

PacifiCorp - Stakeholder Feedback Form

2021 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 2021 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 7/6/2020

*Name: Donald Hendrickson

Title: Sr. Consultant

*E-mail: dhendrickson@energystrat.com

Phone: 801-355-4365

*Organization: Utah Association of Energy Users

Address: 111 E. Broadway. Suite 1200

City: SLC

State: UT

Zip: 84111

Public Meeting Date comments address: [Click here to enter date.](#) Check here if not related to specific meeting

List additional organization attendees at cited meeting: [Click here to enter text.](#)

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

Natural Gas Pricing, Base Case and Low Case specifically

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.

Natural Gas Price forecasts in the IRP have been consistently higher than actual realized pricing since 2008. (See the Utah Division's Feb 4, 2019 comments from the 2019 IRP). PacifiCorp has relied on 3rd Party forecasts in IRP's, and these forecasts have been higher than actual realized pricing for a decade. These forecasts appear to show no consideration for history or of the current marketplace. PacifiCorp needs to take ownership of the Natural Gas forecasts and not rely on forecasts from a 3rd Party.

Natural Gas is a stochastic variable in the IRP modeling process, with a High and Low forecast in addition to the Base forecast. Even the Low forecasts over the years have had a increase in price. Actual prices have decreased the last 10 years, but none of the stochastic analysis over the last 5 IRP's has captured this because the Low price forecasts over time did not consider declining or even flat prices.

Modeling is only as valuable as the inputs to the modeling. PacifiCorp works hard to have accurate and informed modeling inputs. The Natural Gas forecasts, however, have not even been close to accurately representing realized pricing, and need to be addressed.

The Natural Gas forecasts for the 2021 IRP need to consider history and market projections beyond 5 years. Third Party forecasts have shown to be non-responsive to the Natural Gas marketplace. At the very least the Low price forecast needs to take into account the reality of a potential flat to declining Natural Gas price future.

PacifiCorp Response:

Forecasting natural gas prices has been challenging given the rapid pace of technological breakthroughs that have continuously been driving prices downwards, which is one reason that it is important to consider a range of potential outcomes.

* Required fields

The Company's position is that Natural Gas price forecasting is and will remain challenging, and that this function is best conducted by dedicated experts. If the Utah Association of Energy Users has a specific price forecast or methodology it recommends be considered for use in the 2021 Integrated Resource Plan, PacifiCorp will review that forecast and determine whether to include it as a scenario. Such a forecast or methodology would require calculating basis differentials among western market hubs to adequately capture price spreads across the Company's system.

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.

[Click here to enter text.](#)

See the Utah Division's Feb 04, 2019 comments in the 2019 IRP

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

[Click here to enter text.](#)

1. Take ownership of Natural Gas price forecasting
2. The Low price forecast of Natural Gas should represent the potential of a flat or declining price future

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

Thank you for participating.