

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 8/7/2020

*Name: Jim Woodward

Title: **Regulatory Analyst**

*E-mail: Jim.Woodward@utc.wa.gov

Phone: (360) 664-1302

*Organization: WA Utilities & Transportation Commission (WA-UTC)

Address: [Click here to enter text.](#)

City: [Click here to enter text.](#)

State: [Click here to enter text.](#)

Zip: [Click here to enter text.](#)

Public Meeting Date comments address: **7/31/2020**

Check here if not related to specific meeting

List additional organization attendees at cited meeting:

Nikita Bankoti

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

Climate change and IRP modeling; distribution planning (EVs, DERs); GHG considerations; equity considerations for future PIMs.

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.

Please see accompanying WA-UTC staff feedback & questions document.

Commission Staff Feedback for PacifiCorp 2021 IRP: Public Interest Meeting #2 (July 30-31, 2020)

This feedback, dated August 7, 2020, states the informal comments, questions, and recommendations of Washington Utilities and Transportation Commission Staff, Jim Woodward. Staff appreciates the continued work of PacifiCorp's IRP Team and the opportunity to participate. Timely feedback is offered as technical assistance and is not intended as legal advice. Staff reserves the right to amend these opinions should circumstances change or additional information be brought to our attention. Staff opinions are not binding on the commission.

This staff feedback document is divided into two parts: 1) questions & requests regarding PacifiCorp's July 30-31 PIM #2 presentation content and 2) additional feedback shared by staff to help the company track towards CETA compliance in its 2021 IRP.

Company response by **August 28, 2020**, is appreciated for select questions and requests in **BOLD** found within the PIM #2 feedback section. Staff hopes the Pac IRP team considers information found in section two as it progresses with IRP analyses and subsequent PIM preparation.

* Required fields

Public Interest Meeting #2 (7/30 – 31) – Presentation questions

1. Building climate change (CC) into load forecast (slide 4) – Pac states over the 2021 thru 2040 timeframe, “peaks continue to be driven by summer cooling load.” However, follow-on discussion indicated the Pac team made this determination using 20-year weather, not considering how CC would impact (i.e., increase) cooling degree days (CDD).

- a. Staff acknowledge Pac team’s claim of competing CC analyses efforts currently occurring in the Pacific NW region.

PacifiCorp Response:

Noted.

- b. However, **staff urge the Pac IRP team to review and consider incorporating aspects of Seattle City Light’s (SCL) treatment of CC in that utility’s planning efforts (please see accompanying PPT SCL presented at NWPCC earlier in 2020).**

PacifiCorp Response:

PacifiCorp is in the process of evaluating a possible climate change sensitivity to incorporate into the 2021 Integrated Resource Plan (IRP) and will consider this recommendation. Also, in accordance with the Public Utility Commission of Oregon’s 2019 IRP acknowledgement order (Order No. 20-186), PacifiCorp will include a proposal for the scope of a potential climate adaptation study as part of the 2021 IRP.

- c. SCL’s approach to CC applies principles the NWPCC is using in its 2021 Power Plan to an IRP environment, specifically detailing CC impacts to the regional hydropower system over the next 20 years.

PacifiCorp Response:

PacifiCorp is in the process of evaluating a possible climate change sensitivity to incorporate into the 2021 IRP.

- d. **Note:** Staff is suggesting Pac leverage a peer utility’s approach to considering CC after reviewing Pac’s PIM #1 responses (*please see answers to questions 13C, 17C, 19A attached*). **Staff believes Pac’s 1-in-20 peak scenario approach, which focuses on the 2000-2019 time period, may not adequately foresee the likely weather variability expected in the 2020s and 2030s (e.g., the 2020-40 twenty-year time period may be significantly warmer & drier than the preceding 2000-19 twenty-year period). Whether it’s employing a similar approach taken by SCL or not, **staff strongly recommends the Pac IRP team acknowledge this apparent shortcoming of the current 1-in-20 peak scenario approach and consider options to better incorporate CC variability over the 2021 IRP planning horizon.****

PacifiCorp Response:

PacifiCorp is in the process of evaluating a possible climate change sensitivity to incorporate into the 2021 IRP.

