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 November 23, 2022

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*Organization: Utah Clean Energy

Other signatories: Sophie Hayes, WRA

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.

- Update on the Lila Canyon coal mine fire and implications for PacifiCorp operations

☐ 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.

The Lila Canyon coal mine produced 3,471 thousand short tons of coal in 2021 (about 28% of all coal production in Utah) making it the second largest coal mine in Utah and a key supplier to the Hunter and Huntington power plants. On Sept 20, 2022 a fire started in the coal mine and, according to the BLM Environmental Assessment (EA), "there is a high risk that the mine would have to be shut down permanently." Furthermore, the BLM EA states that Emery County Coal Resources (ECCR) "has informed the BLM that if the Lila Canyon mine stopped producing coal, [the Hunter and Huntington power plants] would see a 20% reduction of coal used for fuel generation. ECCR has represented to the BLM that these plants would not be able to readily replace this coal from the domestic market (Pacificorp personal communication 10/18/2022)."

PacifiCorp aims to provide least-cost and least-risk power to their customers, and the Lila Canyon coal mine fire raises urgent concerns about both costs and risks. We therefore request an update on the near- and long-term implication of the Lila Canyon coal mine fire at the next IRP meeting on December 1-2, 2022. We request information or updates on the following specific questions:

1) What is the current status of the Lila Canyon coal mine fire and efforts to extinguish it?
2) Is the estimate that the Lila Canyon mine supplies 20% of the coal to the Hunter and Huntington power plants accurate? It seems like it would be a larger percentage based on the Utah Geologic Survey data that shows Lila Canyon produced 28% of all coal production in Utah. Also, the Utah Geologic Survey seems inconsistent with the

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EIA data on coal shipments from Lila Canyon and deliveries to Hunter and Huntington. Is there any additional information about that estimate that can be provided so we can accurately understand the magnitude of the impact of this incident?

3) Please confirm that the coal from the Lila Canyon coal mine cannot be replaced by another domestic source and explain why that is the case.
4) If it is possible to replace the coal from another source (e.g. reopening the Dugout Canyon mine or increasing production at another mine like Sufco), please discuss the costs and other risks associated with doing so (e.g. regulatory, boiler efficiency, supply chain, mine production capacity).
5) If the fire is extinguished within the next few months, how long would it take for the mine to become operational again, and at what capacity?
6) How has the mine workforce been affected by the fire? If the mine were to re-open, would there be workforce constraints that would limit operations?
7) What are the economic impacts of the coal mine fire?
    a) Does the Lila Canyon coal mine fire affect any take-or-pay contracts?
    b) Will coal prices from other domestic coal mines be affected in the near or long term by the fire that has reduced domestic coal supply?
    c) Will PacifiCorp receive any compensation if the mine operator is unable to fulfil their contractual supply agreements due to the fire?
    d) What is the value of the mining equipment destroyed? Will any equipment be recoverable?
    e) If or when the fire is extinguished, how much would it cost to reopen the mine and does PacifiCorp consider that to be an economically viable decision?
8) Do other Utah coal mines provide backup capacity and/or fuel supply certainty for each other? If Lila is shut down, how would that affect the reliability and risks associated with coal fuel supply for the Hunter and Huntington power plants? For example, if an additional supply disruption were to occur, what is the backup plan to ensure sufficient electricity production capacity and reliability of the system?
9) What is the current status of coal stockpile reserves at the Hunter and Huntington power plants? How will reserves be affected in the near future?
10) Are there any risks to near-term plant operations in the next 6 months to one year, particularly during the summer months?
11) How will the Lila Canyon coal mine fire affect the 2023 IRP Plexos modeling? How will this situation be parameterized in the Plexos model? Specifically:
    a) In the medium term (1-4 years)? Will Hunter and Huntington need to secure additional capacity to compensate for the 20% reduction in fuel source? Or will there need to be an increase in other resources to compensate for reduced capacity at Hunter and Huntington?
    b) In the long term (4-20 years)? Would it affect the plant closure dates? Will it accelerate the plan to utilize the plants as variable, dispatchable resources?
12) Any additional information that is pertinent for stakeholders?

We recognize that it may not be possible to answer all of these questions due to the emergent nature of the situation, however we request as much information as is currently available and continued updates as it evolves so stakeholders are adequately informed about the situation.

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.

