Table 10.1 – DRAFT IRP Action Plan

<table>
<thead>
<tr>
<th>Action Item</th>
<th>1. Renewable Resource Actions</th>
<th>2. Distributed Generation Actions</th>
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<tbody>
<tr>
<td>1a.</td>
<td>Wind Integration</td>
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<td></td>
<td>● Update the wind integration study for the 2015 IRP. The updated wind integration study will consider the implications of an energy imbalance market along with comments and feedback from the technical review committee and IRP stakeholders provided during the 2012 Wind Integration Study.</td>
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<td>1b.</td>
<td>Renewable Portfolio Standard Compliance</td>
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<td>● With RPS compliance achieved with unbundled renewable energy credit (REC) purchases, the preferred portfolio does not include incremental renewable resources prior to 2024. Given the REC market lacks liquidity and depth beyond one year forward, the Company will pursue unbundled REC request for proposals to meet its state RPS compliance requirements.</td>
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<td>● Issue at least annually, request for proposals seeking then current-year or forward-year vintage unbundled RECs that will qualify in meeting Washington renewable portfolio standard obligations.</td>
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<td>● Issue at least annually, request for proposals seeking historical, then current-year, or forward-year vintage unbundled RECs that will qualify for Oregon renewable portfolio standard obligations. As part of the solicitation and bid evaluation process, evaluate the tradeoffs between acquiring bankable renewable energy credits early as a means to mitigate potentially higher cost long-term compliance alternatives.</td>
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<td>● Issue at least annually, request for proposals seeking then current-year or forward-year vintage unbundled RECs that will qualify for California renewable portfolio standard obligations.</td>
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<td>1c.</td>
<td>Renewable Energy Credit Optimization</td>
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<td></td>
<td>● On a quarterly basis, issue reverse request for proposals to sell RECs not required to meet RPS compliance obligations.</td>
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<td>1d.</td>
<td>Solar</td>
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<td>● Issue a request for proposal in the second quarter of 2013 soliciting Oregon solar photovoltaic resources to meet the Oregon small solar compliance obligation. Coordinate the selection process with the Energy Trust of Oregon to seek 2014 project funding. Complete evaluation of proposals and select potential winning bids in the fourth quarter of 2013.</td>
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<tr>
<td>2a.</td>
<td>Distributed Solar</td>
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<td>● Manage the expanded Utah Solar Incentive Program to encourage the installation of the entire approved capacity. Beginning in June 2014, as stipulated in the Order in Docket No. 11-035-104, the Company will file an Annual Report with program results, system costs, and production data. These reports will also provide an opportunity to evaluate and improve the program as the Company will use this opportunity to recommend changes. Interested parties will have an opportunity to comment on the report and any associated recommendations.</td>
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### Combined Heat & Power (CHP)

- Pursue opportunities for acquiring CHP resources, primarily through the PURPA Qualifying Facility contracting process. For the 2013 IRP Update, complete a market analysis of CHP opportunities that will: (1) assess the existing, proposed, and potential generation sites on PacifiCorp’s system; (2) assess availability of fuel based on market information; (3) review renewable resource site information (i.e. permits, water availability, and incentives) using available public information; and (4) analyze indicative project economics based on avoided cost pricing to assist in ranking probability of development.

### Firm Market Purchase Actions

#### Front Office Transactions

- Acquire economic front office transactions or power purchase agreements as needed through the summer of 2017.
  - Resources will be procured through multiple means, such as periodic market RFPs that seek resources less than five years in term, and bilateral negotiations.
  - Include in the 2013 IRP Update a summary of the progress the Company has made to acquire front office transactions over the 2014 to 2017 forward period.

### Flexible Resource Actions

#### Energy Imbalance Market (EIM)

- Continue to pursue the EIM activities with the California Independent System Operator and the Northwest Power Pool to further optimize existing resources resulting in reduced costs for customers.

#### Operating Reserve Request for Proposal

- By the end of the third quarter 2013, issue a request for proposal to pursue cost effective resources that can provide operating reserve products in PacifiCorp’s east balancing authority area.

