-640.

²⁴ WAC 480-100-640(2)(b)

(AS RFP),²⁵ combined with this reduction in interim targets, might delay the Company's progress more than expected, potentially endangering the Company's CETA compliance. To date, the Company has not indicated when it will reopen its AS RFP. Staff initiated informal conversations with Sierra Club, Public Counsel, NW Energy Coalition, and Renewable Northwest and confirmed other interested persons have similar concerns regarding the updated interim targets and AS RFP suspension. Staff encourages PacifiCorp to provide a firm AS RFP "restart date." In the alternative, Staff expects PacifiCorp to plainly explain how it plans to meet the 2030 and 2045 targets if this AS RFP is canceled indefinitely.

Staff is particularly concerned about compliance with regard to the 2030 GHG neutrality requirement and timing related to acquisition. As shown in Figure 1 and Table 2, the Company's average interim target over the 2022-2025 period is now a full 12 percentage points lower.²⁶ Staff is concerned about the Company's ability to procure CETA-compliant resources quickly enough to reach full GHG neutrality at a maximum of five years later, even if the Company uses all alternative compliance mechanisms available. Staff also has concerns about whether the Company's revised interim targets and underlying specific actions comply with RCW 19.405.060(1)(a)(ii) and -(1)(b)(iii).

Finally, Staff believes that the Company did not adequately consider the cost savings available through federal legislation in the calculation of its updated targets, given the Company's admission that they have *more work to do to fully model funding possibilities*. Staff believes that more holistically incorporating the cost savings of the IRA and IIJA legislation might have led the Company to different conclusions regarding the timing of its clean energy transformation.

As such, Staff looks forward to formalizing recommendations at the recessed open meeting. Further recommendations might include establishing a start date on the 2022 AS RFP, contingency measures if the AS RFP fails to select resources, better modeling of potential IRA credits and funding opportunities (e.g., low-rate loans for decarbonization), and clear and transparent details included in planning dockets on how the Company will achieve its targets by the respective compliance dates.

Staff is currently discussing its recommendations to the Commission to approve, reject, or approve with conditions. Staff continues conversations with the Company and interested persons and parties and is looking forward to making a firm recommendation with regard to the Interim Targets and 2023 Biennial CEIP Update at the open meeting.

²⁵ *In re PacifiCorp's 2022 All-Source Request for Proposals*, UE-210979, Update to the 2022 All Source Request for Proposals Schedule, (Sept. 9, 2023).

²⁶ *In re PacifiCorp's 2024-2025 Biennial Clean Energy Plan Update*, UE-210819, 210829-PAC-CEIP-Biennial-Rpt-WP-PS1-SC-CETA-Interim-Targets-11-28-23 (C).xlsx, at WA CETA summary tab and WA allocations tab, (Nov. 28,2023).

Specific Targets

The Company further proposes updated specific targets for the 2022-2025 period.

Energy Efficiency

Table 3 demonstrates the Company's four-year energy efficiency target of 187,115 MWh, as informed by its 2024-2025 biennial conservation plan (BCP).²⁷ In this Biennial Update PacifiCorp made three changes to its specific energy efficiency (EE) targets, which Staff does not oppose. First, the EE target for 2022-2025 is now shown in MWh at site and not at generator to mirror the targets proposed in the 2024-2025 BCP. Second, the Company's target for 2024-2025 reflects the current 2024-2025 BCP, prior to this filing the Company relied on prior BCPs. Lastly, the EE target now includes distribution efficiency and production efficiency, which is consistent with the EIA characterization of EE targets. Staff believes relying on the most current BCP will provide the Company with the most up to date information. For the inclusion of distribution and production efficiency savings, Staff finds that including these savings can only help the Company reach their targeted savings.

Additionally, the Company expanded and plans to continue expanding and focus efforts on single-family homes in HIC areas. This includes increasing incentives and introducing a new program for manufactured homes for Low- Efficiency (Low-E) storm windows. The Company plans on continuing to provide no-cost direct-install residential lighting to renters living in family units and launching a Community-Based Distribution program, offering LED bulbs to Tribal and Vulnerable Population customers at no cost. The Company is still making efforts to continue equity work throughout all its programs and measures.

