

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

Complainant,

v.

PACIFICORP d/b/a PACIFIC POWER &
LIGHT COMPANY

Respondent,

DOCKET UE-210829

ORDER 06

FINAL ORDER APPROVING AND
ADOPTING SETTLEMENT
AGREEMENT; APPROVING CEIP
SUBJECT TO CONDITIONS

BACKGROUND

- 1 Revised Code of Washington (RCW) 19.405, Washington’s Clean Energy Transformation Act (CETA), and Washington Administrative Code (WAC) 480-100-640(1) direct electric investor-owned utilities to develop a clean energy implementation plan (CEIP or Plan) every four years. The passage of CETA during the 2019 Washington Legislative Session requires that CEIPs be informed by both a utility’s clean energy action plan and its long-term integrated resource plan.¹
- 2 On November 1, 2021, PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) filed a Draft CEIP with the Commission. That same day, PacifiCorp filed a Petition for Exemption from WAC 480-100-605 (Petition), which requires that the “alternative lowest cost and reasonably available portfolio” include the social cost of greenhouse gases (SCGHG) “in the resource acquisition decision.”
- 3 On November 9, 2021, the Commission issued notice that PacifiCorp’s Petition would be heard at the Commission’s regularly scheduled open meeting on December 9, 2021, and that any written comments must be filed by December 6, 2021. Renewable Northwest, the Public Counsel Unit of the Attorney General’s Office (Public Counsel), Earthjustice, NW Energy Coalition (NVEC), Sierra Club, and Commission staff (Staff) submitted written comments by this deadline.

¹ *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. 24, ¶ 59 (Dec. 28, 2020) (General Order R-601).

- 4 The Commission subsequently heard PacifiCorp's Petition at its December 9, 2021, open meeting. The Commission then entered Order 01, Denying Petition for Exemption (Order 01) on December 13, 2021.
- 5 On December 30, 2021, PacifiCorp filed a Final CEIP with the Commission.
- 6 On January 7, 2022, the Commission issued a Notice of Opportunity to File Written Comments, requiring any comments on the Final CEIP to be filed by May 6, 2022.
- 7 On April 19, 2022, PacifiCorp filed a Revised Errata to the Final CEIP, along with confidential and redacted work papers. PacifiCorp again filed a second errata to the Final CEIP on April 27, 2022.
- 8 On June 6, 2022, in Docket UE-220376, the Commission issued a Complaint and Notice of Prehearing Conference (Complaint). The Complaint alleged that PacifiCorp violated RCW 19.280.030, WAC 480-100-640, WAC 480-100-660 and Order 01 by failing to properly incorporate the social cost of greenhouse gasses (SCGHG) in the CEIP preferred portfolio and failing to properly reflect the SCGHG in the incremental cost calculation. The Complaint requested that the Commission assess a penalty of at least \$730,000 for ongoing violations of statute, rule, and order.
- 9 On June 27, 2022, Staff filed a Motion to Consolidate, requesting that the Commission consolidate the present docket with Docket UE-220376. The Commission subsequently denied this motion by order dated August 26, 2022.
- 10 On December 1, 2022, in Docket UE-220376, Staff filed a Motion to Withdraw Complaint (Motion to Withdraw Complaint) and a Settlement Agreement to Withdraw Staff's Complaint. PacifiCorp, Staff, Sierra Club, and NWEC agreed that the Company would file a Revised CEIP in Docket UE-210829. The Company would use the P02-SCGHG portfolio as the basis of the CEIP preferred portfolio and to develop the alternative lowest reasonable cost portfolios in the Revised CEIP. The Revised CEIP would also be subject to a "preclearance" requirement. This agreement was not opposed by AWEC, but it was opposed by Public Counsel.
- 11 On February 10, 2023, in Docket UE-220376, the Commission entered Order 06, Granting Motion to Withdraw Complaint. This effectively brought the proceedings in Docket UE-220376 to a close.
- 12 On March 13, 2023, in the present docket, PacifiCorp filed a Revised CEIP (Revised CEIP), as provided by the earlier settlement in Docket UE-220376.

- 13 On April 27, 2023, The Commission issued a Notice of Prehearing Conference, formally initiating an adjudication in this Docket.
- 14 By May 2, 2023, Sierra Club, The Energy Project (TEP), NVEC, and AWEC filed petitions to intervene.
- 15 On May 5, 2023, the Commission held a prehearing conference before administrative law judge Michael Howard.
- 16 On May 18, 2023, the Commission entered Order 03, Prehearing Conference Order and Notice of Hearing (Order 03). Among other points, Order 03 noticed an evidentiary hearing on February 13, 2024, and February 14, 2024. The Commission granted petitions to intervene filed by Sierra Club, TEP, NVEC, and AWEC.
- 17 On May 30, 2023, PacifiCorp filed a Motion for Clarification or Review of Order 03, requesting clarification on whether the Company was permitted to update interim targets in its Biennial CEIP update due in November 2023. The Commission construed this motion as a request for administrative review and assigned a different administrative law judge to assist the Commissioners. However, PacifiCorp subsequently withdrew this motion in an email to the administrative law judge assigned to the request for review.
- 18 On June 6, 2023, PacifiCorp filed a Petition for Exemption from WAC 480-100-650(4)(a)(i), which requires the Company to provide hourly retail sales information in the Company's annual clean energy progress report until they install an Automatic Metering Infrastructure or another similar system. PacifiCorp later filed a Revised Petition for Exemption from WAC 480-100-650(4)(a)(i) on June 9, 2023. The Commission subsequently granted the Company's requested exemption through an open meeting order entered on June 29, 2023.
- 19 On July 3, 2023, the Company filed its CEIP 2023 Progress Report.
- 20 On July 7, 2023, the Company filed direct testimony consistent with the procedural schedule set forth in Order 03.
- 21 On August 21, 2023, counsel for Staff emailed the presiding administrative law judge indicating that the parties, with the exception of AWEC and Public Counsel, had reached a settlement in principle. Staff requested that the Commission suspend the procedural schedule and require the filing of a settlement by September 22, 2023. Public Counsel and AWEC subsequently responded by email to the parties and the presiding administrative law judge indicating that they did not object to proceeding on a paper record.

