

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 2022-07-21

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*Organization: UCE/SWEEP

Address: _____

City: _____

State: _____

Zip: _____

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.

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.

2023 IRP Feedback Form: Requests for DSM and DR planning for PCorp 2023 IRP

Utah Clean Energy and SWEEP have the following requests for the Company as part of the 2023 IRP:

- Develop three DSM sensitivities (low, medium, and high) that are consistent with the bullets below. To accomplish this, we request that you include incremental amounts of low, medium, and high cost measures in the 2023 CPA and run sensitivities that achieve the percentage of savings listed below in items 1, 2, and 3. The purpose of adding measures to the CPA is to ensure that the model does not select measures that will never be cost-competitive with other supply side resources. We believe your CPA has historically underrepresent the amount of cost-effective DSM measures, see UCE and SWEEP's 2021 IRP Comments. We would like to see modeling results with CPA technically achievable potential measures that are more consistent with other utilities in the southwest. We are happy to have a conversation with PacifiCorp staff to better design the modeling of these scenarios:
 1. The "high" scenario should be aligned with DSM savings level that are comparable with the level of DSM in leading utilities nationwide, approximately 2.25% of retail sales per year.
 2. The "medium" scenario should be aligned with DSM savings that are comparable with the level of DSM in leading southwest utilities, approximately 1.75% of retail sales per year.
 3. The "low" scenario should be aligned with DSM savings levels that have been achieved and reported by PacifiCorp in the previous 5-10 years.
 4. Report the forecasted level of DSM selected by year (MWh/year), the costs of DSM (\$/kWh), and cost-effectiveness (UCT) by year.
- Conduct a comparison of the 2015, 2017, 2019, and 2021 CPA results (total technical potential and technically achievable potential, MWh/year) against historical DSM savings achieved for the same years in MWh/year, cost (\$/MWh) and cost effectiveness (using the UCT) by year. Also include the forecasted level

* Required fields

of DSM as a percentage of forecasted retail sales for each year for total technical potential and technically achievable potential.

- Clarify how existing and incremental energy savings from behavioral programs (such as Home Energy Reports) will be accounted for in the IRP if the model selects them. How are the existing energy savings from Utah's HER program accounted for the 2023 IRP?

PacifiCorp Response (8/19/22)

Thank you for providing comments and feedback on PacifiCorp's 2023 Conservation Potential Assessment (CPA). We look forward to working with SWEEP and Utah Clean Energy to develop a robust and transparent CPA, to be used as an input for the PacifiCorp's 2023 Integrated Resource Plan. Regarding the sensitivity proposal discussed above, PacifiCorp can generate low, medium, and high sensitivity for energy efficiency, however, the Company believes that our bottom-up modeling approach is better suited to adjustments to inputs for the purposes of informing sensitivities. Using a top-down metric to dictate results, runs counter to the critical processes and inputs that inform our optimization modeling in the IRP.

However, as has historically been the case, PacifiCorp values transparency in its processes and is willing to work towards providing additional metrics and sensitivities to help better contextualize results in the 2023 CPA. Before determining what the appropriate scenario might be, PacifiCorp would request that UCE/SWEEP clarify the following items:

1. PacifiCorp noted that the submitted comments mentioned that

“we request that you include incremental amounts of low, medium, and high cost measures in the 2023 CPA” and “The purpose of adding measures to the CPA is to ensure that the model does not select measures that will never be cost-competitive with other supply side resources.”

Is UCE/SWEEP proposing that we include additional measures in the model? If so, what measures should be introduced? PacifiCorp believes that a fundamental part of planning for DSM is to fairly characterize resources in accordance with state regulations so that modeling can inform which investments provide the least cost and least risk to ratepayers. It's unclear how adding measures to the CPA would ensure the model does not select measures that would never be cost-competitive.

2. Based on the comments, it appears that UCE/SWEEP are requesting the Company report on proposed metrics and sensitivities for states that utilize the Utility Cost Test as the primary cost-effectiveness test, is that correct?
3. In review of UCE and SWEEP's 2021 IRP Comments¹, the Company noted that the tables produced by UCE/SWEEP are referencing 2021 and 2022 Utah energy efficiency totals that are inclusive of savings from Home Energy Reports (HERs). The Class 2 DSM potential targets set by the IRP are not inclusive of HERs. If HERs are properly accounted for, the recent IRP targets and program acquisition are more aligned than previously characterized.
4. PacifiCorp would like to better understand how percent of sales level were determined, is UCE/SWEEP able to provide the supporting documentation for their 2.25% and 1.75% values? This could be useful to better understand what utilities are doing to achieve this level of savings as a percent of sales or whether the difference may be driven by nuances of IRP modeling, such as treatment of Home Energy Reports.

To help address the concerns and questions posed by UCE/SWEEP, PacifiCorp would note the following for future consideration and discussion:

1. To sub-bullet #4, the CPA can provide selected MWh/year and average levelized cost \$/MWh but cannot provide UCT cost test results. AEG's model is able to estimate the UCT at a measure-level using utility-specific avoided costs and use this to screen potential, but because PacifiCorp optimizes DSM directly within its IRP model, avoided costs can only be estimated until the final IRP preferred portfolio is identified.
2. PacifiCorp believes that any assessment of savings by percent of sales should be sector specific. This is for two reasons: First, efficiency measures and savings opportunities are not uniform amongst all customer classes. Second, the scenario as described by UCE/SWEEP may result in subsidization of energy efficiency measures that are not cost-effective from a utility cost perspective.
3. Once draft potential for all sectors is available, the Company could then determine what the total achievable technical potential represents as a percentage of sales in each state. Further, the Company could explore accelerated ramp rates for retrofit measures or early replacement measures as these represent energy efficiency opportunities that can be accelerated with increased incentives and marketing investments. Conversely, PacifiCorp could select the technical achievable potential resource to evaluate the total cost and/or risk of incremental energy efficiency to help illustrate the tradeoffs of acquiring more energy efficiency.
4. PacifiCorp would prefer that the low case test inputs to the CPA, while the base case be represented by our best estimates for resource potential. Since some measure of incremental costs may not reflect recent impacts from inflation and supply chain challenges, it might be worth considering adjusting certain measure costs or ramp rates to reflect recent inflationary pressures and supply chain challenges.

PacifiCorp can provide a comparison of 2015, 2017, 2019, and 2021 CPA results (total technical potential and technical achievable potential, MWh/year) against historical DSM savings achieved for the same years in MWh/year, cost and include the forecasted level of DSM as a percentage of forecasted retail sales for each year for total technical potential and technically achievable potential. Calculating avoided costs for these scenarios would be computationally intensive. PacifiCorp would recommend using the levelized cost of energy \$/MWh to evaluate differences in each comparison.

Regarding the last bullet, to

“Clarify how existing and incremental energy savings from behavioral programs (such as Home Energy Reports) will be accounted for in the IRP if the model selects them. How are the existing energy savings from Utah’s HER program accounted for in the 2023 IRP?”

Existing savings from behavioral programs are assumed to be embedded in the load forecast. However, in order for those savings to persist, continued investment and activity needs to be maintained for some period of time. Any impacts that are beyond what’s in the base year used in the load forecast are considered incremental and available for selection in the model as a resource to reduce load.

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.

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

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

Thank you for participating.

* Required fields