

**IDAHO PUBLIC UTILITIES COMMISSION**

**Case No. PAC-E-07-11**

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**Commission accepts PacifiCorp planning document**

PacifiCorp, a six-state electric utility that operates as Rocky Mountain Power in eastern Idaho, plans to serve its growing customer load in future years by adding about 2,000 megawatts of renewable power, most from wind, over the next 10 years.

The Idaho Public Utilities Commission recently accepted PacifiCorp's Integrated Resources Plan (IRP), a 10-year planning document that details how the company plans to meet growing customer load. However, acceptance of the plan does not mean the commission endorses all of the plan's proposed resource acquisition projects. "The IRP, as we have noted in the past, is a utility planning document that incorporates many assumptions and projections at a specific point in time. It is the ongoing planning process that we acknowledge, not the conclusions or results," the commission said.

PacifiCorp also plans additions to gas and coal facilities, though none of those expansions are planned in Idaho.

PacifiCorp, with about 68,000 customers in eastern Idaho, expects to grow at an annual rate of 2.5 percent in its six states. Growth on the east side of the company's territory, which includes Wyoming, Utah and Idaho, is expected to be 3.2 percent. PacifiCorp anticipates 0.8 percent growth on its western side, which includes Washington, Oregon and northern California. The company anticipates a 1.3 percent growth rate in Idaho alone.

Of the 2,000 MW in renewable resources, the company plans 1,600 MW of that to come from wind farms planned in Wyoming, Washington and Oregon.

Other sources include: 340 MW from a Utah coal plant in 2012 and 527 MW from a Wyoming coal source in 2014; 548 MW from a natural gas combined cycle combustion turbine (CCCT) added in 2012 and another 357 MW from a gas CCCT added in 2016, both to be built on the eastern side of the company's territory. Another 602 MW would come from a CCCT natural gas combustion turbine built on the company's west side in 2011.

Another 100 MW will come from programs that reduce demand on the system, such as irrigation and air conditioner load control programs. The company currently gains 150 MW in demand reduction from irrigation and air conditioning load control programs in Utah and Idaho.

Commission staff noted that PacifiCorp is slightly behind on its renewables acquisition target, with 335 MW of the target 400 MW expected to be online by the end of this year. While the wind projects conform to PacifiCorp's commitments, the cost has been higher than anticipated, staff noted. "This is evident with the three large wind projects expected to be online this year, each of which have capital costs far in excess of those used as assumptions in the IRP," commission staff said. However, commission staff continues to support cost-effective wind generation to serve Idaho customers, noting that these projects do not come with the price volatility that impacts fuel costs or the cost of mitigation requirements that come with carbon emissions.

Some states in PacifiCorp's territory now require the utility to procure a certain amount of its energy from renewable resources. These "renewable portfolio standards" could impact the company's Idaho customers, even though Idaho does not mandate a renewable portfolio standard on its utilities. Commission staff said the renewable standard will further constrain PacifiCorp's resource acquisition and may expose its Idaho customers to the financial impacts of resource decisions "based less on economics and more on politics." Staff urged the Idaho commission to become more involved in PacifiCorp planning processes to ensure that Idaho ratepayers are well represented.

Monsanto, an elemental phosphorus plant based in Soda Springs and PacifiCorp's largest customer in its six-state territory, expressed concern that other states in PacifiCorp's territory, namely Oregon and Utah, have disproportionate influence on PacifiCorp's capital procurements. Monsanto further stated the utility should be required to increase its demand-side reduction programs, should avoid the development of new gas-fired generation and look instead to nuclear generation and coal-fired generation using "clean-coal" technology.

Without added generation, PacifiCorp anticipates a resource deficit during times of peak use as soon as next year allowing for a 15 percent planning reserve of generation available in case of emergencies. With no added generation, the company anticipates it will be 791 MW short, based on a 12 percent planning reserve.

Based on the company's load growth plan, total generation from pulverized coal will decrease from 64.8 percent of the company's power supply to 43.4 percent, while purchases of power from the market will increase from 4.5 percent today to 17.1 percent in 2016. Generation from the company's own renewable energy sources is slated to increase from 3.6 of total generation this year to 8.5 percent in 2016. Power from combined cycle gas plants would increase from 8.5 percent of the company's generation today to 17.4 percent in 2016. Generation from hydroelectric resources would decrease from 9.6 percent in 2007 to 6.9 percent in 2016.

The company says it will assume a leadership role in global climate change issues and continue to investigate the development of carbon reduction technology, specifically clean-coal technology, sequestration and nuclear power.

A copy of the commission's final order and other documents related to this case are available on the commission's Website at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on the electric icon and then on Open Electric Cases and scroll down to Case No. PAC-E-07-11.