2. Electric vehicles (EVs) as considered in the 2019 Residential Survey (slide 8) & Load forecast 2021 IRP sensitivities (slide 13) – Pac indicates “2.0 percent of customers report having electric vehicles.” Upon further discussion, Pac also indicated EV forecasts are broken out by state. Staff would like to know whether:

- a. **Pac is planning to run sensitivities around EV penetration? Perhaps a low, medium, and high penetration by state?**

PacifiCorp Response:

Higher or lower electric vehicle penetration is captured within bookend sensitivities for high load and low load for the 2021 IRP.

- b. Pac has considered the WA-UTC's [Regulation of Electric Vehicle Charging Services Policy and Interpretive Statement \(UE-160799\)](#) when developing its EV forecast for Washington?

PacifiCorp Response:

The electric vehicle (EV) forecast relied on a variety of national 3rd party EV projections applied to state level adoption. This referenced policy and interpretive statement from WA-UTC was likely an example of state policies which contributed to the overall market factors that influenced the national electric vehicle forecast PacifiCorp used when developing the EV forecast for the Washington service territory.

3. Distribution planning studies (slide 19) – Pac indicates “distribution system planning studies are completed on a 5-year cycle.” Class 1 studies, updated every year, refer to high-growth areas or market regions defined by high penetrations of distributed energy resources (DERs), etc. Class 5 studies, updated every 5 years, refer to more stable or static areas exhibiting little growth and/or DER penetration.
- a. **How is Pac planning to classify its Washington service territories for purposes of the 2021 IRP (i.e., Class 1 thru 5)? What criteria associated with Pac’s WA service territories currently justify such classification(s)?**

PacifiCorp Response:

Planning studies for PacifiCorp’s Washington service territory vary by class depending on the specific region, but all studies will be completed within a five year cycle. The criteria that dictates the study class is based on the load forecasting, load growth, reliability issues, current equipment loading, and economics of the specific region to be studied.

- b. **Is all of Pac’s territory in WA within one category? Or are specific regions (e.g., Yakima, Walla Walla) categorized differently?**

PacifiCorp Response:

Specific regions in Pacific Power’s service territory in Washington are categorized differently based on the criteria mentioned above.

4. Distributed energy resource planning studies & tools (slides 21 – 25) – Pursuant to [RCW 19.280.030\(1\)\(h\)](#) and [RCW 19.280.100\(2\)](#), **CETA RCW requires a new DER forecast as part of the 2021 IRPs.**
- a. Valuation of DERs and avoided cost calculations will be key, including *transmission and distribution avoided (or deferred), ancillary services, and other non-energy impact inputs*. Avoided or deferred transmission and distribution upgrades will be driven by the contribution of DERs to *meeting peak (of the distribution line) and the Effective Load Carrying Capacity (ELCC) of the DER*. **Staff recommends Pac IRP team investigate how each DER type & location considered in the 2021 IRP addresses the above *ITALICIZED* functions.** For example, staff understands that:
- Distributed solar and wind provide little ELCC in the winter. However,
 - Utility-scale eastern Montana/Wyoming and Offshore wind provide comparatively high levels of ELCC.
- b. **Allowable levels of DERs**. Given the above CETA requirements for the 2021 IRP, **how will the Pac IRP team be able to estimate the allowable level of DERs of different types on the various feeders or substations on Pac’s system?**
- c. **DER modeling**. From a modeling perspective, **how will Pac be able to integrate various levels and types of DERs, which generally require sub-hourly modeling to characterize, at the IRP level of analysis?**

- d. **DER valuation. How will Pac be able to value different levels of DERs of different types on the various feeders or substations on Pac’s system?** Consideration should include not only energy and capacity contributions, but also avoided costs, transmission line loss benefits, ancillary services, demand response, and quantifiable or monetary non-energy impacts.
- e. **DER complementarity to supply-side resources. Within the 2021 IRP, does Pac plan to include an explanation of how DERs complement the company’s utility-scale generating resources?**
- f. **DER equity considerations. Is Pac planning to investigate providing grants or discounted cost DERs of certain types to low-income or vulnerable customers?**
 - i. If not, **staff strongly recommends the Pac IRP team consider undertaking similar studies to better address CETA’s IRP equity objectives pursuant to [RCW 19.405.040\(8\)](#).**

PacifiCorp Response:

PacifiCorp will follow up by phone to address this question.