Table 3: Energy Efficiency Specific Targets (2022-2025) in MWh

Category MWh at Site	2022	2023	2024	2025
Washington - first-year Energy Efficiency from the IRP Preferred Portfolio	31,871	34,651	37,517	43,803
Behavioral Programs (HER)	4,100	(169)	4,212	3,742
RTF adjustments (total)	313	378	(2,223)	(2,331)
Adjusted Energy Efficiency Forecast - annual	36,284	34,860	39,506	45,214
Adjusted Energy Efficiency Forecast - Pro-rata	47,089	47,089	40,613	40,613
Co-Generation	-	-	12	12
Distribution Efficiency	76	77	-	227
Production Efficiency	-	-	1	1
Decoupling commitment - five percent	1,818	1,747	1,976	2,273
Annual Target	48,983	48,913	41,494	47,726
2022-2025 Target				187,115

²⁷ *Id.*

For Staff’s detailed assessment of the Company’s energy efficiency target and programs, see Staff’s Comments on the Company’s Biennial Conservation Plan.²⁸ In general, Staff does not see significant issues with the proposed energy efficiency changes. However, we will discuss more detailed recommendations at the January 17 Recessed Open Meeting for Biennial Conservation Plans.

Non-Energy Impacts

WAC 480-100-640(3) requires that in the CEIP the Company provide the “forecasted distribution of energy and nonenergy costs and benefits” for each of its renewable energy, energy efficiency, and demand response-specific targets.²⁹ PacifiCorp, in conjunction with other investor-owned utilities, contracted with DNV to assess and quantify additional non-energy impacts (NEI) of conservation measures for this Biennial CEIP Update, as part of its BCP. The analysis provided the Company with a single value for each energy efficiency measure. PacifiCorp separately contracted with Applied Energy Group (AEG) to provide a complete analysis of the cost effectiveness of the energy efficiency programs. Figure 2 below provides an estimate of how the measures of NEIs from the DNV analyses are distributed by customer programs for the 2022-2025 period. Staff expressed concerns multiple times about DNV’s NEI valuation methodology and reiterated those concerns in 2024-2025 Biennial Conservation Plan Update Staff comments.³⁰

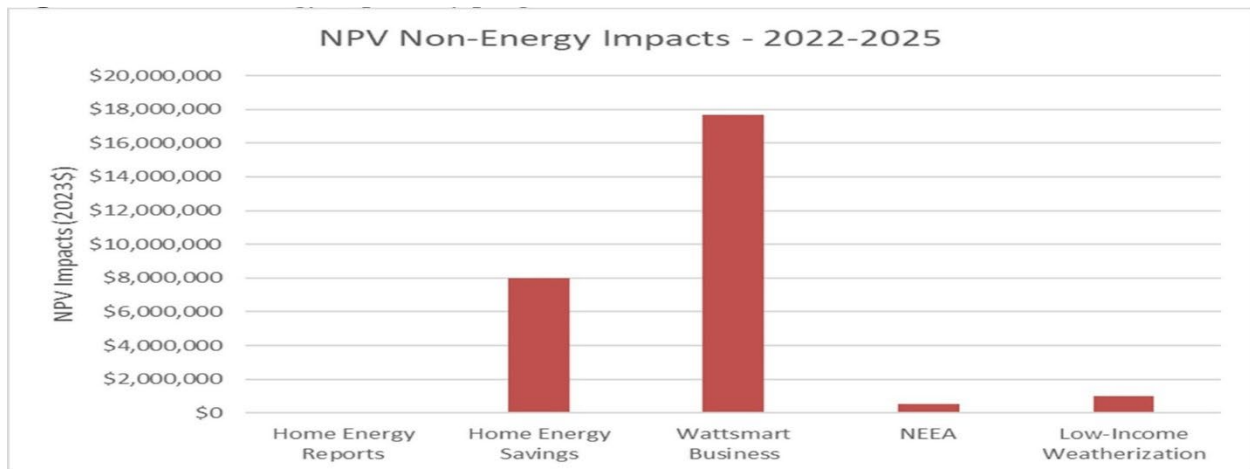


Figure 2: Non-Energy Impacts by Program for 2022-2025

²⁸ *In re PacifiCorp’s 2024-2025 Biennial Conservation Plan*, UE-230904, Staff Comments 2024-25 Electric BCP, at 13-14, (Dec. 22, 2023).

