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IN THE MATTER OF THE FILING BY)	IDAHO PUBLIC UTILITIES COMMISSION
PACIFICORP DBA UTAH POWER & LIGHT)	CASE NO. PAC-E-03-2
COMPANY OF ITS 2003 ELECTRIC)	
INTEGRATED RESOURCE PLAN (IRP).)	
)	COMMENTS OF
)	THE RENEWABLE
)	NORTHWEST PROJECT

The Renewable Northwest Project (RNP) appreciates the opportunity to provide comments to the Idaho Public Utilities Commission (Commission) on PacifiCorp's 2003 Integrated Resource Plan (IRP). RNP respectfully requests the Commission to acknowledge the Company's 2003 IRP.

Established in 1994, RNP is a regional non-profit organization promoting solar, wind and geothermal resources in Oregon, Washington, Idaho and Montana. Our members include consumer and environmental organizations, as well as companies who develop, market, and manufacture renewable resources. RNP has been an active participant in PacifiCorp's public input process for its 2003 IRP.

GENERAL COMMENTS

RNP believes PacifiCorp's IRP is a sophisticated approach to resource planning which provides a meaningful model for other regional utilities. We applaud the Company's underlying assumptions of future gas price uncertainty and the risk of future regulation of carbon emissions. The IRP results demonstrate that renewables are a least cost resource for the company because their analysis rightly quantifies the benefits of renewables: reduced fuel price volatility, achieving fuel diversity, reduced risk of future emissions taxes, and meeting potential federal or state Renewable Portfolio Standards (RPS).

Renewable resources provide risk mitigation against volatile natural gas prices and future environmental regulation because they do not have any fuel costs and have few to no harmful environmental emissions. For PacifiCorp, a company heavily reliant on fossil fuel plants, these benefits can not be overstated. Further, the company's existing hydropower resources may be limited during low water or drought years or by impacts of future hydro relicensing. The addition of new renewable resources will provide the company some insurance in a low water year or because of reductions in hydropower due to relicensing restrictions.

PacifiCorp has demonstrated leadership with its analysis of wind resources by working through what many have considered difficult wind integration questions. The company has exhibited a willingness to use accurate information based on relevant recent experience in its analysis. The Company's work with wind resources has been a valuable learning tool for the region.

RENEWABLES ANALYSIS

PacifiCorp's analysis demonstrates that 1400 MW of wind power is cost-effective for the company's system over the next ten years. The wind was included in each of the portfolios "based solely on its economic merits." (p. 80).

The Company's justification for renewables in the final IRP is an improvement over its earlier draft. Initially, PacifiCorp included renewable resources in their plan at a level to meet the proposed Federal Renewable Portfolio Standard. While the RPS is a prudent consideration, it is not, on its own, a reason to include renewable resources in a resource plan. PacifiCorp's final IRP is a robust quantitative analysis of all resource options, combined with consideration of important paradigm risks, such as an RPS.

The final IRP also includes some improvement of the evaluation methodology for wind power generation. The draft IRP modeled wind as a firm flat block resource at \$50/MWh. In its final analysis, the Company instead used hourly wind data from actual wind sites. In addition, PacifiCorp staff then calculated wind integration costs (Appendix L) and added these costs to calculate the total cost of the wind resource.

The Company's analysis of renewable resources still contains some flaws, however. The most notable of which is the lack of capacity value assigned to new wind resources. Despite repeated party comments about this issue, the Company has refused to assign any capacity value to wind resources included in its base case. PacifiCorp did run a stress test with 15% capacity value for wind. The results of this run show a \$103-107 million decrease in present value of revenue requirement (PVRR). Further, the Company even acknowledges that "if the built wind capacity did contribute to the planning margin at its expected capacity factor of 32-36%, the amount of new capacity installed in the system through 2013 could be reduced by approximately 475 MW." (p. 131).

RNP also has concerns with the portfolio assignment and selection process in the final IRP. The Renewables Portfolio was designed to test the effect of adding additional wind to the system. While we appreciate the intent, we do not think the modeling of this portfolio yielded accurate results. Due to the lack of capacity value assigned to the additional 1,146 MW of wind, the portfolio also added three fossil plants to meet the planning margin. As a result, the Renewables Portfolio was higher in cost than the other diversified portfolios and, bizarrely, had the greatest fuel expense (p. 96-97).

AVAILABILITY OF RESOURCES

RNP understands there is skepticism about the level of wind acquisition in PacifiCorp's 10-year plan. There is concern that this level of wind development may not realistically be available. In reality, however, wind is an abundant resource in the Pacific Northwest and the achievable potential far exceeds the 1400 MW in PacifiCorp's IRP.

There are currently 580 MW of wind resources operating and serving in the Northwest. 219 MW have been approved for construction in Oregon and Washington. There are an additional 944 MW in the permitting process in Oregon, Washington and Idaho. Finally, there are an additional 4,150 MW of wind projects requesting transmission on BPA's system.

The Tellus Institute issued a report *Clean Electricity Options for the Pacific Northwest* in October 2002.¹ This report is an assessment of energy efficiency and renewable energy potentials in the Northwest through the year 2020. The study identifies 1,938 aMW of achievable wind power potential in Washington, 1,482 aMW in Oregon and 303 aMW in Idaho – roughly 11,169 MW of capacity total for the three states.²

ADDITIONAL COAL PLANT

The IRP Action Plan includes plans to procure a baseload plant – either gas or coal -- on the Eastside of their system in 2008. PacifiCorp is the single largest coal-power producer in the Western energy market. As such, RNP believes it would be short-sighted and risky for PacifiCorp to add another coal plant to its mix. The Company is correct to anticipate future regulatory constraints on CO2 emissions and to model a carbon tax as part of its IRP. However, modeling financial and economic impacts of its coal resources is not enough. The only way to limit greenhouse gas emissions is by actually reducing those emissions. The construction of another coal plant does just the opposite.

CONCLUSION

RNP requests the Commission acknowledge PacifiCorp's 2003 IRP.

Respectfully submitted this 7th day of April 2003.



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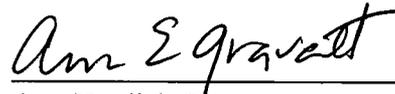
¹ Lazarus, M., D. von Hippel, & S. Bernow. *Clean Electricity Options for the Pacific Northwest*. 10/02.

² To determine achievable potential, the authors excluded some land types (e.g, local, state and national parks; lands greater than 6,000 feet in elevation, water bodies, and lands over 20 miles from a transmission line). They considered only wind sites categorized as Class 4 and above, and restricted to 25% the wind potential within each class that would be developed to reflect competing land uses and local concerns). The result: no more than .7% of the land area in any state would be utilized for wind power, and typically less than 5% of this land would be occupied by wind turbines, electrical equipment and access roads.

CERTIFICATE OF SERVICE

I CERTIFY THAT I HAVE THIS 7TH DAY OF APRIL 2003, SERVED THE FOREGOING COMMENTS OF THE RENEWABLE NORTHWEST PROJECT, IN CASE NO. PAC-E-03-2, BY MAILING A COPY, TO THE FOLLOWING:

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