- 22 That same day, August 21, 2023, the Commission issued a Notice Suspending Procedural Schedule and Requiring Filing of Settlement Documents by September 22, 2023.
- 23 On September 22, 2023, PacifiCorp filed a Full Multi-Party Settlement Agreement (Settlement Agreement), joined by the Company, Staff, Public Counsel, NWECA, Sierra Club, and TEP (Settling Parties). The Company submitted that the only party who did not join the Settlement Agreement, AWEC, did not oppose the Settlement Agreement. PacifiCorp filed Joint Settlement Testimony the same day.
- 24 On September 29, 2023, the Commission convened a public comment hearing. The Commission received comments from a member of the public, who spoke in favor of the Company serving customer load with renewable energy resources.
- 25 On October 20, 2023, Public Counsel submitted a public comment exhibit, noting a total of 24 comments. Public Counsel notes 19 of the comments were generally opposed to the Company's CEIP, and 5 of the comments were undecided.
- 26 **REPRESENTATIVES.** Zachary Rogala, in-house counsel, represents PacifiCorp. Nash Callaghan, Jackie Neira, Josephine Strauss, and Liam Weiland, Assistant Attorney Generals, Olympia, Washington, represent Staff.² Lisa Gafken, Nina Suetake, and Ann Paisner, Assistant Attorneys Generals, Seattle, Washington, represent Public Counsel. Yochanan Zakai and Ellison Folk, Shute, Mihaly & Weinberger LLP, represent TEP. Lauren McCloy, Policy Director, represents NWECA. Rose Monahan, Staff Attorney, represents Sierra Club. Tyler Pepple and Sommer Moser, Davison Van Cleve, P.C., represent AWEC.

DISCUSSION

- 27 The Commission approves and adopts the Settlement Agreement, which is not opposed by any party and resolves all outstanding issues in connection with PacifiCorp's Revised CEIP.
- 28 Pursuant to RCW 19.405.060(1), CEIPs must propose specific and interim targets for meeting CETA's requirements and describe the "specific actions" that the utility will take to meet these clean energy targets. The Commission shall approve, reject, or approve with conditions a CEIP, considering factors such as safety, reliability, lowest reasonable cost, the equitable distribution of benefits, and the reduction of burdens to Vulnerable Populations

² In formal proceedings such as this, the Commission's regulatory staff participates like any other party, while the Commissioners make the decision. To assure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners' policy and accounting advisors do not discuss the merits of this proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. See RCW 34.05.455

and Highly Impacted Communities (Named Communities).³ WAC 480-100-640 sets forth more detailed requirements for the contents of CEIPs and WAC 480-100-645 provides additional detail as to the Commission’s process for reviewing CEIPs.

29 The Commission will approve a settlement “when doing so is lawful, the settlement terms are supported by an appropriate record, and when the result is consistent with the public interest in light of all the information available to the commission.”⁴

30 We approve and adopt the Settlement Agreement. We accordingly approve PacifiCorp’s Revised CEIP, including the Revised CEIP’s interim targets and specific targets, subject to the conditions set forth in the Settlement Agreement.⁵ The Settlement Agreement recognizes, however, that PacifiCorp will update its interim and specific targets in the Biennial Update coming due this November 2023.⁶ This settlement is not opposed by any party, and the Commission finds it appropriate to decide this matter on a paper record without the need for a settlement hearing.

31 To begin, the Company filed the Revised CEIP subject to the conditions set forth in Staff’s Motion to Withdraw Complaint and the associated settlement in Docket UE-220372. The Commission is not presently deciding any issues raised by the Complaint in Docket UE-220372, which has clearly been withdrawn. But the Company has provided additional explanation in the Revised CEIP as to how it modeled the SCGHG.⁷ The Company has appropriately provided a CEIP portfolio and alternative lowest-reasonable cost portfolio that both include the SCGHG carbon price assumption as the base assumption for all portfolios considered in the CEIP and that both reflect Washington-allocated resources. This additional explanation and evidence helps establish that the Settlement Agreement is lawful, supported by an appropriate record, and consistent with the public interest. The Commission is hopeful that the foundational work by the parties in this docket, and in Docket UE-220376, will narrow the scope of disagreement in future proceedings and allow for more efficient resolution of future CEIP filings.

³ RCW 19.405.060(1)(c). *See also* WAC 480-100-640 (setting forth the requirements for CEIP contents)

⁴ WAC 480-07-750(2).

⁵ To be clear, the Commission does not set forth any additional conditions on the approval of the Revised CEIP beyond those set forth in the Settlement Agreement.

⁶ *E.g.*, Joint Testimony, Exh. JS-1T at 17:5-17.

⁷ *See* Joint Testimony, Exh. JS-1T at 6:4-10. *See also* Revised CEIP, App. E, F.

- 32 The Settlement Agreement continues with an emphasis on transparency and allowing for non-Company parties to understand the Company’s detailed modeling.⁸ The Settling Parties agree, for example, that the Company will provide paid PLEXOS licenses for Staff to understand and vet the Company’s modeling.⁹ The Commission placed a similar condition on Puget Sound Energy’s (PSE’s) CEIP.¹⁰ This focus on transparency appears to be informed, in part, by the allegations raised in the Complaint in Docket UE-220376, and these conditions similarly weigh in favor of approving the Revised CEIP.
- 33 The Settlement Agreement provides a path forward for PacifiCorp and the non-Company parties on several other issues. Given the timing of the Settlement Agreement, many of these conditions are appropriately focused on the July 2024 Progress Report and the 2025 CEIP filing, instead of requiring a re-filing of the present CEIP or extensive changes in the Biennial Update due in November 2023. For instance, the Settling Parties agree that PacifiCorp will engage with interested parties for up to two workshops “to review and improve the Company’s approach to identifying and tracking vulnerable populations.”¹¹ We agree that understanding vulnerability and improving the identification of vulnerable populations requires listening to the voices of those most affected.¹² We commend the Company for adjusting its communication plans, given feedback from its Equity Advisory Group, to help make this possible.¹³
- 34 Furthermore, the vulnerability factors listed by the Settling Parties recognize the numerous factors contributing to vulnerability, as recognized by RCW 19.405.020(40). The vulnerability factors are also consistent with our guidance that “[t]he information should be reasonably pertinent to issues within the utility’s control, and the information should be actionable.”¹⁴ PacifiCorp witness Matthew McVee explains that the Company takes a customer-based, rather than a geographic-based, approach, to identifying vulnerable populations.¹⁵ But the Company anticipates that before the 2025 CEIP it will need to

⁸ See Settlement Agreement, Conditions 17-24 (Transparency Conditions 1-8).