²⁹ WAC 480-100-640(3).

³⁰ *In re PacifiCorp’s 2024-2025 Biennial Conservation Plan*, UE-230904, Staff Comments, at 5, (Dec. 22, 2023).

While PacifiCorp has made progress on showing a forecasted distribution of non-energy benefits as they relate to energy efficiency, the Company still needs to make progress on the remainder of the WAC, which applies to all specific targets. Staff notes that there is a condition that will help PacifiCorp make progress on the remainder of the WAC. The Condition is DSP 1 from the October 25, 2023, settlement will be due by the 2025 CEIP filing. This condition focuses on distribution system planning and incorporating relevant learnings from the Company’s similar efforts in Oregon, and evaluate Washington-specific costs and benefits, including equitable distribution of benefits and burdens to vulnerable populations and highly impacted communities.

Renewable Energy

WAC 480-100-640(3)(a)(iii) requires a utility to “propose the renewable energy target as a percent of retail sales of electricity supplied by renewable resources.”³¹ In this Biennial Update, the Company updated its renewable energy targets for the years 2023-2025, as shown in Table 4.

Table 4: 2023 Biennial Update Renewable Energy Targets

	2022 ¹	2023	2024	2025	Total
Retail Electric Sales	4,051,128	4,128,704	4,141,064	4,106,333	16,427,229
Projected Renewable Energy	1,262,111	1,081,277	1,028,236	1,367,667	4,739,291
Net Retail Sales	2,789,017	3,047,473	3,112,871	2,738,719	11,688,080
Target Percentage	31%	26%	25%	33%	
Interim Compliance Target	1,262,111	1,081,277	1,028,236	1,367,667	4,739,291

Based on the resources shortlisted in PacifiCorp’s 2020 AS RFP and additional proxy resources³² selected in its 2023 IRP progress report, the Company’s updated Renewable Energy Specific Target includes approximately 1,800 MW of wind, 1,500 MW of solar and solar with storage, and 200 MW of storage. The Company also acquired two repowering wind projects located in Wyoming. Staff finds this consistent with the 2023 IRP progress report.

Staff believes that Table 4 shows that PacifiCorp complied with condition number 38 by including the 2022-2025 targets expressed as a percentage of the Company’s Washington retail sales of electricity supplied by renewable resources.³³

³¹ WAC 480-100-640(3)(a)(iii).

³² “Proxy resources” refer to generic, theoretical resources that are often used in long-term planning as a stand-in for more specific resources that are not known until the utility starts the procurement process.

³³ *In re PacifiCorp’s 2021 Clean Energy Implementation Plan*, UE-210829, Conditions List (Oct. 25, 2023).

During the process of developing the CETA-compliant portfolio,³⁴ there was an identified compliance shortfall of renewables or nonemitting energy in 2030 and 2031. To reach the 80 percent target of non-emitting energy in 2030 and 2031 at the least cost, the Company plans to add small-scale renewable energy situs to Washington, specifically,³⁵ 120 MW of small-scale solar and 120 MW of small-scale wind located in Yakima, Washington.

Demand Response

In this 2023 Biennial Update, PacifiCorp proposes no changes to its demand response Specific Target of 37.4 MW by 2025. As stated in Staff's comments on the Company's 2021 CEIP, we continue to encourage PacifiCorp to pursue an increased demand response target if doing so is cost-effective. Further, Staff is concerned that the connection between PacifiCorp's 2023 IRP Progress Report and its 2023 Biennial Update DR Specific Target is not clear. In its 2023 IRP Progress Report, PacifiCorp states, "Volumes attained by the end of the CEIP period, 2025, will likely be different from the initial 2021 CEIP forecast of 37.4 MW,"³⁶ suggesting changes to the CEIP DR target, though the Company's filed 2023 Biennial Update makes no such changes. The Company's 2023 IRP Progress Report provides a series of tables in Chapter 9 describing the annual resource outputs of its various modeling runs, but all of them appear to show resources added to PacifiCorp's multi-state system, which again, makes it very difficult to understand how the 2023 IRP Progress Report connects to the Washington-specific DR Specific Target in this 2023 Biennial Update filing.³⁷