- 5. DER impact tool (slide 23) – Pac IRP team acknowledged focus to date when evaluating DERs has been on capacity reduction. **Staff recommends Pac:**
 - a. **Consider added value demand side management (DSM) resources offer (e.g., ancillary services, ramping flexibility).**
 - b. **Review [WA-UTC demand response \(DR\) staff workshop Jun 20 presentation](#) (IRP rulemaking docket [UE-190698](#)) for additional guidance & suggestions on how to holistically consider DERs in 2020 IRP.**

PacifiCorp Response:

The distributed energy resource (DER) impact tool is used as an initial screen of alternative approaches to address identified distribution system needs typically met with traditional system upgrades. If demand-side management (DSM) projects are within 125 percent of traditional solution projects, they advance to the next round of review where those additional values may be included as appropriate to that resource.

- 6. Pac response to staff question 11.b in PIM #1 feedback (demand response)
 - a. Per Pac IRP team’s follow up, “non-energy values are not assigned to demand response resources in the potential assessment,” staff wishes to remind Pac:
 - b. **Pursuant to [RCW 19.280.030\(1\)\(k\)](#), Pac needs to consider NEI and equitable distribution in its planning processes, including consideration of DR pursuant to [RCW 19.405.050\(3\)\(a\)](#). How does Pac plan to address these additional NEI and equitable distribution considerations with respect to DR as part of the 2021 IRP?**

PacifiCorp Response:

Non-energy values (NEIs) for demand response are not widely integrated into planning as the majority of non-energy impacts are noted as reduction in service. We will continue to review evaluation resources and best practices and incorporate NEIs as possible.

- 7. Grid modernization projects (slide 24) – Advanced metering infrastructure
 - a. Staff’s understanding is that Pac currently employs automatic meter reading (AMR) within its WA service territory and is not planning to roll out advanced metering infrastructure (AMI) to its WA customers for the foreseeable future.

PacifiCorp Response:

Yes.

- b. **Based on the 7/30 discussion around grid modernization projects, can the same level of insight (and thus ability) to undertake grid modernization projects be achieved via AMR vs. AMI?**

PacifiCorp Response:

No.

- c. If not, does Pac view AMR serving its WA customers as a hurdle to greater DER penetration within its WA service territory?

PacifiCorp Response:

No, at current DER penetration levels the lack of advanced metering infrastructure (AMI) data does not create hurdles during the interconnection review process. At significantly higher DER penetration levels, the development of more complex interconnection review procedures may be justified. At that time, with significant system tool advancement, AMI data could be leveraged to provide a more nuanced picture of grid usage and potentially facilitate higher levels of penetration.

8. GHG considerations for WA (slide 72) –

- a. Pursuant to [RCW 80.28.395](#), how is the Pac IRP team planning to model / account for upstream emissions related to natural gas?

PacifiCorp Response:

PacifiCorp is not a “gas company” as defined by [RCW 80.04.010](#) and does not intend to model upstream emissions related to natural gas pursuant to RCW 80.28.395 in its IRP.

- b. As comparison, Puget Sound Energy (PSE) is relying on data used by the Puget Sound Clean Air Agency in their analysis of the Tacoma LNG project ([slide 30](#)). Stakeholder feedback to PSE’s approach identified the following advantages & disadvantages:
- i. Advantage – PSE’s proposal would rely on an independent source to quantify upstream gas emissions
 - ii. Disadvantage – Underlying study, which references the IPCC 4th Assessment Report from 2007, may be outdated

PacifiCorp Response:

Please see PacifiCorp’s response to 8a.

