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 couunents 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. Company will generally post all appropriate feedback on theIRP website unless you request otherwise, below.

Date of Submittal: March 7, 2019

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State: Wyoming
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Public Meeting Date comments address: ___

X check here if not related to specific meeting

List additional organization attendees at cited meeting: ______

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

Factors considered in the IRP analysis, in order to establish profitability and timeline (as pertains to the indicated scenarios for decommissioning of Units 1 & 2 at the Naughton Power Plant):

1.) Does this analysis factor in the finite subsidies for renewables (i.e. wind & solar), both direct subsidies for construction/operation of these facilities (as applicable in Wyoming), and indirect subsidies for operating reserve to offset the variability/relative efficiency of renewables across with Western Energy Imbalance Market (EIM)?

PacifiCorp Response:

PacifiCorp's modeling assumptions in the 2019 Integrated Resource Plan (IRP) development process, including its economic analysis of coal unit studies, include production tax credits and investment tax credits as applicable and accounting for expiration of the credits as mandated. For wind, PacifiCorp also takes into account the Wyoming wind tax in its evaluation of total resource portfolio present value revenue requirement. PacifiCorp has developed an intra-hour dispatch credit described in Chapter 5 of PacifiCorp's 2017 IRP Update and has further refined and developed this credit in the 2019 IRP as discussed at the September 26-27, 2018 public input meeting. These credits are calculated on an informational basis at this time and as discussed at the October 9, 2019 public input meeting have not had a material impact on total present value revenue requirement of a resource portfolio over the twenty-year study period.

2.) If factored in, is it presumed that renewable subsidies will be extended beyond their current sunset date?

PacifiCorp Response:

No. Please see response to item 1 above.

3.) If it is not presumed that renewable subsidies will be extended, what is the projected cost increase (as a percentage) of power for Wyoming customers after such subsidies run out , once the noted coal-fired units have been decommissioned across the EIM?

PacifiCorp Response:

PacifiCorp modeled proxy wind and solar resources with applicable production tax credits or investment tax credits consistent with currently applicable phase-out timing. As tax credits are gradually phased out, the overall net cost of wind and solar resources increase relative to the cost of those resources if procured in early time frames. While the overall net cost of these resources can increase without tax credits, it does not mean that the overall cost exceeds the cost of other resource alternatives. These dynamics are factored into PacifiCorp's modeling.

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

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

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

1.) A fair rate structure for agriculture rated electrical costs is imperative. Doubling electrical rates after shutting down coal fired electrical plants would devastate the economic stability of local farms and ranches throughout Southern Lincoln County, Wyoming. Many agricultural operations use electrical pumps to sprinkler irrigate croplands and pump water from deep wells.

PacifiCorp Response:

Analysis for the 2019 IRP is ongoing and a final least-cost, least-risk preferred portfolio has not been selected. Studies and results discussed to date in the public-input meeting process reflect preliminary analysis that will inform scenarios to be evaluated during the portfolio-development phase in the IRP. PacifiCorp has not established a preferred portfolio nor an action plan to deliver that portfolio—no decisions have been made based on analysis performed to date, and rate impacts, if any, have not been determined at this time.

2.) There is also a concern that electricity is reliable when it is most needed. Having brown-outs and shut-downs can cost agriculture producers large expenses that are hard to recoup if forage crops are lost.

PacifiCorp Response:

PacifiCorp is committed to delivering safe and reliable power to its customers at a reasonable rate. PacifiCorp achieves this by continuously updating its resource plans and transmission plans, on both a long-term (i.e., the IRP) and short-term basis (i.e., real-time operations). From an IRP modeling perspective, PacifiCorp performs extensive analysis to ensure that it is planning to procure sufficient resources to meet reliability obligations (i.e., operating reserves, frequency response, voltage control, etc.) while accounting for risk and uncertainties.