PacifiCorp provides the status of its new DR programs that were launched since its 2021 CEIP was filed, including irrigation load control and commercial and industrial curtailment. The Company also discusses programs that will launch soon, including "Optimal Time Rewards" (residential HVAC and water heater direct load control), "Residential Managed Charging," and a residential battery DR program. Staff sees the launch of these programs as a positive development towards pursuing all cost-effective DR, as required by statute.³⁸ **Staff also notes that the Company's expected capacity is very commercial- and industrial-heavy. 36.9 MW of its DR programs are expected to come from that sector, with a mere 0.7 MW coming**

³⁴ Washington State preferred portfolio, which incorporates compliance with CETA into PacifiCorp's multi-state preferred portfolio.

³⁵ Situs refers to Washington-specific resources.

³⁶ *In re PacifiCorp 2023 Integrated Resource Plan Progress Report*, UE-200420, Volume II, Appendix O at 413 (May 31, 2023).

³⁷ *In re PacifiCorp 2023 Integrated Resource Plan Progress Report*, UE-200420, Volume I, Table 9.3 – DSM Demand Response at 257 (May 31, 2023).

³⁸ See RCW 19.405.040(5).

from residential programs.³⁹ While Staff understands these are new programs with some uncertainty around participation levels, we encourage the Company to ensure it is not underestimating the residential sector.

Furthermore, PacifiCorp gives a brief update on its Time-of-Use pilot program, which began in 2021 and is limited to 500 residential and 100 non-residential customers. The Company's DR Specific Target does not include this program. **In Staff's comments on PacifiCorp's 2021 CEIP, we noted that realizing the benefits of DR requires transitioning programs from the pilot stage into full programs.⁴⁰ Given this pilot is over a year and a half old (at the time of writing), Staff reiterates this sentiment and encourages PacifiCorp to provide an update on the findings and future of this pilot and program.**

Customer Benefit Indicators

One of the more sweeping and complicated changes resulting from CETA is the requirement for utilities to ensure all customers benefit from the transition to clean energy. The Commission must decide whether the utility's plan will fairly and justly allocate the utility's specific actions among the utility's customers.⁴¹ The rule requires for the Company to identify where vulnerable populations and highly impacted communities (hereafter referred to as "named communities" are located, the current conditions in those named communities as compared to the rest of the service territory, and how the proposed specific actions may shift any disparities identified. Furthermore, it requires the Company to include proposed or updated customer benefit indicators.⁴²

The Commission requires a clear understanding of *current conditions* in the Company's service territory before it can evaluate whether the CEIP improves, maintains, or worsens existing disparities for named communities.⁴³ PacifiCorp's development of a clear picture of the current conditions will be an iterative process, identifying both who and where named communities are, and what disparities may exist between those named communities and the entire service territory.

The Company identified nine customer benefit indicators (CBIs) and the metrics used to measure them as part of its revised CEIP. In this Biennial Update, the Company provided an update to the 2024-2025 utility actions from the 2021 CEIP to clarify the tie from the utility's actions to the

³⁹ *In re PacifiCorp's 2023 Biennial CEIP Update*, UE-230904, PacifiCorp 2023 Biennial CEIP Update, Table 3, (Nov. 1, 2023).

⁴⁰ *In re PacifiCorp's 2021 Final CEIP*, UE-210829, Staff Comments on PacifiCorp's Final 2021 CEIP, at 10 (May 6, 2022).

⁴¹ CETA Rulemaking Order at 20, ¶47.

⁴² WAC 480-100-640(4).

⁴³ CETA Rulemaking Order at 20, ¶ 47.