### Hedging Actions

#### Natural Gas Request for Proposal

- Convene a workshop for stakeholders by October 2013 to discuss potential changes to the Company’s process in evaluating bids for future natural gas request for proposals, if any, to secure additional long-term natural gas hedging products.

### Plant Efficiency Improvement Actions

#### Plant Efficiency Improvements

- Production efficiency studies have been conducted to satisfy requirements of the Washington I-937 Production Efficiency Measure that have identified categories of cost effective production efficiency opportunity.
  - By the end of the first quarter of 2014, complete an assessment of the plant efficiency opportunities identified in the Washington I-937
studies that might be applicable to other wholly owned generation facilities.
– Prior to initiating modeling efforts for the 2015 IRP, determine a multi-state “total resource cost test” evaluation methodology to address regulatory recovery among each state with identified capital expenditures.
– Prior to initiating modeling efforts for the 2015 IRP, present to IRP stakeholders in a public input meeting the Company’s recommended approach to analyzing cost effective production efficiency resources in the 2015 IRP.

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<th>Action Item</th>
<th>7. DSM Actions</th>
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<td><strong>Class 2 DSM</strong></td>
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<td>• Acquire a minimum of 1,425 GWh of cost-effective Class 2 energy efficiency resources by 2015 and 2,034 GWh total by 2017. Pursue accelerated acquisition of cost-effective Class 2 DSM resources.</td>
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<td>• Collaborate with the Energy Trust of Oregon on a pilot residential home comparison report program to be offered to Pacific Power customers in 2013 and 2014. At the conclusion of the pilot program and the associated impact evaluation, assess further expansion of the program.</td>
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<td>• By the 2nd quarter of 2014, implement an enhanced consolidated business program to increase DSM acquisition from business customers in all states excluding Oregon.</td>
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<td>• By the 2nd quarter of 2014, complete an evaluation of waste heat to power where generation is used to offset customer requirements – investigate how to integrate opportunities into the DSM portfolio.</td>
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<td>• By the end of 2013, increase small-mid market business DSM acquisitions by expanding the “Trade Ally Network” and contracting with third party administrators to facilitate greater acquisitions and increase marketing, outreach, and management of comprehensive custom projects in the sector.</td>
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<td>• Increase the reach and effectiveness of “express” or “typical” measure offerings by increasing qualifying measures, reviewing and realigning incentives, implementing a direct install feature for small commercial customers, and expanding the residential refrigerator and freezer recycling program to include commercial units.</td>
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<tr>
<td>• Increase the reach of behavioral DSM programs:</td>
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<td>• By the end of 2013, evaluate expansion of the Utah residential behavioral program.</td>
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<td>• By the end of the first quarter 2014, implement a pilot commercial behavioral program.</td>
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<td>• By the end of the second quarter 2014, complete evaluation of current residential behavioral programs.</td>
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<td>• By the end of the third quarter 2014, expand residential programs system-wide pending evaluation results.</td>
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<tr>
<td>• Increase acquisition of residential DSM resources by the end of 2013:</td>
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<tr>
<td>• Implement cost effective direct install options.</td>
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<td>• Expand offering of “bundled” measure incentives.</td>
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<tr>
<td>• Increase qualifying measures.</td>
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<td>• Expand refrigerator and freezer recycling to incorporate retail appliance distributors.</td>
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<tr>
<td>• Review and realign incentives.</td>
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<td>• By the end of 2013, complete review of the impact of accelerated DSM on Oregon and the Energy Trust of Oregon, and re-contract in 2014 for appropriate funding as required.</td>
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<td>• Include in the 2013 IRP Update Class 2 DSM decrement values based upon accelerated acquisition of DSM resources.</td>
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<td>• Include in the 2014 conservation potential study an analysis testing assumptions in support of accelerating acquisition of cost-effective Class 2 DSM resources, and apply findings from this analysis into the development of candidate portfolios in the 2015 IRP.</td>
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## 7b. Class 3 DSM
- Develop a pilot program in Oregon for a Class 3 irrigation time-of-use program as an alternative approach to a Class 1 irrigation load control program for managing irrigation loads in the west. The pilot program will be developed for the 2014 irrigation season and findings will be reported in the 2015 IRP.