3.) Where is your economic analysis of when changing over to solar and wind power? Is it going to affect local communities' infrastructure and services they provide to citizens and visitors over the years?

PacifiCorp Response:

Today, PacifiCorp owns and operates wind, solar and other renewable resources as part of a diverse portfolio of generating assets. PacifiCorp's analysis in the integrated resource planning process determines the need for new resources based on proxy resource types from which further analysis is conducted to identify specific resources to meet the need.

The IRP helps establish a data set by evaluating economic outcomes for retail customers, while considering risk associated with planning uncertainties. This data set is one element of PacifiCorp's resource plan and associated decision-making. PacifiCorp recognizes the importance of establishing a resource plan with consideration of deliverability, implementation, employee and community impacts. At this stage, the IRP process has been focused on the data set. Nonetheless, PacifiCorp is focused on ultimately delivering a resource plan that considers the impact on our employees and the communities in which they live.

4.) There is still an interest where the Gateway West Transmission Line will go through the Town of Cokeville's outside area. It could potentially affect several private agriculture landowners, depending upon the route it takes.

PacifiCorp Response:

Currently, there is no planned construction start for this segment of Gateway West. When PacifiCorp does move forward with this segment we will work closely with Lincoln County, the Town of Cokeville and the private landowners to finalize the routing and acquire easements for the rights of way.

5.) What happened to the approximately 150 million dollars that were given to PacifiCorp by state and federal government organizations to upgrade Unit #3 to meet federal environment particulate, Co2 emissions, and hazing standards etc. for continued electricity development? Will the update be done so it will make it more attractive for another power entity to buy the Naughton Plant?

PacifiCorp Response:

PacifiCorp assumes reference to the $150 million figure is associated with low nitrogen oxides (NO_X) burners and the wet flue gas desulfurization system placed in service at Naughton Unit 1 and 2 in 2012 and 2011, respectively. These investments were made to comply with Wyoming Air Quality Standards and Regional Haze obligations applicable at that time. PacifiCorp did not receive money from state or federal government organizations to install this equipment. PacifiCorp funded these projects and the costs are being recovered in rates throughout the PacifiCorp's service territory, including rates for customers in states other than Wyoming.

The U.S. Environmental Protection Agency (EPA) subsequently approved the Wyoming Regional Haze State Implementation Plan (SIP) for Naughton Unit 3 on January 30, 2014. The SIP required installation of a selective catalytic reduction (SCR) system and a baghouse on Naughton Unit 3 within five years of the promulgation of the rule. PacifiCorp elected not to install the SCR or the baghouse on Naughton Unit 3 as it was not economically beneficial to its customers. Consequently, there are no costs for a Naughton Unit 3 SCR or baghouse in retail rates. PacifiCorp is in the process of evaluating if gas conversion of Naughton Unit 3 is economic for PacifiCorp customers in the 2019 IRP while operation of Naughton Unit 3 as a coal-fired asset has been suspended.

6.) What arc you going to do with the windmill blades and solar panels when they are not operational? Recycling costs could way exceed the long-term environmental benefits wind and power are supposed to provide customers. Toxic wastes from blades and solar panels may prove financially disastrous to decommission. You cannot expect the solar panels left on agriculture producers' fields after deployment to complete the cleanup. It will financially break their operations.

PacifiCorp Response:

Many jurisdictions with authority over wind and solar power siting and permitting require bonding to ensure that the financial obligations of decommissioning renewable energy facilities can be met. As a regulated utility, PacifiCorp is required to book asset retirement obligations (AROs) to ensure that the costs associated with decommissioning generation facilities at the end of their useful lives is accounted for and planned into PacifiCorp's operating plans. PacifiCorp's experience with its wind repowering program is that the salvage value of renewable energy equipment can nearly offset the cost of removal of the equipment. PacifiCorp conducts ongoing studies to evaluate the cost of decommissioning to ensure that AROs reflect the anticipated cost of decommissioning.