**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

FILED
04/08/19
04:59 PM

Order Instituting Rulemaking to Develop an Electricity Integrated Resource Planning Framework and to Coordinate and Refine Long-term Procurement Planning Requirements.

Rulemaking 16-02-007
(Filed April 8, 2019)

COMMENTS OF PACIFICORP ON THE PROPOSED DECISION ADOPTING PREFERRED SYSTEM PORTFOLIO AND PLAN FOR 2017-2018 INTEGRATED RESOURCE PLAN CYCLE

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In accordance with Rule 14.3 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure PacifiCorp, d/b/a Pacific Power (PacifiCorp) submits these comments regarding the Commission's Proposed Decision issued on March 18, 2019 proposing to adopt a preferred system portfolio and plan for the 2017-2018 integrated resource plan (IRP) cycle. Specifically, PacifiCorp submits these comments with respect to the PD's directive on page 73 that would require the company to use the Clean Net Short (CNS) accounting method as its greenhouse gas (GHG) emission accounting methodology in the development of its next IRP (*i.e.*, during the next IRP cycle).

I. Introduction and Background

PacifiCorp is a multi-jurisdictional utility (MJU) providing electric retail service to approximately 1.9 million customers in six western states (including California, Idaho, Oregon, Utah, Washington and Wyoming). PacifiCorp does not operate within the California Independent System Operator (CAISO) balancing authority area, but instead operates two balancing authority areas that encompass its six-state service territory. PacifiCorp's owned-generation portfolio is a mix of assets located within nine western states (Arizona, California, Colorado, Idaho, Montana, Oregon, Utah, Washington, and Wyoming).

As part of the process of managing its six state system, PacifiCorp files its IRP on a biennial basis with its state utility commissions, including the Commission.[1] PacifiCorp prepares a comprehensive biennial IRP for its six-state territory that identifies a least-cost, least-risk preferred portfolio of resources for its entire service territory. As detailed below, the PD's directive for PacifiCorp to apply the CNS methodology to future IRP cycles with respect to GHG emission accounting ignores the Company's existing practices and its unique circumstances as an MJU that operates outside the CAISO. Therefore PacifiCorp respectfully requests the Commission allow the company to use an alternative methodology to address the GHG emission accounting requirement.

II. PacifiCorp Comments in Response to the Commission's Directive in the PD

In accordance with Rule 14.3 of the Commission's Rules of Practice and Procedure, PacifiCorp provides the following comments and request for an exception in response to the Commission's directive regarding use of the CNS during future IRP cycles. As detailed below, use of the CNS would not align with PacifiCorp's IRP or how the Company dispatches resources. Consistent with a long-standing regulatory practice agreed to among the various state commissions regulating PacifiCorp, energy produced by PacifiCorp-owned resources, as well as purchased energy delivered through power-purchase agreements, is referred to as "system" power. System power is electricity that is not assigned by PacifiCorp for use within a particular state or balancing

[1] D.18-02-018 requires PacifiCorp to file the Integrated Resource Plan it already prepares as required by other jurisdictions it serves and provide any supplemental information about disadvantaged communities or any other required aspect of SB 350 decision that is not already covered in their IRP filing prepared for the other jurisdictions.

authority area and is managed on a system-wide basis. Consistent with its operations, PacifiCorp plans on a system-wide basis, ensuring that planning activities capture the system diversification benefits for PacifiCorp's California customers. This system-wide planning practice does not align with the CNS methodology.

The CNS calculator and its inputs are tailored to California-only utilities within the CAISO, not MJUs like PacifiCorp. As a result, the company is unable to use the CNS as it currently exists. For example, one of the main inputs to the CNS calculator is capacity (megawatts) by resource type; capacity by resource type is used to determine generation profile and balancing to load. Because PacifiCorp operates in multiple jurisdictions, using PacifiCorp's total system capacity in the CNS calculator would erroneously result in data showing a scenario of significant amount of over-generation, skewing the output of the CNS and associated emissions for PacifiCorp.

Another limitation of this methodology is that the CNS calculator utilizes default values for CAISO load modifiers that are derived from the Integrated Energy Policy Report (IEPR) that PacifiCorp is exempt from, and therefore do not apply to the company. Similarly, the emission intensities from the RESOLVE model which are applied to the CNS are also CAISO-specific and do not serve as an appropriate proxy to PacifiCorp's system emissions.

Due to the CNS calculator's inapplicability to PacifiCorp as a utility outside of the CAISO, PacifiCorp proposes the use of an alternate methodology to calculate an estimate of emissions relative to the benchmark target, that would better reflect the operation of its multijurisdictional system. The company proposes a methodology that calculates California's proportionate share of projected energy and emissions associated with the IRP's Projected Energy Mix with Preferred

Portfolio Resources.[2] PacifiCorp's projected energy mix is based on base price curve assumptions and categorized by resource technology type to show how the company's energy mix is projected to change over time. The projected energy mix balances for the company's system load and includes front office transactions (FOTs) and energy efficiency.

It is PacifiCorp's position that this proposed methodology provides more accurate results because it is better aligned with PacifiCorp's unique operational characteristics and a better reflection of the filed IRP, while meeting the Commission's requirements to show how the company plans to meet its 2030 GHG benchmark. There appears to be very little value in requiring PacifiCorp to adopt the CNS methodology in light of the burden this directive creates without improving results. Allowing the company to use an alternate methodology will not decrease the accuracy of its calculations and is appropriate for an MJU that is not part of the CAISO.

III. Conclusion

PacifiCorp appreciates this opportunity to comment on the PD. For the reasons described herein, PacifiCorp respectfully requests the Commission allow the company to use an alternative methodology for calculating GHG emissions during future IRP cycles in recognition of the unique characteristics of PacifiCorp's operations and service territory in California.

[2] For reference, PacifiCorp's most recently published Projected Energy Mix with Preferred Portfolio Resources is available in Chapter 8, page 240 of its 2017 IRP at https://www.pacificorp.com/es/irp.html.

Respectfully submitted,

April 8, 2019

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