

PacifiCorp - Stakeholder Feedback Form

2019 Integrated Resource Plan

PacifiCorp (the Company) requests that stakeholders provide feedback to the Company upon the conclusion of each public input meeting and/or stakeholder conference calls, as scheduled. PacifiCorp values the input of its active and engaged stakeholder group, and stakeholder feedback is critical to the IRP public input process. PacifiCorp requests that stakeholders provide comments using this form, which will allow the Company to more easily review and summarize comments by topic and to readily identify specific recommendations, if any, being provided. Information collected will be used to better inform issues included in the 2019 IRP, including, but not limited to the process, assumptions, and analysis. In order to maintain open communication and provide the broader Stakeholder community with useful information, the Company will generally post all appropriate feedback on the IRP website unless you request otherwise, below.

Date of Submittal 10/17/2018

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*Organization: Interwest Energy Alliance

Address: 14 N. Sierra Madre

City: Colorado Springs

State: CO

Zip: 80903

Public Meeting Date comments address: 10/9/2018

Check here if not related to specific meeting

List additional organization attendees at cited meeting:

Lisa Tormoen Hickey, Tormoen Hickey LLC

***IRP Topic(s) and/or Agenda Items:** List the specific topics that are being addressed in your comments.

Coal unit modeling and carbon cost assumptions

Check here if any of the following information being submitted is copyrighted or confidential.

***Respondent Comment:** Please provide your feedback for each IRP topic listed above.

Data Support: If applicable, provide any documents, hyper-links, etc. in support of comments. (i.e. gas forecast is too high - this forecast from EIA is more appropriate). If electronic attachments are provided with your comments, please list those attachment names here.

Recommendations: Provide any additional recommendations if not included above - specificity is greatly appreciated.

CARBON COSTS

Interwest promotes PacifiCorp assuming a low, medium and high carbon cost in its core cases. While there are various carbon costs which can be used, to assume a zero carbon cost for any scenario for a 20 year planning period is imprudent and insupportable other than for pure comparison purposes. PacifiCorp's existing resources are not fairly weighed against potential new low emission cost-effective resources available in the market without assuming greater than zero cost for carbon regulation going forward. Interwest appreciates that the IRP team has advanced the implementation date of its carbon pricing to 2025 as indicated in the October 9 public input conference call, but the carbon prices should begin in 2020 and escalate more rapidly than the proposed modeling assumptions indicate. More states are adopting the social cost of carbon in resource planning portfolios for comparison of the potentially higher risks and costs of carbon, at least as alternative scenarios (for example, see Colorado and Nevada). Interwest recommends the following carbon costs, which is consistent with UCE's comments submitted on October 9, repeated

* Required fields

here for convenient reference - Low: Equal to or greater than the medium cost scenario from the 2017 IRP update; - Medium: Equal to or greater than the high cost scenario from the 2017 IRP update; - High: In line with the Social Cost of Carbon (SCC) as revised by the EPA in 2016, found at https://19january2017snapshot.epa.gov/climatechange/social-cost-carbon_.html. Specifically, use the 3% Average Discount Rate (please note that these figures are in 2007 dollars-- they will need to be adjusted.)

PacifiCorp Response:

As discussed at the October public input meeting, PacifiCorp plans to assume a 2025 start date for its medium carbon price for its base case assumption. PacifiCorp will also study high gas, high carbon and low gas, no carbon bookend price-policy scenarios for all portfolios. In addition, PacifiCorp will run analysis using the social cost of carbon in its portfolio development and selection process.

COAL UNIT MODELING:

Coal unit studies: Interwest does not want to complicate the coal unit modeling requests already presented by various stakeholders. Interwest remains concerned about the long term costs and risks and the replacement power portfolio choices which are modeled as part of the coal retirements. The system costs and benefits associated with stacked coal unit retirements should be explored through hardwiring the retirement dates into the 2019 which are consistent with the findings of the coal unit analysis, including retirement as of the dates which uneconomic coal units become uneconomic during the planning period. The SO model should be allowed to select incremental endogenous coal unit retirements. Interwest requests modeling of replacement power portfolio which highlights the benefits of using renewables as replacement power, portfolios which include renewables mixed with gas, to be compared with any portfolios which assume continued coal operations beyond 2030. For this reason, Interwest supports the proposed sensitivities described under the section titled "Assumed Incremental Coal Unit Retirements" submitted by Utah Clean Energy in its September 26, 2018 comments. It is restated here for your convenience:

Assumed Incremental Coal Unit Retirements:

a. Please perform a sensitivity that assumes PacifiCorp will retire incremental coal units equaling a minimum of 1500 MW by 2030, and a sensitivity that assumes PacifiCorp will retire incremental coal units equaling a minimum of 2000 MW by 2030. For purposes of both sensitivities, please retire the coal units that will minimize the impact on the system and that are not currently scheduled to retire in, or by 2030 according to the current depreciation schedule, or the proposed depreciation schedule in Utah docket 18-035-36.

PacifiCorp Response:

PacifiCorp plans to study a portfolio with all coal units retired by 2030, see portfolio Case P-12.

Thank you for your consideration and for providing the opportunity to submit these comments!

Lisa Tormoen Hickey for the Interwest Energy Alliance

Check here if you do **not** want your Stakeholder feedback and accompanying materials posted to the IRP website.

Thank you for participating.

* Required fields