

# PacifiCorp - Stakeholder Feedback Form

## 2023 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 2023 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 2022-06-07

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Title:

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City: SLC

State:

Zip: 84111

Public Meeting Date comments address:  Check here if not related to specific meeting

List additional organization attendees at cited meeting:

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

(1) PacifiCorp's must provide the date of its response to each respective Stakeholder Feedback comment or question. (2) Online feedback form format

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.

In its February 25, 2022, IRP Public Input Meeting, PacifiCorp (PacifiCorp or the Company) presented slides covering updates to the Supply Slide table, as well as slide 49 that shows the thermal resources to be selected as proxy resources in the 2023 IRP. PacifiCorp lists a hydrogen peaker (100% hydrogen) and a gas peaker frame F (30% hydrogen). No new natural gas-fueled resources are listed as a proxy resource for Plexos to select.

The Division of Public Utilities (Division or DPU) commented on the lack of natural gas alternatives in its February 8, 2021, IRP stakeholder feedback form and in its Comments to the Utah Public Service Commission (Utah PSC) dated March 4, 2022. The Company's upfront decision to exclude natural gas fueled resources from the modeling makes it otherwise impossible to know what least-cost, least-risk portfolio Plexos would have selected prior to the Company eliminating those potential resources based on other policy and resource considerations. In addition, renewable resources have since experienced supply chain concerns, delays, and cost increases.<sup>1</sup> This further illustrates why PacifiCorp needs to model all resources—the future is uncertain and unpredictable.

Because PacifiCorp has issued Renewable RFPs and has signaled to the market in its All Source RFPs that it is not considering natural gas fueled resources, it does not surprise the Division that no gas bids were received. The Company

<sup>1</sup> "Supply-chain squeeze: Solar, storage industries grapple with delays, price spikes as demand continues to grow," Utility Dive, March 31, 2022. See <https://www.utilitydive.com/news/solar-storage-delays-price-supply-chain/620537/>. Also see <https://www.tdworld.com/renewables/article/21239588/supply-challenges-push-renewables-prices-higher-due-dates-later>, "Supply Challenges Push Renewables Prices Higher, Due Dates Later," T & D World, April 30, 2022.

\* Required fields

has not issued a natural gas fueled RFP or indicated that natural gas fuel resources would be considered, so it cannot know with certainty what response it may receive from the market. The Company needs to update its Supply Side table with the current operating characteristics, capital and O&M costs, and performance data for 100% natural gas fueled generating resources. This information could potentially be obtained by third-party engineering studies, developers, EPC contractors, and other sources listed on slide 42 of the Company's February 25, 2022, Public Input Meeting slides. The other option is for the Company to issue a Natural Gas, rather than a Renewable or All Source, RFP.

In response to DPU's February 25, 2022 feedback form, the Company stated: "There is very limited development activity for new natural gas facilities. This was most recently evident in the 2020 All Source Request for Proposals (RFP) which did not result in a single bid for new natural gas resources." In its 2021 IRP, the Company offered siting, permitting, and stranded costs risks as other reasons for excluding new gas-fired resources as proxy resources. These risks, as well as others, can be assessed once the first optimization portfolios are selected by the model. This allows the model to be the analytical tool that the IRP should be based on, rather than basing the IRP upon subjective and pre-determined outcomes.

The Division's concerns are recognized in the Utah PSC's recent PacifiCorp's 2021 IRP Order that states, "PacifiCorp failed to comply with Guidelines 4(b) and 4(i) by unilaterally constraining its model to preclude selection of new natural gas resources."<sup>2</sup> Furthermore, Utah PSC's Order states:<sup>3</sup>

We conclude PacifiCorp's unilateral decision to exclude a resource type that has long been a staple of IRP planning was an unambiguous failure to evaluate "all present and future resources" and "all technically feasible technologies" that resulted in "premature foreclosure" of a potentially viable resource option. We further conclude this failure constitutes a violation of Guidelines 4(b) and 4(i).

Consequently, the Division requests that the Company update its Supply Side table with current operating and costs characteristics of natural-gas fueled generation resources and allow the model to endogenously select natural gas generating resources as proxy resources, as it has done in the past. The Division believes that PacifiCorp should work with stakeholders to ensure that the risks noted by the Company in its 2021 IRP are appropriately accounted for after the model has selected its top-performing portfolios.

### **PacifiCorp Response (7/8//2022)**

In the 2021 IRP, PacifiCorp ran an analysis which included options for new gas. For the 2023 IRP the company is also currently assessing viable options for the inclusion of new gas in its base modeling. One possibility that encompasses concerns over the long-term future of new gas resources is to model technologies that can operate efficiently on natural gas but that are designed to be hydrogen-ready. This could provide a valuable hedge against an uncertain future in which carbon reduction is an ongoing concern. This topic will be explored further in discussion of supply side resources in the 2023 IRP public input meeting series.

PacifiCorp would note that its concerns about natural gas resource procurement are not based solely on its view of future GHG risk, but also reflect risks from the perspective of natural gas supply, pipeline access, the ability to obtain all required permitting, transmission interconnection limitations, the absence of any fossil generation in the 2020 AS RFP bids received from the market, and other elements. In addition to transmission access which all resources require, natural gas resources require access to substantial pipeline capacity. While available in some areas, pipeline capacity is unavailable in many locations and firm capacity may not be available on existing pipelines in other locations

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<sup>2</sup> Docket No. 21-035-09, Order, June 2, 2022, p. 5.

<sup>3</sup> Id. at p. 8.

\* Required fields

**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.

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**Recommendations:** Provide any additional recommendations if not included above - specificity is greatly appreciated. Please put the date of the Company's response on every response that it provides. It can be in the same blue font, which it appears the Company is using to insert its response to a party's comment or question.

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Please submit your completed Stakeholder Feedback Form via email to [IRP@PacifiCorp.com](mailto:IRP@PacifiCorp.com)

Thank you for participating.

\* Required fields