

# PacifiCorp - Stakeholder Feedback Form

## 2025 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 2025 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 2024-05-03

\*Name: Katie Chamberlain Title: \_\_\_\_\_

\*E-mail: katherine@renewablenw.org Phone: \_\_\_\_\_

\*Organization: Renewable Northwest \_\_\_\_\_

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.

Renewable resource cost estimates

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 our comments on PacifiCorp's 2023 IRP, RNW identified that PacifiCorp's overnight capital cost forecast for renewable resources is substantially higher than forecasts used by PGE and the CPUC. PacifiCorp used cost assumptions developed by WSP, which were primarily informed by the NREL ATB, and then made adjustments based on the Company's experience. In reply comments, PacifiCorp explained that: "the cost forecasts in WSP's report were developed before PacifiCorp witnessed the impact of recent tighter trade tariffs and inflation on the utility scale market. Upon observing those impacts PacifiCorp adjusted the cost forecasts to reflect what was observed in the market in 2022." PacifiCorp used the same renewable resource cost estimates in the 2023 IRP Update, despite OPUC Staff and multiple parties expressing skepticism about their accuracy and requesting further explanation as to how PacifiCorp arrived at these estimates. RNW requests that PacifiCorp explain in greater detail why they made modifications to WSP's cost forecast and provide documentation of these changes. Specifically, RNW would like to understand how PacifiCorp observed changes in the market in 2022 and the methodology the Company used to increase the renewable resource cost forecast. 1. PacifiCorp states that they adjusted WSP cost forecast to reflect what was observed in the market in 2022. In particular, PacifiCorp witnessed the impact of recent tighter trade tariffs and inflation on the utility scale market. Can the Company explain how they witnessed and observed these changes in the market? 2. Are PacifiCorp renewable resource cost estimates based on bids the Company received in recent RFPs? If so, please provide documentation demonstrating higher average bid prices, the year in which those bids were received, and how those prices translate to the higher overnight capital costs reflected in PacifiCorp IRP. Please note that we are not requesting individual bid prices, which are confidential; instead, we are requesting averages. 3. If the renewable resource cost estimates were not based on RFP bids, please provide the underlying

\* Required fields

quantitative information that justifies the increased renewable resource cost estimates.  
4. How does PacifiCorp plan to forecast renewable resource costs for the 2025 IRP?

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**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.

**PacifiCorp Response 5/23/24:**

Please note that the 2023 IRP and 2023 Update supply-side resource table does not present overnight cost but rather in-service cost for each resource. Please refer to the 2023 IRP Volume I, Chapter 7, and specifically Table 7.3 on page 189. The values presented include direct costs (equipment, buildings, installation/overnight construction, commissioning, contractor fees/profit and contingency), owner's costs (land, water rights, permitting, rights-of-way, design engineering, spare parts, project management, legal/financial support, grid interconnection costs, owner's contingency), and financial costs (allowance for funds used during construction (AFUDC), capital surcharge, property taxes and escalation during construction, if applicable).

Consequently, any comparison of third-party costs characterized as overnight costs will be lower than our in-service costs, which reflect the cost to our customers and not just the development costs.

Moreover, escalation is often another area where misaligned comparisons are made. Many third-party public sources present their costs in real terms and routinely are silent on escalation. We also present our in-service costs in real dollars, but also present and include nominal escalation forecasts. To ensure an apples to apples comparison is being made, both sets of data need to be adjusted for inflation to arrive at figures presented in the same year dollars for any given year that a comparison is being made.

1. Yes. Adjustments to the WSP and NREL cost forecast were grounded in actual project costs the company received. These initial adjustments were made to years when the company had actual cost data of real, proposed projects. Rather than drop immediately to the NREL/WSP pricing in later years, the costs were de-escalated over time to correspond to NREL starting in 2029 and converging with NREL in 2032. Please reference figure 5.3 in the 2023 IRP Update to see this escalation and de-escalation visually.
2. Generally, yes. PacifiCorp is preparing a slide on this topic for a future public input meeting which will cover the range of prices at which renewable resources are available in both the near and longer term.
3. N/A
4. As part of the conversation referenced in response to question 2, and as in past IRP public meetings, PacifiCorp will seek feedback on cost structures/forecasting and will be finalizing that plan as part of the 2025 IRP public input process.

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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.