⁹ Settlement Agreement, Condition 22.

¹⁰ *In the Matter Puget Sound Energy Clean Energy Implementation Plan*, Docket UE-210795, Order 08 ¶ 93 (June 6, 2023) (PSE CEIP Order).

¹¹ Settlement Agreement, Condition 16 (CBI Condition 14).

¹² See PSE CEIP Order ¶ 146 (“Many of these questions require the incorporation of input from affected communities and those that represent those communities.”).

¹³ See Joint Testimony, Exh. JS-1T at 10:4-16.

¹⁴ *Id.* ¶ 150.

¹⁵ See *id.* at 13:21-15:12.

consider whether it should continue with a census-tract based approach.¹⁶ The Settlement Agreement provides a path forward for dialogue between the Company, the parties, and other interested persons on these complex issues. We therefore conclude that conditions related to identifying vulnerable customers set forth in the Settlement Agreement are consistent with the public interest.

35 Overall, we commend the Settling Parties for working collaboratively to improve PacifiCorp's CEIP and subsequent CEIP filings with additional, robust conditions that will benefit all customers, and, importantly, will help ensure the equitable distribution of benefits from the transition to clean energy for members of Highly Impacted Communities and Vulnerable Populations. We particularly note PacifiCorp's extensive engagement with the Washington Equity Advisory Group, Demand-Side Management Advisory Group, Low-Income Advisory Committee and the Company's customers, and encourage the Company to continue its collaborative process for future CETA compliance planning.¹⁷ We also recognize that the Settling Parties have provided testimony and evidence on several important issues, such as Customer Benefit Indicators, which we do not address at length in this Order.¹⁸ After reviewing the Settlement Agreement resolving the issues in this case, we conclude that it is lawful, supported by an appropriate record, and consistent with the public interest. Accordingly, we approve PacifiCorp's CEIP subject to the conditions in the Settlement Agreement.

FINDINGS AND CONCLUSIONS

- 36 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric companies.
- 37 (2) PacifiCorp is an electric company and a public service company subject to Commission jurisdiction.

¹⁶ *Id.*

¹⁷ *E.g.*, Joint Testimony, Exh. JS-1T at 3:5-8 (noting the Company's engagement with advisory groups and customers).

¹⁸ *E.g.*, *id.* at 20:15-21 (providing testimony from Staff witness Molly Brewer regarding the need for more granular evaluation of the impacts on named communities), 25:7-19 (providing testimony from NWECA witness Lauren McCloy on the benefits of the CBI report card).

- 38 (3) PacifiCorp is subject to RCW 19.405.060, which requires investor-owned electric companies to file CEIPs with the Commission every four years beginning January 1, 2022.
- 39 (4) Pursuant to RCW 19.405.060(1)(c), the Commission must approve an investor-owned utility's CEIP, reject the CEIP, or approve the CEIP subject to conditions. The Commission may require more stringent targets than those proposed by the investor-owned utility.
- 40 (5) On March 13, 2023, PacifiCorp filed its Revised 2021 Final Clean Energy Implementation Plan.
- 41 (6) On September 22, 2023, the Settling Parties filed a Full Multi-Party Settlement Agreement resolving all contested issues and recommending approval of the Revised CEIP subject to 50 agreed conditions.
- 42 (6) The conditions proposed in the Settlement Agreement are supported by the record and consistent with the public interest.
- 43 (7) The Commission should approve the Revised CEIP's interim targets, including its 2025 interim target of supplying 60 percent of Washington retail load with renewable and non-emitting energy.
- 44 (8) The Revised CEIP is consistent with the public interest and should be approved subject to the conditions set out in the Settlement Agreement.

ORDER

THE COMMISSION ORDERS:

- 45 (1) The Full Multi-Party Settlement Agreement filed by PacifiCorp d/b/a Pacific Power & Light Company on behalf of Commission Staff, NW Energy Coalition, Sierra Club, The Energy Project, and the Public Counsel Unit of the Washington State Office of the Attorney General, and attached to this Order as Appendix A, is approved and adopted.
- 46 (2) PacifiCorp b/d/a Pacific Power & Light Company's Revised Clean Energy Implementation Plan meets the requirements of RCW 19.405.060 and WAC 480-100-640 and should be approved subject to the conditions set out in Appendix A to this Order.

- 47 (3) The Commission retains jurisdiction over the subject matter and PacifiCorp d/b/a Pacific Power & Light Company to effectuate the provisions of this Order.

Dated at Lacey, Washington, and effective October 25, 2023

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, Commissioner

APPENDIX A

MULTIPARTY SETTLEMENT AGREEMENT

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of	Docket UE-210829
PACIFICORP, d/b/a PACIFIC POWER & LIGHT COMPANY'S	FULL MULTI-PARTY SETTLEMENT AGREEMENT
Clean Energy Implementation Plan	

I. Parties

1 This Full Multi-Party Settlement Agreement (Agreement) is entered into by PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company), Commission Staff (Staff), NW Energy Coalition (NVEC), Sierra Club, The Energy Project (TEP), and the Public Counsel Unit of the Washington State Office of the Attorney General (Public Counsel) (collectively, Settling Parties). This Agreement represents a comprehensive settlement under WAC 480-07-730(3)(a) of all issues in this case by the Settling Parties. The only party to this docket that does not join the Agreement is the Alliance of Western Energy Consumers (AWEC), and AWEC does not oppose the Agreement.

II. Background

2 PacifiCorp filed its initial 2021 CEIP with the Commission on December 30, 2021 (CEIP). Among other things, the CEIP included the Company's anticipated interim and specific targets to achieve Washington's Clean Energy Transformation Act (CETA) clean energy standards. These interim targets were based primarily on the Company's

2021 Integrated Resource Plan (IRP)¹ that was filed with the Commission in September of 2021,² and was the result of a years-long stakeholder process to inform the Company’s 20-year planning document. The Clean Energy Implementation Plan is a four-year action plan specific to Washington customers and communities that focuses on community-based actions that move us toward meeting the Clean Energy Transformation Act’s milestones.