9. WA renewable portfolio standard (slide 83) – As mentioned on the 7/31 call, staff clarifies for Pac IRP team that “Banking provisions” **incremental hydro RECs** (i.e., RECs generated from freshwater) **can only be used for year in which they’re generated.**

PacifiCorp Response:

PacifiCorp agrees.

10. WA Clean Energy Transformation Act (slide 85) – As staff mentioned on the 7/31 call:

- a. “2025 no-coal in rates” is incorrect. Pursuant to [RCW 19.405.030\(1\)\(a\)](#) – “On or before December 31, 2025, each electric utility must eliminate coal-fired resources from its allocation of electricity.”

PacifiCorp Response:

PacifiCorp disagrees with Staff’s legal interpretation. Please see [RCW 19.405.020](#), Definitions.

(1) "Allocation of electricity" means, for the purposes of setting electricity rates, the costs and benefits associated with the resources used to provide electricity to an electric utility's retail electricity consumers that are located in this state.

- b. “Multi-year compliance periods” needs clarification. Pursuant to [RCW 19.405.060\(1\)\(a\)\(ii\)](#) – “Proposed interim targets for meeting the [2030 GHG neutral] standard...during the years prior to 2030 and between 2030 and 2045.”

PacifiCorp Response:

PacifiCorp agrees.

11. WA CETA Implementation (slide 87) – Staff wishes to remind Pac IRP team that until the WA-UTC and Commerce finalize IRP and CEIP rules (i.e., WAC), the **Pac team is strongly encouraged to consult following statute for guidance with respect to development of:**

- a. IRP – [RCW 19.280.030](#) (please also reference the electric IRP compliance template, sent as part of staff PIM #1 feedback on 6/26, for a more granular crosswalk of statute to specific 2021 IRP requirements)
- b. CEIP – [RCW 19.405.060](#)

PacifiCorp Response:

PacifiCorp will follow up by phone to address this question.

Additional staff feedback & questions for Pac team to address later in 2021 IRP process (i.e., no expectation for Pac to address below items via feedback form reply by 8/28/20)

12. 2021 CPA next steps (slide 90) - **Can Pac team provide an update re: plans to move ahead with separate demand response (DR) RFP by Nov / Dec 20 timeframe? Note:**

- a. *Similar question arose during 6/18-19 Public Meeting #1 discussion.*
- b. *Pac CPA team may address this item during August 20 CPA workshop*

PacifiCorp Response:

PacifiCorp provided more information on the upcoming DR request for proposal (RFP) at the August 28, 2020 CPA workshop.

13. Commodity prices & carbon – **Staff suggests Pac IRP team consider the following for future scenario runs (i.e., model sensitivity analyses):**

- a. Carbon prices – **Is company planning to model a HIGH carbon price w/ its gas and/or power price forecast(s)?**
 - i. **If not, what sensitivity analyses is the Pac IRP team undertaking with respect to their commodity price forecast(s)?**

PacifiCorp Response:

Yes. Similar to the 2019 IRP, a High Gas, High carbon dioxide (CO₂) price sensitivity is expected to be modeled.

- b. WA CETA requires incorporation of the social cost of carbon (SCC) into IRP modeling and, ultimately, Pac’s preferred portfolio (PP). However, is **Pac considering alternate GHG price escalations (lower and higher) as part of planned scenarios?**

PacifiCorp Response:

Yes, PacifiCorp expects to be using four levels of greenhouse gas (GHG) price escalations, similar to in the 2019 IRP. These include no CO₂ costs, Medium, High and Social Cost of Carbon, which also reflect differing timelines. Those are combined in different arrangements with Low, Medium and High gas price forecasts.

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.

PIM #1 Pac answers to staff feedback, Seattle City Light climate change IRP presentation

Recommendations: Provide any additional recommendations if not included above - specificity is greatly appreciated. Please see accompanying WA-UTC staff feedback & questions document.

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

Thank you for participating.

* Required fields