Utah Geologic Survey. Utah Mining 2021. Table 6 shows coal production in Utah in 2021.
https://ugspub.nr.utah.gov/publications/circular/c-134.pdf
BLM Environmental Assessment
https://eplanning.blm.gov/public_projects/2021854/200535876/20069017/250075199/Lila%20Canyon%20EA%20Signed.pdf
BLM Press Release updating the status of the Lila Canyon coal mine fire fighting efforts
https://www.blm.gov/press-release/bureau-land-management-issues-decision-lila-canyon-mine
EIA data on coal shipments from Lila Canyon coal mine

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https://www.eia.gov/coal/data/browser/#/shipments/mine/4202241/?freq=A&pin=
EIA data on coal shipments to Hunter
https://www.eia.gov/coal/data/browser/#/shipments/plant/6165/?freq=A&pin=
EIA data on coal shipments to Huntington
https://www.eia.gov/coal/data/browser/#/shipments/plant/8069/?freq=A&pin=
SLTrib article about the Lila Canyon coal mine fire
https://www.sltrib.com/news/environment/2022/10/25/power-generation-risk-due-utah/

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

Please provide responses to the questions above and provide an update on the Lila Canyon coal mine fire in the next IRP meeting, December 1-2, 2022.

PacifiCorp Response (12/22/22):

1. What is the current status of the Lila Canyon coal mine fire and efforts to extinguish it?
    a. **The Lila Canyon mine is operated by Emery County Coal Resources, Inc. (ECCR) which is owned by American Consolidated Natural Resources (ACNR). PacifiCorp has purchased coal directly from the operator of the Lila Canyon mine in the past, however, ACNR, is not a direct supplier of coal to PacifiCorp in 2022. Because PacifiCorp does not have a current coal supply agreement with ACNR, the company has only limited communication with ACNR. PacifiCorp currently has a coal supply agreement with Wolverine Fuels, LLC, another coal supplier in Utah and Wolverine has a contract with ACNR to purchase coal from Lila Canyon and resell it to Wolverine's customers which includes PacifiCorp. Due to the business relationship between PacifiCorp and ACNR, PacifiCorp does not have direct knowledge of the current status at the Lila Canyon mine, and the Company will not speculate about the situation.**
2. Is the estimate that the Lila Canyon mine supplies 20% of the coal to the Hunter and Huntington power plants accurate? It seems like it would be a larger percentage based on the Utah Geologic Survey data that shows Lila Canyon produced 28% of all coal production in Utah. Also, the Utah Geologic Survey seems inconsistent with the EIA data on coal shipments from Lila Canyon and deliveries to Hunter and Huntington. Is there any additional information about that estimate that can be provided so we can accurately understand the magnitude of the impact of this incident?
    a. **The publicly available data from the EIA-923 report is accurate showing that Lila Canyon supplies approximately 20 percent of the coal for the Huntington plant. Data from the EIA does not show Lila Canyon coal supplies delivered directly to the Hunter plant, because of the contract terms with Wolverine. Wolverine can mix and supply coal to Hunter from any mine they have access to, therefore, the precise amount of coal delivered to Hunter from each mine is not determinable. However, PacifiCorp understands that approximately 20 percent of the deliveries to Hunter are sourced from Lila Canyon by means of the contract Wolverine maintains with ACNR.**
3. Please confirm that the coal from the Lila Canyon coal mine cannot be replaced by another domestic source and explain why that is the case.
    a. **At this early date, it is difficult to assess the specific impacts that the Lila Canyon fire may have on fuel supply and operation of the company's Utah coal plants. PacifiCorp will continue to ensure**

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there are no disruptions of electricity to its customers and will utilize its diverse generation portfolio to maintain reliability of service.

4. If it is possible to replace the coal from another source (e.g. reopening the Dugout Canyon mine or increasing production at another mine like Sufco), please discuss the costs and other risks associated with doing so (e.g. regulatory, boiler efficiency, supply chain, mine production capacity).
    a. **At this early date, it is difficult to assess the specific impacts that the Lila Canyon fire may have on fuel supply and operation of the company's Utah coal plants. PacifiCorp will continue to ensure there are no disruptions of electricity to its customers and will utilize its diverse generation portfolio to maintain reliability of service.**