3 Representatives of all parties to this docket appeared at settlement conferences held on July 7 and August 21, 2023, and for the purpose of narrowing or resolving the contested issues in this proceeding. Those discussions led to this Agreement.

4 The Settling Parties have reached a full settlement of the issues in this proceeding. The Settling Parties understand that this Agreement is subject to approval by the Commission and respectfully request that the Commission issue an order approving this Agreement in its entirety.

III. Agreement

5 The Settling Parties agree that the Commission should approve PacifiCorp’s Revised CEIP, subject to the conditions identified in Attachment A.³

IV. Effect of the Settlement Agreement

6 Binding on Settling Parties. The Settling Parties agree to support the terms of this Agreement throughout this proceeding and recommend that the Commission issue an order approving and adopting this Agreement. The Settling Parties understand that this Agreement is subject to Commission approval. If the Commission does not accept this

¹ *In re PacifiCorp’s 2021 CEIP*, Docket No. UE-210829, Final 2021 CEIP, at 7, Figure 1.1 (available here: <https://apiproxy.utc.wa.gov/cases/GetDocument?docID=85&year=2021&docketNumber=210829>).

² *In re PacifiCorp’s 2021 IRP*, Docket No. UE-220420, 2021 Final IRP (Sept. 1, 2021).

³ *In re PacifiCorp’s 2021 CEIP*, Docket No. UE-210829, Revised 2021 CEIP (Mar. 13, 2023).

Agreement, then the Settling Parties shall be free to assert their pre-settlement positions and agree that neither this Agreement nor any statements or admissions contained herein shall be admissible or used for any purpose in this docket or any other proceeding for any purpose; provided, however, that any Settling Party may disclose the existence or terms of this Agreement when required to do so by law.

7 Settlement is a Compromise. The Settling Parties agree that this Agreement represents a compromise of the positions of the Settling Parties.

8 Negotiations not Admissible. Conduct, statements, and documents disclosed while negotiating this Agreement shall not be admissible evidence in this or any other proceeding except in any proceeding to enforce the terms of this Agreement or any Commission Order adopting those terms.

9 Integrated Terms of Agreement. The Settling Parties have negotiated this Agreement as an integrated document. Accordingly, the Settling Parties recommend that the Commission adopt this Agreement in its entirety. Each Settling Party has participated in the drafting of this Agreement, so it should not be construed in favor of, or against, any Settling Party.

10 Procedure. The Settling Parties shall cooperate in submitting this Agreement promptly to the Commission for acceptance. Each Settling Party shall make available a witness or representative in support of this Agreement. The Settling Parties agree to cooperate, in good faith, in the development of such other information as may be necessary to support and explain the basis of this Agreement and to supplement the record accordingly.

11 Reservation of Rights. Each Settling Party may offer into evidence its pre-filed testimony and exhibits as they relate to the issues in this proceeding, together with such evidence in support of this Agreement as may be offered at the time of the hearing on this Agreement. If the Commission rejects all or any material portion of this Agreement, or adds additional material conditions, each Settling Party reserves the right, upon written notice to the Commission and all Settling Parties to this proceeding within seven days of the date of the Commission's Order, or within any shorter notice period the Commission may require under WAC 480-07-750(2)(b)(ii), to withdraw from this Agreement. If any Settling Party exercises its right of withdrawal, this Agreement shall be void and of no effect, and the Settling Parties will support a joint motion for a procedural schedule to address the issues that would otherwise have been settled herein.

12 News Releases. All Settling Parties agree to include in any news release or announcement a statement that Staff's recommendation to approve the Agreement is not binding on the Commission itself. This subsection does not apply to any news release or announcement that otherwise makes no reference to Staff.


13 No Precedent. The Settling Parties enter into this Agreement to avoid further expense, uncertainty, and delay. By executing this Agreement, no Settling Party shall be deemed to have accepted or consented to the facts, principles, methods or theories employed in arriving at this Agreement and, except to the extent expressly set forth in this Agreement, no Settling Party shall be deemed to have agreed that this Agreement is appropriate for resolving any issue in any other proceeding.

14 Public Interest. The Settling Parties agree that this Agreement is in the public interest.

Execution. This Agreement may be executed by the Settling Parties in several counterparts and as executed shall constitute a single settlement agreement.

Entered into this 22nd, day of September 2023,

PacifiCorp:



Matt McVee
Vice President, Regulatory Policy and Operations

Staff of the Washington
Utilities and Transportation
Commission:

/s/ Nash Callaghan
Nash Callaghan
Assistant Attorney General

Public Counsel Unit
Washington State Office of the
Attorney General:

Ann Paisner, WSBA No. 50202
Assistant Attorney General

NW Energy Coalition:

Lauren McCloy
Policy Director

Sierra Club:

Lindsay Beebe
State Lobbying and Advocacy Representative

The Energy Project:

Shaylee Stokes
Director

Execution. This Agreement may be executed by the Settling Parties in several counterparts and as executed shall constitute a single settlement agreement.

Entered into this 22nd, day of September 2023,

PacifiCorp:

Matt McVee
Vice President, Regulatory Policy and Operations

Staff of the Washington
Utilities and Transportation
Commission:

/s/ Nash Callaghan
Nash Callaghan
Assistant Attorney General

Public Counsel Unit
Washington State Office of the
Attorney General:

Ann Paisner

Ann Paisner, WSBA No. 50202
Assistant Attorney General

NW Energy Coalition:

Lauren McCloy
Policy Director

Sierra Club:

Lindsay Beebe
State Lobbying and Advocacy Representative

The Energy Project:

Shaylee Stokes
Director

Execution. This Agreement may be executed by the Settling Parties in several counterparts and as executed shall constitute a single settlement agreement.