CBI metrics, and/or Vulnerable Population participation and to make some adaptive improvements. Updates since the revised CEIP are shown in purple in Table 5.

Table 5: Customer Benefit Indicators

No.	Customer Benefit Indicator*	Metric*
1	Increase culturally and linguistically responsive outreach and program communication	a. Number of topics addressed in outreach in non-English languages. b. Number of impressions from non-English outreach c. Percentage of responses to surveys in Spanish
2	Increase community-focused efforts and investments	a. Number of workshops on energy-related programs b. Headcount of staff supporting program delivery in Washington who are women, minorities, and/or can show disadvantages. ⁴⁴ c. Number of public charging stations in named communities
3	Increase participation in company energy and efficiency programs and billing assistance programs	a. Number of households/businesses, including named communities, who participate in company energy/efficiency programs. b. Dollar value of energy efficiency expenditures. ⁴⁵ c. number and percentage of eligible households that participate in billing assistance programs. d. Number of households/businesses who participate/enroll in demand response, load management, and behavioral programs. e. Dollar value of demand response, load management, and Behavioral programs expenditures.
4	Increase efficiency of housing stock and small businesses, including low-income housing	a. Number of households and small businesses that participate in company energy/efficiency programs. b. Dollar value of energy efficiency expenditures. ³⁸
5	Increase renewable energy resources and reduce emissions	a. Amount of renewables/non-emitting resources serving Washington b. Amount of Washington-allocated greenhouse gas emissions from Washington-allocated resources

⁴⁴ In this metric, program delivery is defined as related to energy efficiency programs, with exception to the LIWX program.

⁴⁵ Energy efficiency expenditures include customer, partner, and direct install incentive payments and exclude all other administrative or program costs.

6	Decrease households experiencing high energy burden	a. Number and percent of customers experiencing high energy burden by highly impacted communities, vulnerable populations, low-income bill assistance (LIBA) and Low-Income Weatherization participants, and other residential customers
7	Improve indoor air quality	a. Number and percent of households using wood as primary or secondary heating. b. Number and percent of non-electric to electric conversions for Low-Income Weatherization program
8	Reduce frequency and duration of energy outages	• SAIDI, SAIFI, and CAIDI scores (rolling 7-year average) at area level including and excluding major events. ⁴⁶
9	Reduce residential customer disconnections	• Number and percent of residential customer disconnections including disconnections within named communities

*Changes are identified in purple text.

On December 22, 2023, PacifiCorp filed a “Customer Benefit Indicator Report Card”, in this docket.⁴⁷ It shows that while some measures for multicultural CBIs decreased, most improved. This data should help the Company make any necessary changes to its programs among Named Communities.

While Staff applauds the progress, some of the changes are a bit unclear. For instance, CBI number 3 refers to “energy and efficiency programs.” Staff is unclear what programs are included in this term (e.g., energy efficiency program, demand response programs, community solar, etc.). It is also unclear in CBI number 3, subsection e, what dollars are being reported (e.g., direct benefit to the customer, admin costs, incentive payments, etc.).

Although PacifiCorp improved the data, Staff would like the Company to continue to work with its advisory groups to continuously improve on these CBIs to address the concerns noted above, as development of a clear picture of the current conditions will be a continual process. Staff does believe that these changes will bring better data to PacifiCorp to help guide its programs in the direction of helping more populations. Meanwhile, more improvements should follow from completion of the specific conditions laid out in the 2021 CEIP Settlement, dated October 25, 2023.

⁴⁶ SAIDI stands for System Average Interruption Duration Index, SAIFI stands for System Average Interruption Frequency Index, and CAIDI stands for Customer Average Interruption Duration Index

⁴⁷ *In re PacifiCorp's 2024-2025 Biennial Clean Energy Implementation Plan*, UE-210829, PAC-CBI Report Card (Dec. 22, 2023).