## Action Item 8. Coal Resource Actions

### 8a. Naughton Unit 3
- Continue permitting and development efforts in support of the Naughton Unit 3 natural gas conversion project. The permit application requesting operation on coal through year-end 2017 is currently under review by the Wyoming Department of Environmental Quality, Air Quality Division.
- Issue a request for proposal to procure gas transportation for the Naughton plant as required to support compliance with the conversion date that will be established during the permitting process.
- Issue a request for proposal for engineering, procurement, and construction of the Naughton Unit 3 natural gas retrofit as required to support compliance with the conversion date that will be established during the permitting process.

### 8b. Hunter Unit 1
- Complete installation of the baghouse conversion and low NO\textsubscript{X} burner compliance projects at Hunter Unit 1 as required by the end of 2014.

### 8c. Jim Bridger Units 3 and 4
- Complete installation of selective catalytic reduction (SCR) compliance projects at Jim Bridger Unit 3 and Jim Bridger Unit 4 as required by the end of 2015 and 2016, respectively.

### 8d. Cholla Unit 4
- Continue to evaluate alternative compliance strategies that will meet Regional Haze compliance obligations, including exploration of commercial alternatives, related to the U.S. Environmental Protection Agency’s Federal Implementation Plan requirements to install selective catalytic reduction (SCR) equipment at Cholla Unit 4. Provide an update of the Cholla Unit 4 analysis of compliance alternatives in the 2013 IRP Update.

## Action Item 9. Transmission Actions

### 9a. System Benefit Tool
- 60 days after filing the 2013 IRP establish a stakeholder group and schedule workshops to further review the System Benefit Tool (SBT).
  - For the 2013 IRP Update, complete additional analysis of the Energy Gateway West Segment D that evaluates staging implementation of Segment D by sub-segment.
  - In preparation for the 2015 IRP, continue to refine the SBT for Energy Gateway West Segment D and develop SBT analyses for additional Energy Gateway segments.

### 9b. Energy Gateway Permitting
- Continue permitting for the Energy Gateway transmission plan, with near term targets as follows:
− Segment D, E, and F, continue funding of the required federal agency permitting environmental consultant as actions to achieve final federal permits.
− Segment D, E, and F, continue to support the federal permitting process by providing information and participating in public outreach projected through the next 2 to 4 years.
− Segment H Cascade Crossing, complete benefits analysis in 2013.
− Segment H Boardman to Hemingway, continue to support the project under the conditions of the Boardman to Hemingway Transmission. Project Joint Permit Funding Agreement, projected through 2015.

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<th>Action Item</th>
<th>10. Planning Reserve Margin Actions</th>
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<tr>
<td>10a.</td>
<td>Planning Reserve Margin</td>
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<td>• Continue to evaluate in the 2015 IRP the results of a System Optimizer portfolio sensitivity analysis comparing a range of planning reserve margins considering both cost and reliability implications (cost and reliability impacts of different levels of planning reserve margin assumptions). Complete for the 2015 IRP an updated planning reserve margin analysis that is shared with stakeholders during the public process.</td>
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<tr>
<th>Action Item</th>
<th>11. Planning and Modeling Process Improvement Actions</th>
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<tr>
<td>11a.</td>
<td>Modeling and Process</td>
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<td>• Within 90 days of filing the 2013 IRP, schedule an IRP workshop with stakeholders to discuss potential process improvements that can more efficiently achieve meaningful cost and risk analysis of resource plans in the context of the IRP and implement process improvements in the 2015 IRP.</td>
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<tr>
<th>Action Item</th>
<th>11b. Cost/Benefit Analysis of DSM Resource Alternatives</th>
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<td>• Complete a cost/benefit analysis on the level of detail used to evaluate prospective DSM resources in the IRP. The analysis will consider the tradeoffs between model run-time and resulting resource selections, will be shared with stakeholders early in the 2015 IRP public process, and will inform how prospective DSM resources will be aggregated in developing resource portfolios for the 2015 IRP.</td>
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