Entered into this 22nd, day of September 2023,

PacifiCorp:

Matt McVee
Vice President, Regulatory Policy and Operations

Staff of the Washington
Utilities and Transportation
Commission:

Nash Callaghan
Assistant Attorney General

Public Counsel for the
Washington State Office of the
Attorney General:

Ann Paisner
Assistant Attorney General

NW Energy Coalition:



Lauren McCloy
Policy Director

Sierra Club:

Lindsay Beebe
State Lobbying and Advocacy Representative

The Energy Project:

Shaylee Stokes
Director

Execution. This Agreement may be executed by the Settling Parties in several counterparts and as executed shall constitute a single settlement agreement.

Entered into this 22nd, day of September 2023,

PacifiCorp:

Matt McVee
Vice President, Regulatory Policy and Operations

Staff of the Washington
Utilities and Transportation
Commission:

Nash Callaghan
Assistant Attorney General


Public Counsel for the
Washington State Office of the
Attorney General:

Ann Paisner
Assistant Attorney General

NW Energy Coalition:

Lauren McCloy
Policy Director

Sierra Club:



Lindsay Beebe
State Lobbying and Advocacy Representative

The Energy Project:

Shaylee Stokes
Director

Execution. This Agreement may be executed by the Settling Parties in several counterparts and as executed shall constitute a single settlement agreement.

Entered into this 22nd, day of September 2023,

PacifiCorp:

Matt McVee
Vice President, Regulatory Policy and Operations

Staff of the Washington
Utilities and Transportation
Commission:

/s/ Nash Callaghan
Nash Callaghan
Assistant Attorney General

Public Counsel Unit
Washington State Office of the
Attorney General:

Ann Paisner, WSBA No. 50202
Assistant Attorney General


NW Energy Coalition:

Lauren McCloy
Policy Director

Sierra Club:

Lindsay Beebe
State Lobbying and Advocacy Representative

The Energy Project:


Ellison Folk, Shute, Mihaly & Weinberger
LLP for
Shaylee Stokes
Director

V. Attachment A – PacifiCorp’s Revised 2021 CEIP Conditions List

1. Implementation Deadlines. Each condition will be implemented in the July 2024 CEIP progress report (2024 Filing), in the 2025 CEIP, or as otherwise discussed in each condition below.
2. Rate Recovery. Ratemaking treatment of prudently incurred costs will be fully determined in a separate proceeding. To recover prudently incurred costs associated with implementing this CEIP and associated conditions, the Company will file a separate accounting petition to address deferred accounting for such costs until they are reviewed and deemed prudent for recovery, or not, by the Commission. Due Date: N/A
3. CBI Condition 1. PacifiCorp agrees to track and report the CBIs and metrics included in its Revised CEIP and this Settlement in future CEIP progress and compliance reports. PacifiCorp commits to work to expand data availability during this CEIP period. The Company does not have to duplicate data collection efforts if it is collecting the same data in other dockets, but it may use that data for CBI and metric reporting. Due Date: 2024 Filing and 2025 CEIP.
4. CBI Condition 2. For its CBI – Residential customer disconnections – PacifiCorp agrees to replace its metric (“number of residential customer disconnections including disconnections within named communities”) with the following metric: Number and percentage of residential electric disconnections for nonpayment by month, measured by location and demographic information (zip code/census tract, KLI customers, Vulnerable Populations (where known), Highly Impacted Communities, and for all customers in total). If residential disconnections are not required to be reported quarterly to the Commission in any other docket (e.g., U-200281 or U-210800) or rule, PacifiCorp will report residential disconnections as reported pursuant to Commission Order 04 (Appendix A Third Revised Term Sheet, Section J, Part 2 a), in Docket U-200281, on a quarterly basis through the end of this CEIP implementation period (December 31, 2025). Due Date: 2024 Filing and 2025 CEIP.
5. CBI Condition 3. For its CBI – Residential customer disconnections – PacifiCorp agrees to add the following metric: Residential arrearages as reported pursuant to Commission Order 04 (Appendix A Third Revised Term Sheet, Section J, Part 8 a-c) in Docket U-200281 (arrearage data for Section J, Part 2 is reported quarterly by zip code). If residential arrearages are not required to be reported to the Commission in any other docket (e.g., U-200281 or U-210800) or rule, PacifiCorp will track the following residential electric data by month, measured by location and demographic information (zip code/census tract, KLI customers, Vulnerable Populations (where known), Highly Impacted Communities, and for all customers in total) and report the data to the Commission on a quarterly basis through the end of this CEIP implementation period (December 31, 2025) The number of customers with past-due balances (arrearages); and, the amount of past-due balances that are 30+, 60+, and

90+ days past due, and the total amount of arrearages. Due Date: 2024 Filing and 2025 CEIP.

6. CBI Condition 4. For its CBI – Households experiencing high energy burden – PacifiCorp agrees to revise its metrics to include the following: Number and percent of households with high energy burden, with high energy burden defined as greater than or equal to six percent of household annual income; and average excess burden per household. This CBI will be separately tracked and reported for all PacifiCorp customers, known low income (KLI) customers and Named Communities. KLI customers are defined as those who have received energy assistance during the prior two years. Due Date: 2024 Filing and 2025 CEIP.
7. CBI Condition 5. For its CBI – Culturally and linguistically responsive outreach and program communication – PacifiCorp agrees to add “including increased availability of translation services for all PacifiCorp programs, including credit, collection, and payment”, and to add the following metrics: Number of programs for which PacifiCorp provides translation services or translated material; and Number of languages PacifiCorp uses for translated material. PacifiCorp will also provide a list of all programs for which it provides translation services or translated material and the format of the service or material (e.g., telephone translation, brochure, notice, website). Due Date: 2024 Filing and 2025 CEIP.
8. CBI Condition 6. For its CBI – Participation in company energy efficiency programs and billing assistance programs – PacifiCorp agrees to track both “number and percentage” for its metrics for participation in energy efficiency and bill assistance programs. PacifiCorp agrees to add the following metrics: Number of residential appliance and equipment rebates provided to Named Community customers (where known); Number of residential rebates provided to customers residing in rental units; and Investment and/or energy efficiency savings in rental residential housing stock. PacifiCorp agrees to discuss strategies to increase the number of participating households in Named Communities with its EAG, LIAC, and DSMAG, and will move forward with feasible strategies, if identified. Due Date: 2024 Filing and 2025 CEIP.
9. CBI Condition 7. PacifiCorp agrees to add the following CBI and metrics to the CETA category of Energy Benefits CBI: Increase named community clean energy. Metrics: (1) Total MWh of distributed energy resources 5 MW and under, where benefits and control of the resource accrue to members of named communities; (2) Total MWs of energy storage resources 5 MW and under, where benefits and control of the resource accrue to members of named communities; (3) Number (i.e., sites, projects, and/or households) of distributed renewable generation resources and energy storage resources, where benefits and control of the resource accrue to members of named communities, including storage/backup/emergency powered centers for emergencies; and (4) Total MWh of energy savings from EE programs, where benefits and control of the savings accrue to members of named communities. ; and (5) Where known, for 1, 2, 3, and 4 above, PacifiCorp will specify whether the named

