

PacifiCorp 2023 Biennial Clean Energy Implementation Plan Update

Washington Utilities and Transportation Commission Recessed Open Meeting March 22, 2024



PacifiCorp CEIP

- PacifiCorp filed the Initial CEIP December 30, 2021, and Final Errata filed March 13, 2023
- Multi-Party Settlement with conditions filed September 22, 2023
- Washington Utilities and Transportation Commission Approved Multi-Party Settlement on October 25, 2023

PacifiCorp CEIP Biennial Update

- Filed on November 1, 2023, immediately following the Commission's approval of PacifiCorp's CEIP
- Updated interim targets for renewable energy and energy efficiency based on current information
- Updated CBIs
- Updated public engagement
- Revised the incremental cost analysis



Updated Interim and Specific Targets

Updates to the interim targets, particularly in the near-term, reflect several key developments:

- Participating parties' interest in exploring a new multi-state allocation methodology approach, differing from the approach outlined in the commission-approved 2020 PacifiCorp Interjurisdictional Allocation Protocol;
- Significant repricing of renewable resource bids in the 2020 AS RFP following the COVID-19 Pandemic;
- Supply chain issues;
- Rate impacts of continuing high energy market prices; and
- Competition for short-term contract options with growing demand for CETA-qualifying resources

	2022	2023	2024	2025	Average
2021 Revised CEIP	31%	31%	40%	60%	41%
2023 Biennial CEIP Update	31%*	26%	25%	33%	29%

*Originally estimated target for 2022 based on Refile 2021 CEIP, March 13, 2023

Incremental Energy Efficiency

The Biennial Update also included clarifications on energy efficiency forecast savings:

- Savings for 2022-2025 are now characterized as MWH/year at site instead of MWH/year at the generator, consistent with the characterization of energy efficiency targets used to comply with the Energy Information Administration (EIA)
- Savings for 2024-2025 reflects the new 2024-2025 Biennial Conservation Plan
- Savings for 2022-2025 now includes distribution efficiency and production efficiency, consistent with the characterization of energy efficiency targets used to comply with the EIA

Energy Efficiency Programs and Estimated Savings

Program or Initiative	MWH _{yr} at site				
	2022	2023	2024	2025	2022-2025
Low Income Weatherization (114)	169	169	180	180	
Home Energy Savings (118)	9,611	10,203	4,411	5,026	
Home Energy Reports	4,100	(169)	4,212	3,741	
Total Residential Programs	13,879	10,203	8,803	8,947	
Walmart Business (140) - Commercial	21,045	21,613	23,629	24,777	
Walmart Business (140) - Industrial	13,047	12,897	6,761	6,481	
Walmart Business (140) - Irrigation	868	868	672	692	
Total Business Programs	34,960	35,378	31,063	31,950	
Northwest Energy Efficiency Alliance	3,078	3,696	4,471	5,661	
Distribution Efficiency	76	77	-	227	
Production Efficiency	-	-	1	1	
Total Other Conservation Initiatives	3,154	3,773	4,472	5,888	
Total Conservation	51,994	49,354	44,337	46,785	192,470

Customer Benefit Indicators (CBIs)

The company updated its original CBIs and metrics summary table to improve clarity and in result of its CEIP CBIs settlement conditions

- Added directionality to CBIs
 - PacifiCorp intended each CBI to represent a specific improved outcome for customers, which in most cases implies a change over time
- Clarified metric units
 - Where necessary, PacifiCorp has revised its original metrics by clarifying the unit being measured (number, percentage, dollar value, etc.)
- PacifiCorp updated the CBIs and metrics table to explicitly identify three reported metrics inadvertently excluded:
 - Outreach impressions
 - Energy efficiency expenditures
 - Demand response expenditures

Energy Equity and Public Participation

Energy Equity

PacifiCorp continues to strive to deliver an equitable clean energy future. We seek to understand, adapt and develop an integrated approach that is inclusive by working with communities and interested parties through our public participation process

Public Participation

PacifiCorp provided an update on three specific actions from its Public Participation Plan in Docket UE-210305 in this CEIP Biennial Update:

- Energy Resource Center – Webpage Hub Adaptation
- Communications – Multicultural Campaigns
- Feedback Tracker

Revised Incremental Cost Analysis

Revised incremental costs in the Biennial Update include:

- Minimal changes to both the modeled and non-modeled administrative costs of CETA compliance during the current CEIP planning window (2022-2025)
- Update to the estimate of the average incremental revenue requirement is \$1.35 million per year, an estimated 0.4 percent increase in customer rates
- This incremental cost is well below the \$17,696 million annual threshold for alternative compliance, the calculation for which was also updated

Revised Incremental Costs

	Compliance Year			
	2022	2023	2024	2025
Modeled costs	-	0.47	(0.04)	(1.64)
Non-modeled costs*	2.07	2.54	1.18	(0.39)
Average Revenue Requirement	1.35			

*Administrative and General costs

PacifiCorp Recommendation

PacifiCorp recommends that the Commission either:

- Approve the Biennial Update as filed (with or without direction for next CEIP); or
- Set the matter for adjudication to develop a record on which an informed decision can be made

Adopting Staff's recommendations, without a full record, would not be in the public interest or be good public policy:

- Adopting Staff's proposed conditions would be inappropriate without further consideration of the impacts to the company and its customers;
- Staff's proposal regarding public engagement is better addressed in relation to PacifiCorp's Public Participation Plan in Docket UE-210305;
- Penalties would require compliance at any cost, which could raise costs of service for all operations if there are adverse impacts to PacifiCorp's credit ratings and cost of debt

