

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 5/24/2019

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Public Meeting Date comments address: 2/21/2019

Check here if not related to specific meeting

List additional organization attendees at cited meeting:

Hunter Holman and Sarah Wright, Utah Clean Energy

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

Modeling higher DSM scenarios/sensitivities

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 accompanying materials posted to the IRP website.

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

During the February 21, 2019 public input phone meeting several parties recommended that PacifiCorp include alternative scenarios and/or sensitivities in the 2019 IRP that include higher levels of demand-side management acquisition. During the meeting, Utah Clean Energy (UCE) was directed to submit a feedback form with a specific recommendation. On April 3rd, we submitted a feedback form making requests as directed by PacifiCorp. PacifiCorp's response didn't not satisfy our request and referenced an appendix that didn't provide the information we requested. Therefore, this feedback form is being submitted in response and has two parts.

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.

Page 219 of 2013 IRP, Table 8.1 Portfolio Comparison, Risk-adjusted PVRR, which shows that C15 (the high DSM scenarios) had the lowest risk-adjusted PVRR and was ranked 1st and 2nd in the Energy Gateway 1 and 2 cases respectively.

Page 248, 2013 IRP Action Plan, "Acquire 1,425 – 1,876 gigawatt hours (GWh) of cost-effective Class 2 energy efficiency resources by the end of 2015 and 2,034 – 3,180 GWh by the end of 2017."

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

Response on Requests Submitted in April 3, 2019 Stakeholder Feedback Form

Part 1 of request:

In our April 3rd feedback form, we requested that “PacifiCorp model an additional higher DSM sensitivity for purposes of comparison against other DSM scenarios in the 2019 IRP. Specifically, we request that PacifiCorp model a DSM sensitivity that equates to at least 1.5% of forecasted retail sales by year, similar to high DSM sensitivity modeling undertaken in below the range achieved by leading utilities in the U.S.”

PacifiCorp Response:

"The 2015 Conservation Potential Assessment (CPA) included analysis accelerating demand side management (DSM) in the Integrated Resource Plan (IRP) to 1.5% of retail sales, which resulted in DSM being 20% more expensive on average. PacifiCorp findings and methodology for accelerated DSM can be found in the PacifiCorp Demand-Side Resource Potential Assessment for 2015-2034, Volume 2, page 6-5 located at: www.pacificorp.com/es/dsm/dpssm.html.

In the 2019 IRP cycle, PacifiCorp does not intend to repeat the 2015 analysis of accelerating DSM to 1.5% of retail sales, but PacifiCorp is planning to study a portfolio with energy efficiency bundled by capacity."

UCE’s follow-up response:

In 2013 PacifiCorp (the Company) included an accelerated DSM scenario and found that the risk-adjusted PVRR was favorable. According to the Company, the high DSM scenario modeled (C-15) had “the highest risk adjusted net PVRR ranking among candidate portfolios across different CO2 price scenarios.” This demonstrated that accelerated acquisition of DSM had notable risk-reduction benefits. (Table 8.1 Portfolio Comparison, Risk-adjusted PVRR, pg 219 of 2013 IRP, which shows that C15 had the lowest risk-adjusted PVRR and was ranked 1st and 2nd in the Energy Gateway 1 and 2 cases respectively.)

The Company acknowledged that accelerated DSM performed well on a risk-adjusted cost basis, but due to uncertainties around incentive and administrative costs, the accelerated DSM scenario wasn’t selected (pg 10, 2013 IRP). Instead, due to the “potential benefits of accelerated DSM” the Company sought to achieve additional levels of DSM in the near term as part of the 2013 IRP Action Plan. (pg 248, 2013 IRP - “Acquire 1,425 – 1,876 gigawatt hours (GWh) of cost-effective Class 2 energy efficiency resources by the end of 2015 and 2,034 – 3,180 GWh by the end of 2017.”) The Company’s decision to pursue DSM more aggressively as part of its 2013 Action Plan would not have happened had the Company not run the high DSM sensitivity analysis.

Further, as Utah Clean Energy has noted in numerous comments, the actual cost of DSM may be lower than the cost assumed in the Conservation Potential Assessment and the IRP. By keeping the cost of DSM constant and just increasing the ramp rates of DSM in the IRP process, parties can evaluate how accelerated procurement of cost-effective DSM impacts the portfolio and the risk-adjusted PVRR. (Hence our request for information about DSM costs in Part 2 of our request.)

Again, we request that the Company model a higher DSM sensitivity as part of the 2019 IRP process. By requesting this sensitivity, we are not advocating that our proposed higher DSM sensitivity be necessarily included in the preferred portfolio; rather we’re requesting this sensitivity analysis be conducted so the possible additional risk-reduction benefits can be assessed and can inform the 2019 Action Plan. If the Company has concerns about running a sensitivity equal to

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1.5% of retail sales UCE would be supportive of a sensitivity analysis that models a level of electricity savings equal to 1.25% of retail sales.

Part 2 of request:

We reviewed your response to our request to use a “levelized cost of DSM (\$/kWh) that is based on a three-year weighted average of actual PacifiCorp DSM program costs from 2016, 2017, and 2018” in an additional high DSM sensitivity analysis.

PacifiCorp Response:

PacifiCorp has calculated the levelized cost of DSM as part of the 2019 CPA methodology, using PacifiCorp actual program data for utility spending. This methodology is part of Volume 4, Appendix G of the Draft 2019 CPA located on the 2019 IRP website at: www.pacificorp.com/es/dsm.html.

UCE’s follow-up response:

Appendix G reports the percentage spent by PacifiCorp on DSM administrative costs in the states that it serves and also reports the variation of first-year gross DSM costs between large/urban and small/rural areas. It is unclear how Appendix G is responsive to our question, and how the average costs from actual DSM program were utilized in the 2019 IRP planning process.

Please describe how you have incorporated actual utility DSM costs from 2016, 2017, and 2018 into the CPA , and therefore the 2019 IRP model, for Class 2 DSM. If this information is included in an appendix of the CPA, please provide a written explanation describing how the costs were utilized in addition to any references provided in the relevant appendix.

Please provide the costs for Class 2 DSM used in the 2019 CPA on a levelized cost basis (\$/kWh) by state broken out by the following sectors: residential and commercial/industrial.

Please submit your completed Stakeholder Feedback Form via email to IRP@PacifiCorp.com

Thank you for participating.

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