community resources are HIC and/or VP and/or known LI. For vulnerable populations, where known, PacifiCorp will specify named community resources broken down by the sensitivity factors and/or socioeconomic factors that led the customer or community to be designated vulnerable. Due Date: 2024 Filing and 2025 CEIP.

10. CBI Condition 8. PacifiCorp agrees that the metric, “SAIDI, SAIFI, and CAIDI* at area level including and excluding major events” for the CBI “Frequency and duration of energy outages” will also include data for the frequency of customer outages for Vulnerable Populations (where available). PacifiCorp will also measure the frequency of outages using the IEEE index Customers Experiencing Multiple Outages (CEMI) “0” as this is more specific to customer outages than a system level metric. The Company will report CEMI values after discussing relevant threshold values with its stakeholders and comparison to peer utilities. Due Date: 2024 Filing and 2025 CEIP.
11. CBI Condition 9. After coordinating with PacifiCorp’s stakeholders, PacifiCorp will create a separate column in Table 2.3 of the 2021 PacifiCorp CEIP that indicates the desired goal, objective, target or directionality for each CBI, and another separate column that indicates specific actions that are relevant to meeting each CBI goal (as referenced in Appendix C), objective, target, or directionality. PacifiCorp will include the specific metrics agreed to in this Settlement in a separate column in Table 2.3 in the July 2024 filing, and 2025 CEIP.
12. CBI Condition 10. PacifiCorp recognizes that not all CBIs and metrics will be relevant or applicable to resource selection. PacifiCorp will develop, in conjunction with relevant advisory groups (including but not limited to the DSMAG, EAG, and LIAC) and stakeholders, a transparent methodology for applying CBIs and metrics that are appropriate for future resource planning and acquisition decisions. This will include changes to its weighting and scoring processes for future resource acquisition processes. Due Date: 2025 CEIP.
13. CBI Condition 11. PacifiCorp will incorporate CEIP CBIs and metrics into a publicly accessible comprehensive report card that includes all metrics and baseline data that the Company reports to the Commission, available on the Company’s CEIP website within 60 days of the final order. If data for all metrics is not available for any final approved metrics, PacifiCorp will list the metric and indicate in the report card “data coming soon”. PacifiCorp also agrees to prepare and file with the Commission in the CEIP docket a comprehensive list of all Customer Benefit Indicators, related metrics, and baseline data. Due Date: Within 60 days of final order in Docket UE-210829 for CBIs and metrics from the initial CEIP, and in the 2024 Filing to incorporate additional CBIs and metrics required by these Conditions.
14. CBI Condition 12. In its 2025 CEIP, PacifiCorp will provide a clear explanation of how it arrived at each CBI and metric, and how those metrics will be impacted by PacifiCorp’s specific actions. Due Date: 2025 CEIP.

15. CBI Condition 13. PacifiCorp must choose at least two of its current CBIs and work with stakeholders to determine which five subsets of PacifiCorp’s named communities in its system, and at what granularity, should be tracked and reported for the chosen CBIs. Due Date: 2024 Filing, or 2025.
16. CBI Condition 14. PacifiCorp will convene interested stakeholders for up to two workshops to review and improve the Company’s approach to identifying and tracking vulnerable populations. These workshops will consider the vulnerability factors listed below (including reasonable alternatives or additions), and determine the extent to which the Company should incorporate each into the 2025 CEIP. Due Date: Workshops will be initiated no later than July 1, 2024, and findings from these workshops shall be incorporated and reported on within the Company’s 2025 CEIP. Factors include:
- Sensitive populations (disability, cardiovascular disease, low birth weights, higher rates of hospitalization, home care);
 - Energy security/insecurity (arrearage/disconnections, estimated energy burden, housing burden);
 - Other socioeconomic factors (access to digital/internet resources, access to food, access to health care, educational attainment level, historical redline influence, linguistic isolation, race, transportation expense, unemployment, poverty, deep poverty, renter status, seniors with fixed income, housing quality);
 - Geographic areas that PacifiCorp identified as “high needs” or “underserved” in the most recent Biennial Conservation Plan;
 - Geographic areas with an average home energy burden of 6% or more for income for households with annual income less than 200% of the federal poverty level;
 - Qualified Census Tracts as defined by HUD for purposes of the Low-Income Housing Tax Credit program; and
 - Geographic areas considered to be a “community in economic distress” as defined by the U.S. Department of Treasury for purposes of the New Markets Tax Credit program.
17. Transparency Condition 1. PacifiCorp will provide a copy of its PLEXOS model database files in native file format upon request by any intervenor with a signed confidentiality agreement, subject to relevant and appropriate confidentiality concerns. The compressed version will include the PLEXOS database file (with a .xml extension) or the functional equivalent, and all data input files (with .csv extensions), organized using a structure that will allow a party knowledgeable in PLEXOS to load, execute, and run the Company’s CEIP portfolio model via PLEXOS. Additionally, PacifiCorp will include a “readme” file with instructions for how interested parties that are knowledgeable in PLEXOS can load, execute, and run the compressed CEIP portfolio model using the PLEXOS long-term capacity

expansion software. PacifiCorp will also file a version of the same PLEXOS input and output files in an easily accessible format, such as Excel. Due Date: 2025 CEIP.