5. If the fire is extinguished within the next few months, how long would it take for the mine to become operational again, and at what capacity?
    a. **Due to the business relationship between PacifiCorp and ACNR, PacifiCorp does not have direct knowledge of the current status at the Lila Canyon mine, and the Company will not speculate about any future situation.**
6. How has the mine workforce been affected by the fire? If the mine were to re-open, would there be workforce constraints that would limit operations?
    a. **Due to the business relationship between PacifiCorp and ACNR, PacifiCorp does not have direct knowledge of the current status at the Lila Canyon mine, and the Company will not speculate about any future situation.**
7. What are the economic impacts of the coal mine fire?
    a. Does the Lila Canyon coal mine fire affect any take-or-pay contracts?
        i. **PacifiCorp actively monitors all its fuel supply contracts and cannot comment about specific confidential terms of any of its contracts.**
    b. Will coal prices from other domestic coal mines be affected in the near or long term by the fire that has reduced domestic coal supply?
        i. **In the near term, spot coal prices in the Uinta Basin market have risen due in part to the Lila Canyon mine fire. However, due to the ongoing nature of the situation, PacifiCorp cannot speculate at this time as to how this event may affect the price of coal from domestic mines in the long term.**
    c. Will PacifiCorp receive any compensation if the mine operator is unable to fulfil their contractual supply agreements due to the fire?
        i. **PacifiCorp actively monitors all its fuel supply contracts and cannot comment at this time as to any remedy it may obtain or pursue in the event of a breach of any of its contracts.**
    d. What is the value of the mining equipment destroyed? Will any equipment be recoverable?
        i. **Due to the business relationship between PacifiCorp and ACNR, PacifiCorp does not have direct knowledge of the current status at the Lila Canyon mine, and the Company will not speculate about the situation.**
    e. If or when the fire is extinguished, how much would it cost to reopen the mine and does PacifiCorp consider that to be an economically viable decision?
        i. **Due to the business relationship between PacifiCorp and ACNR, PacifiCorp does not have direct knowledge of the current status at the Lila Canyon mine, and the Company will not speculate about the situation.**

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8. Do other Utah coal mines provide backup capacity and/or fuel supply certainty for each other? If Lila is shut down, how would that affect the reliability and risks associated with coal fuel supply for the Hunter and Huntington power plants? For example, if an additional supply disruption were to occur, what is the backup plan to ensure sufficient electricity production capacity and reliability of the system?
    a. **At this early date, it is difficult to assess the specific impacts that the Lila Canyon fire may have on fuel supply and operations of the company's Utah coal plants. PacifiCorp will continue to ensure there are no disruptions of electricity to its customers and will utilize its diverse generation portfolio to maintain reliability of service.**
9. What is the current status of coal stockpile reserves at the Hunter and Huntington power plants? How will reserves be affected in the near future?
    a. **At this early date and due to the ongoing nature of the Lila Canyon mine fire, PacifiCorp cannot speculate as to how coal stockpile reserves at the Hunter and Huntington power plants will be affected by this event in the near future.**
10. Are there any risks to near-term plant operations in the next 6 months to one year, particularly during the summer months?
    a. **At this early date, it is difficult to assess the specific impacts that the Lila Canyon fire may have on fuel supply and operations of the company's Utah coal plants. PacifiCorp will continue to ensure there are no disruptions of electricity to its customers and will utilize its diverse generation portfolio to maintain reliability of service.**
11. How will the Lila Canyon coal mine fire affect the 2023 IRP Plexos modeling? How will this situation be parameterized in the Plexos model? Specifically:
    a. In the medium term (1-4 years)? Will Hunter and Huntington need to secure additional capacity to compensate for the 20% reduction in fuel source? Or will there need to be an increase in other resources to compensate for reduced capacity at Hunter and Huntington?
    b. In the long term (4-20 years)? Would it affect the plant closure dates? Will it accelerate the plan to utilize the plants as variable, dispatchable resources?
        i. **The Lila Canyon coal mine fire will not directly limit the range of options examined in the 2023 IRP. Per the 2023 IRP September 1-2 public input meeting, there are hundreds of possible outcomes for the Hunter and Huntington units including a range of retirement years and possible emissions equipment installations. Recent federal activity including the Ozone Transport Rule and the Inflation Reduction Act are anticipated to have an impact on optimal future coal planning. In the event that the 2023 IRP preferred portfolio indicates that continued high-volume operation of Hunter and Huntington plants is a component of a least-cost and least-risk path forward, further consideration will be given to how this will be best achieved, subject to ongoing study.**
12. Any additional information that is pertinent for stakeholders?
    a. **PacifiCorp has no other pertinent information at this time for stakeholders relating to the Lila Canyon coal mine fire.**

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