Transparency

Staff notes the lack of transparency within the Company's responses.⁴⁸ Mainly, instead of taking the recommendations previously stated in the 2023 IRP progress report, PacifiCorp must make a good faith effort to minimize the amount of data designated as confidential. **PacifiCorp did not make any changes to how it designates confidential data within a document. Staff understands that at times an entire document could be confidential but expects that PacifiCorp will limit confidential designations and will be more selective going forward. This will help with Staff analysis and other stakeholder input.**

Public Participation

PacifiCorp filed its most recent public participation plan (PPP) on May 1, 2023.⁴⁹ The goal of a PPP is to show interested parties how a utility plans to “involve advisory groups in developing the timing and extent of meaningful and inclusive public participation throughout the development and duration of the CEIP.”⁵⁰ While the PPP was a separate filing from this Biennial Update, Staff chose to address PPP concerns in these comments, as the two have an intertwined purpose.

Biennial Update Summary

Chapter 3 of the Biennial Update builds on what was covered by the Company's PPP.⁵¹ The Company focuses on outreach, language, and communications, introducing actions like the adaptation of the Energy Resource Center webpage and a multicultural campaign to engage Spanish-speaking communities more directly (discussed below), as discussed with regard to CBIs in the section above. PacifiCorp aims to enhance transparency through a feedback tracker, which will collect responses from the Company's engagements with advisory groups and with interested parties at public meetings.

PacifiCorp's multicultural campaign includes marketing that would increase culturally and linguistically responsive outreach. To do this the Company offered interpreters and translated materials at public meetings, and promoted EE programs on Spanish television, radio, and newspapers.

⁴⁸ *In re PacifiCorp's 2023 Integrated Resource Plan Progress Report*, UE-200420, Staff Comments on PacifiCorp's 2023 Integrated Resource Plan Progress Report, at 17, (Sept. 14, 2023).

⁴⁹ *In re PacifiCorp's Clean Energy Implementation Plan 2023 Public Participation Plan*, Docket UE-210305, PacifiCorp's Public Participation Plan, (May 1, 2023) (PPP).

⁵⁰ WAC 480-100-655(2).

⁵¹ *See* BCEIP at 27.

In the context of energy equity, the Company collaborates with community and stakeholder groups to develop an integrated approach, with actions categorized as recognition, distributive, procedural, and restorative justice, according to Commission guidance.⁵² Notable efforts include a Residential Energy Usage Survey, modifications to the Low-Income Bill Assistance Program, and an Energy Burden Assessment. PacifiCorp also cites the formation of an Equity Advisory Group (EAG) and the development of CBIs as part of its public participation strategy, though Staff notes these are required by WAC. The Company also outlines restorative justice actions, including changes to residential and non-residential customer energy efficiency programs to address distributional disparities.

Staff's Comments on the 2023 Public Participation Plan Update

In addition to the PPP, the Company submitted a matrix⁵³ outlining WAC 480-100-655 requirements and presenting PacifiCorp's perception of its PPP compliance. Staff identified three concerns with this matrix.

The first is the lack of a forward-looking strategy. The PPP focuses predominantly on past outreach programs and lacks a clear roadmap for engagement during the remainder of the CEIP period. The second is inequitable engagement opportunities. PacifiCorp's meeting schedule, while outlining logistics, does not demonstrate how it ensures equitable participation opportunities for all customers, especially regarding language diversity and other potential barriers. The last is limited inclusivity and outreach efforts. The Company puts an emphasis on Spanish-speaking communities, lacking diversity in other culturally specific partnerships. The PPP also fails to address cultural, economic, and other participation barriers, hindering a comprehensive engagement approach.

Furthermore, the feedback tracker only records feedback from a specific public participation meeting, as opposed to feedback from all advisory groups, as required by WAC 480-100-655(1). PacifiCorp's tracker is not from the development of the Biennial Update, but rather from after it submitted the draft to the Commission. **Staff urges PacifiCorp to provide a tracker with all advisory groups' feedback and include how it considered the input in the creation of the Biennial Update and future CEIP filings.**⁵⁴

In addition, WAC 480-100-655(1)(g) requires the utility to make available completed

⁵² *Wash. Utils. & Transp. Comm'n v. Cascade Natural Gas Corp.*, Docket UG-210755, Order 09, ¶56 (Aug. 23, 2022).