18. Transparency Condition 2. PacifiCorp will make a meaningful effort to review each workpaper file for sensitive commercial information and to the extent reasonable ensure that any non-confidential information within a workpaper designated as confidential is also provided in a non-confidential workpaper. With this understanding, PacifiCorp will not file with confidential designation any information that is not commercially sensitive, including (but not limited to) information filed with the Commission in other dockets without confidential designation, and information reported to the Commission or any other regulatory body that is reported without confidential designation. Due Date: 2025 CEIP.
19. Transparency Condition 3. PacifiCorp's workpaper index will include a parenthetical, naming convention, taxonomy, or other description that is intuitive and makes it easy to tell what is in each file and how one file connects with another. Due Date: 2025 CEIP.
20. Transparency Condition 4. PacifiCorp will provide non-disclosure agreements (NDAs) for interested parties to sign in future CEIP dockets subject to relevant and appropriate confidentiality objections, even if the CEIP is not being adjudicated, so that those individuals can view confidential data filed in the docket. Due Date: 2025 CEIP.
21. Transparency Condition 5. PacifiCorp will include a read-me tab at the beginning of each summary report Excel workpaper that explains what information or data is in each subsequent tab, and PacifiCorp's workpaper index will crosswalk how that data flows through to other tabs and other workpapers (i.e., analytic files) that may depend on data from the given file. Due Date: 2025 CEIP.
22. Transparency Condition 6. PacifiCorp will: (1) fund the purchase of four (4) full or partial licenses for Staff to use the PLEXOS model, including reasonable development, training, and support provided by Energy Exemplar to train Staff how to use and operate the software; (2) use reasonable efforts to support WUTC's contract negotiations with Energy Exemplar; and (3) provide live PLEXOS support to Staff regarding PacifiCorp's CEIP modeling, not to exceed 4 hours each month, that includes but is not limited to, live demonstration of portfolio runs, and review of file inputs for all relevant models used in PacifiCorp's CEIP (if relying on screen shots of PLEXOS files or email question-and-answer support is not sufficient). This support provided by PacifiCorp shall not include general PLEXOS development, training, or support. The parties do not object to the Company seeking full cost-recovery of these PLEXOS-related licensing costs, expenses, and support. Due Date: Contract discussions to begin within 60 days of the date of the Commission's final order in this case.
23. Transparency Condition 7. As part of its CEIP workpapers, PacifiCorp will provide a list of all the resources (including generating units, conservation, demand response,

- and any other resource types) that it allocates to serve Washington customers throughout that CEIP, the fuel source for each resource, and a yearly breakdown of the forecasted MWh allocated to Washington from that resource. Due date: 2024 Filing and 2025 CEIP.
24. Transparency Condition 8. PacifiCorp will clearly identify an allocation of resources from both the 2020 RFP and 2022 RFP that the Company is specifically forecasting as dedicated for Washington CETA compliance, subject to applicable confidentiality concerns. Due Date: 2025 CEIP.
 25. DSP Condition 1. PacifiCorp will conduct distribution system planning for Washington, including incorporating relevant learnings from the Company's similar efforts in Oregon, and evaluate Washington-specific costs and benefits, including the equitable distribution of benefits and burdens to vulnerable populations and highly impacted communities. During this process, PacifiCorp will solicit stakeholder input regarding options and priorities for various strategies, including resources that are not owned or controlled by PacifiCorp. The parties do not object to the Company seeking full cost-recovery of these DSP costs and expenses. Due Date: 2025 CEIP.
 26. Stakeholder Engagement Condition 1. For the 2025 CEIP, after consultation with the LIAC, DSMAG, and EAG, PacifiCorp will file a draft CEIP on a timeline the Company and parties to this CEIP determine sufficient to incorporate comments from the advisory groups on the draft CEIP into the final CEIP. PacifiCorp must offer at least one joint consultation session in which all advisory group members are invited to attend and converse with members of other advisory groups with the purpose of sharing feedback on both the draft CEIP and the consultation process itself. Due date: To be determined in consultation with parties to the CEIP.
 27. Incremental Cost Condition 1. PacifiCorp will only report the results of the incremental cost calculation required by rule, or Commission order in related docket(s) (e.g., UE-220376). Due Date: 2025 CEIP.
 28. Incremental Cost Condition 2. The workpapers that PacifiCorp supplies to support its incremental cost calculation will list all investments and expenses that the utility plans to make during the period in order to comply with the requirements of RCW 19.405.040 and 19.405.050, and demonstrate that those investments and expenses are directly attributable to actions necessary to comply with, or make progress towards, the same RCW provisions. Due Date: 2025 CEIP.
 29. Incremental Cost Condition 3. PacifiCorp will participate in any further discussions and/or workshops regarding incremental cost calculations and incorporate any changes necessary to their methodology. Due Date: As applicable.
 30. Interim Target Condition 1. The parties agree that the Commission should approve PacifiCorp's 2022-2025 Revised CEIP interim targets that were based on then-

reasonable information, and permit the Company to update these targets as necessary in the 2023 Biennial CEIP Update. Due Date: N/A

31. Interim Target Condition 2. In accordance with WAC 480-100-610(4)(c) and WAC 480-100-640(2)(a)(ii), PacifiCorp will demonstrate how its interim targets ensure that all customers are benefiting from the transition to clean energy through: the equitable distribution of energy and nonenergy benefits and reduction of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits and reduction of costs and risks; and energy security and resiliency. Due Date: 2024 Filing.
32. Interim Target Condition 3. PacifiCorp will optimize its resource portfolio at lowest reasonable cost, when accounting for risk, using its long-term capacity expansion portfolio optimization software (PLEXOS) to model its CEIP targets for the entire compliance period through 2045, and not linearly interpolate its 2041-2045 targets from its modeling of the 2021-2040 time period. Due Date: 2025 CEIP.
33. Interim Target Condition 4. In future CEIPs, PacifiCorp will continue to include descriptions of quantitative (i.e., cost based) and qualitative (e.g., equity considerations) analyses that support interim targets to comply with CETA's 2030 and 2045 clean energy standards. Due Date: 2025 CEIP.
34. Interim Target Condition 5. In its 2025 CEIP, PacifiCorp will continue to advance the application of Non-Energy Impacts and Customer Benefit Indicators to all resource and program selections in determining its Washington resource strategy and will incorporate any guidance given by the Commission on how to best utilize CBIs in CEIP planning and evaluation. PacifiCorp agrees to engage and consult with its applicable advisory groups (including the IRP, demand-side management, and Equity advisory groups) regarding an appropriate methodology for including NEIs and CBIs in its resource selection. Due Date: 2025 CEIP.
35. Interim Target Condition 6. PacifiCorp will update its CEIP with accurate and up-to-date cost information for all its specific actions, including incorporating applicable provisions of the Inflation Reduction Act (IRA). At a minimum, PacifiCorp should incorporate, from the IRA, assumptions pertaining to bonus tax credits for replacement generation in "energy communities," the availability of low-cost financing from the U.S. Department of Energy under the Energy Infrastructure Reinvestment (EIR) program, and make adjustments to the Company's load forecast to account for the Greenhouse Gas Reduction Fund and the High-Efficiency Electric Home Rebate Program, if warranted. Due Date: 2025 CEIP.
36. Interim Target Condition 7. PacifiCorp will rewrite its specific actions chapter to demonstrate how each specific action clearly addresses each provision of WAC 480-100-640(5) and (6), including each specific action's general location, proposed timing and estimated cost; whether it will be located in a highly impacted community; whether a supply-side or demand-side resource will be governed by, serve, or benefit

