

ATTORNEY GENERAL OF WASHINGTON

Public Counsel

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March 3, 2025

SENT VIA WEB PORTAL

Jeff Killip
Executive Director and Secretary
Washington Utilities and Transportation Commission
P. O. Box 47250
Olympia, WA 98504-7250

Re: PacifiCorp, d/b/a Pacific Power & Light Company's 2025 Integrated Resource Plan, Docket UE-230812

Dear Director Killip:

The Public Counsel Unit of the Washington Attorney General's Office (Public Counsel) submits these comments to the Washington Utilities and Transportation Commission (Commission) in response to the Notice of Opportunity to File Written Comments filed in this Docket on January 10, 2025. Public Counsel appreciates the opportunity to engage on PacifiCorp's (the Company) Draft 2025 Integrated Resource Plan (IRP).

PacifiCorp filed its Draft IRP on December 31, 2024, in accordance with WAC 480-100-625(4). The Company filed its workpapers on January 17, 2025. Public Counsel has reviewed IRP Volumes I and II as well as the appendices and submits the following comments. After its review of PacifiCorp's Draft IRP, Public Counsel expresses concern over the Company's long-term resource procurement and its modeling considering anticipated changes to PacifiCorp's allocation methodologies.

1. PacifiCorp's Resource Planning Continues to Leave its Western Balancing Area Short to the Significant Detriment of Washington Ratepayers.

The Commission has been a broken record on this point. The Commission has long raised concerns over PacifiCorp's resource management strategy and has indicated that it will scrutinize PacifiCorp's IRP filings to ensure the Company is properly managing its resources for Washington. A review of PacifiCorp's Draft IRP shows that further scrutiny is warranted as it is not clear the Company has heeded the Commission's decades' worth of warnings. PacifiCorp's system plan continues to leave its western balancing area substantially short and highly vulnerable to market volatility.

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PacifiCorp has a duty to submit an integrated <u>resource</u> plan. Market reliance is <u>not</u> a resource. It has become abundantly clear that PacifiCorp's "holistic" system planning washes out Washington's specific needs, which includes long-term resource planning necessary to close Washington's short position on PacifiCorp's system and to effectively achieve compliance with Clean Energy Transformation Act (CETA) requirements by 2030. Given PacifiCorp's history of cancelling requests for proposals (RFPs), Public Counsel is skeptical of PacifiCorp's ability to reach either goal.

Washington's market exposure has had genuine negative consequences for PacifiCorp's Washington ratepayers. PacifiCorp's market-first approach has left Washington customers with disproportionately high power costs relative to the rest of PacifiCorp's system. As a result, PacifiCorp's residential rates are increasing at a pace of 33.7 percent per year, greater than residential rate increases over the previous 13 years combined. These rate increases—borne from PacifiCorp's resource management—are unacceptable and should raise significant concerns about further rate shock to come.

Table 1:
Average PacifiCorp Residential Bill Increases, 2011–2024 & 2024–2025¹

Period	Average bill*	Inc. from prev. period	Inc. from prev. period (%)	Inc. per 12 mo. (%)
April 2011	\$94.08			
March 2024	\$122.65	\$28.57	30.4%	2.1%
April 2025**	\$168.05	\$45.41	37.0%	33.7%
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^{*1,200} kWh usage/month; including Sch. 16, 91-99, 191, and 197 as applicable

Further, although Public Counsel is encouraged by PacifiCorp's participation in the Western Resource Adequacy Program (WRAP), PacifiCorp's market-heavy planning is likely incompatible with it. The Draft IRP expressly acknowledges PacifiCorp is capacity deficient relative to WRAP's compliance requirements.² Under PacifiCorp's planning, market purchases are necessary to meet its obligations. Yet, under WRAP's rules, market purchases without a specified source do not count toward WRAP's capacity requirements. WRAP qualifying market transactions certainly exist, but the markets for such transactions are increasingly illiquid. Public Counsel is concerned that PacifiCorp's WRAP compliance is unrealistic and that it will be left no other option than to continue to meet Washington's load through more expensive market instruments.

^{**}April 2025 bill calculated as February 2025 bill plus UE-230172 RY2 projected increase of \$6.07

¹ Public Counsel, Attachment 1 (PacifiCorp Rates); see also Appendix A (below).

² PacifiCorp Draft 2025 IRP, Volume I, at 111 (filed Dec. 31, 2024).

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Simple warnings, without the threat of consequence, have not been enough to discourage PacifiCorp's negligent approach to resource management. The Commission should warn PacifiCorp that if it does not manage its resources in a way that benefits its Washington customers, it risks disallowances in future rate proceedings, including its anticipated 2025 power cost only rate case.

2. PacifiCorp's Final IRP Must Address Forthcoming Changes to its Allocation Methodologies.

PacifiCorp's modeling is problematic as it relates to resource allocation. PacifiCorp contends it plans to file a replacement to the 2020 Protocol with each of the six states it operates in by 2026—an extremely tight timeline. Further, in its order on PacifiCorp's 2022 PCAM, the Commission ordered PacifiCorp to justify its continued reliance on the Washington Inter-Jurisdictional Allocation Methodology (WIJAM) and to provide "an alternative for cost allocation more beneficial to Washington ratepayers" in its next 2025 rate filing.³

Despite needing to propose two new allocation protocols, the Draft IRP's models under both the 2020 protocol and the WIJAM. It is unclear whether the modeling PacifiCorp offers in its Draft IRP is reliable when, in all likelihood, a different allocation methodology will alter its least cost plan. PacifiCorp must address this issue in its final IRP.

If you have any questions about this filing, please contact the undersigned or Stefan de Villiers at Stefan.deVilliers@ATG.WA.GOV or (206) 464-6215.

Sincerely,

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³ In re PacifiCorp 2022 Power Cost Adjustment, Docket UE-230482, Final Order 07, ¶ 17 (Oct. 30, 2024).

APPENDIX A

Average PacifiCorp Residential Bill, 2010-2025