⁵³ *In re PacifiCorp's Clean Energy Implementation Plan 2023 Public Participation Plan*, UE-210305, Clean Energy Implementation Plan 2023 Public Participation Plan - Requirements References (May 15, 2023).

⁵⁴ WAC 480-100-655(1).

presentation materials for each advisory group meeting at least three business days before the meeting. **Staff experienced more than one meeting where meeting presentation documents were not shared with the advisory members three days before the meeting. Staff looks forward to addressing this issue with the Company and encourages PacifiCorp to provide these documents for every meeting going forward.**

Suggested Actions

Staff's review finds that the PPP did not fully fulfill the requirements of WAC 480-100-655 and offers the following recommendations the Company could take to mitigate deficiencies.

First, PacifiCorp's strategy for public participation needs to define how public participation can improve the Company's decision-making by addressing the following, among others: define processes, methods, and participation and communication objectives. **Answer the following questions:**

- 1. What are the issues for which the Company requires specific public input that the Company will consider at specific stages of decision-making?**
- 2. In what issues is early public engagement critical and required throughout the process?⁵⁵**
- 3. What are the issues for which a diverse stakeholder group needs to work on a problem and potentially seek consensus?**
- 4. What are the issues where the company is ready to give decision-making authority partly or fully to the public?⁵⁶**

Next, Staff believes the Company must learn from the public. **In addition to existing company methods, the Company should reach out to the general customer base through bill inserts, breakout rooms at CEIP public participation meetings, open houses, go-to-you meetings, and through the Company's EAG partners.** The Company should not underestimate the value of qualitative feedback. Then PacifiCorp should develop a comprehensive forward-looking plan that outlines specific actions and milestones for public participation throughout the CEIP period.

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⁵⁵ *Wash. Utils. & Transp. Comm'n v. Cascade Natural Gas Corp.*, Docket UG-210755, Order 09, ¶77 (Aug. 23, 2022).

⁵⁶ See *IAP2 Spectrum of Public Participation*, IAP2 International Federation, 2018. Also available at: https://www.iap2.org/resource/resmgr/pillars/Spectrum_8.5x11_Print.pdf.

Staff recommends the Company identify and address diverse participation barriers. To continue to work to build relationships and networks before asking for support or participation. This will require: a comprehensive *assessment* of cultural, economic, and other barriers to participation, and a *plan* to ensure that all customers, regardless of barriers, have equitable opportunity to participate in the planning process, and meaningful participant education. Educational initiatives should go beyond basic information sharing, ensuring participants are well-informed and engaged in the planning process.

Currently, Staff considers CBI Conditions 5, 10, 14, Stakeholder Engagement Condition 1, Interim Target Condition 12, and Miscellaneous Conditions 2 and 3⁵⁷ as sufficient for compliance at this time. **However, Staff expects PacifiCorp to continue incorporating the lessons learned from its public participation efforts as it implements its CEIP and plans on submission of its next PPP by May 1, 2025.**⁵⁸

2021 CEIP Order Conditions

Staff acknowledges that the order approving the 2021 CEIP settlement was issued on October 25, 2023, and the current conditions list consists of 50 distinct conditions, and at the time of this Biennial Update, none were due.⁵⁹

Conclusion

The process for review of the Biennial Update, as defined in the rule, indicates that after the comment period, the Biennial Update will be set for an open public meeting.⁶⁰ However, if warranted, the Commission will initiate an adjudication. Staff acknowledges that there are some updates with this Biennial Update that are concerning, and we look forward to reviewing public comments before recommending the next steps in this process.

⁵⁷ *Wash. Utils. & Transp. Comm'n v. PacifiCorp d/b/a PacifiCorp & Light*, Docket UE-210829, Settlement Agreement, Attachment A- PacifiCorp's Revised 2021 CEIP Conditions List (Oct. 25, 2023).

⁵⁸ WAC 480-100-655(2).

⁵⁹ *In re PacifiCorp's 2021 Clean Energy Implementation Plan*, UE-210829, PacifiCorp's 2021 Clean Energy Implementation Plan (Oct. 25, 2023).

⁶⁰ WAC 480-100-645.