- highly impacted communities or vulnerable populations; how each action impacts applicable CBIs (including direction and magnitude); how each action demonstrates progress toward or is consistent with the standards in WAC 480-100-610; how each action is consistent with the proposed interim and specific targets, the utility's IRP, and its resource adequacy requirements; and how each action helps the utility meet the clean energy transformation standards at the lowest reasonable cost. Due Date: 2024 Filing.
37. Interim Target Condition 8. PacifiCorp will demonstrate, through its CEIP narrative and associated workpapers, how its chosen specific actions are designed to impact its chosen CBIs, and how its chosen CBIs influenced how it chose its specific actions. Due Date: 2025 CEIP.
 38. Interim Target Condition 9. PacifiCorp will clearly express its 2022-2025 renewable energy target as a percent of the Company's Washington retail sales of electricity supplied by renewable resources. Due Date: 2024 Filing.
 39. Interim Target Condition 10. If PacifiCorp does not update in its 2023 Biennial CEIP Update, PacifiCorp will update its demand response target, and the steps it has taken since the filing of the original CEIP to implement demand response programs, and evaluate methods to acquire additional demand response outside of the responses it received in its 2021 request for proposals. Due Date: 2025 CEIP.
 40. Interim Target Condition 11. PacifiCorp will provide a sensitivity analysis from the CEIP portfolio that removes the Natrium demonstration project from the preferred portfolio in 2028 that identifies resource alternatives and system impacts. Inclusion of the Natrium demonstration project in the CEIP portfolio in no way pre-determines the prudence of the Company's decision to invest in the Natrium plant. Due Date: 2024 Filing.
 41. Interim Target Condition 12. Regarding PacifiCorp's specific actions in the category of community outreach and engagement, PacifiCorp will include details in the CEIP about the Company's marketing plans, including any measurable targets, goals, or objectives such as number of events or customers and small businesses that they hope to reach. Due Date: 2025 CEIP.
 42. Miscellaneous Condition 1. PacifiCorp will fully and actively engage with all of its advisory groups, including the LIAC and DSM Advisory Group, in developing future CEIPs and CEIP updates. PacifiCorp will offer at least one joint consultation session in which all advisory group members are invited to attend and converse with members of other advisory groups with the purpose of sharing feedback on the CEIP, CEIP updates, and the consultation process itself. PacifiCorp will also, in future CEIPs and CEIP updates, describe how feedback is incorporated both from its advisory groups and the public into its CEIP. Due Date: 2025 CEIP.

43. Miscellaneous Condition 2. PacifiCorp will include a publicly available and regularly updated list of its EAG members and their organization or community affiliations on its website and in future Biennial CEIP Updates and CEIPs. Due Date: 2024 Filing and 2025 CEIP.
44. Miscellaneous Condition 3. In collaboration with its EAG, and LIAC, and per WAC 480-100-640(5)(a) and (c), PacifiCorp agrees to identify at least one specific action that will serve a designated subset of Named Communities, and to identify and track all CBIs relevant to this specific action. The location identified for the specific action will be at the granularity of the designated Named Communities subset. Due Date: 2025 CEIP.
45. Miscellaneous Condition 4. PacifiCorp will evaluate methods to improve the alignment of the Company's planning and procurement processes and provide a narrative description of how it plans to align the planning and procurement processes in the 2025 CEIP. Due Date: 2025 CEIP.
46. Miscellaneous Condition 5. PacifiCorp will incorporate its ongoing climate analysis into the 2025 CEIP and future CEIPs. Due Date: 2025 CEIP.
47. Miscellaneous Condition 6. PacifiCorp will prepare a sensitivity PLEXOS model run that excludes non-commercialized resources from the candidate resource list and relies upon clean resources, including offshore wind, demand response, enhanced geothermal, iron-air batteries or similar long duration storage, and high-capacity factor solar plus storage (among other resources), to meet identified reliability gaps. Due Date: 2025 CEIP.
48. Miscellaneous Condition 7. While inclusion in the CEIP could factor into a prudence determination, PacifiCorp agrees not to rely solely on the 2021 CEIP to justify prudence of utility scale renewable resource acquisitions made on or after January 1, 2022. While the CEIP may include specific actions PacifiCorp may take to comply with CETA's clean energy targets, prudence determinations of utility scale renewable resource acquisitions will be made through the general rate case process. Due Date: N/A.
49. Miscellaneous Condition 8. PacifiCorp must demonstrate or describe the steps it is taking or plans to take to make it easier for customers to self-report status as a member of a vulnerable population; how it has used census data to identify vulnerable populations, and how it has taken other steps to identify customers who are members of vulnerable populations in connection with the CBIs in its Revised CEIP and this Settlement Document, which should target vulnerable populations and not just Highly Impacted Communities. Due Date: 2025 CEIP.
50. Miscellaneous Condition 9. PacifiCorp must specify whether it has sold any Washington-allocated renewable energy credits (RECs) from renewable resources identified for CEIP compliance. Due Date: 2024 Filing and 2025 CEIP.