

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE FILING BY)
PACIFICORP DBA ROCKY MOUNTAIN) CASE NO. PAC-E-09-06
POWER OF ITS 2009 ELECTRIC)
INTEGRATED RESOURCE PLAN (IRP)) NOTICE OF FILING
)
) NOTICE OF
) COMMENT DEADLINE

PACIFICORP 2009 ELECTRIC INTEGRATED RESOURCE PLAN

YOU ARE HEREBY NOTIFIED that on May 29, 2009, PacifiCorp dba Rocky Mountain Power (PacifiCorp; Company) filed its 2009 electric Integrated Resource Plan (IRP) with the Idaho Public Utilities Commission (Commission). PacifiCorp is a multi-jurisdictional utility and provides electric service to over 69,000 customers in eastern Idaho. The Company's filing is a biennial planning document that sets forth how the Company intends to meet the energy requirements of its customers over the next 10 years. In Order No. 22299, the Commission directed PacifiCorp to file a biennial IRP that analyzes its customer base, load growth, supply-side resources, and demand-side management (DSM) resources. The Company's IRP was developed through a collaborative public process with involvement from regulatory staff, advocacy groups and other interested parties and provides a framework of future actions to ensure PacifiCorp continues to provide reliable service at a reasonable cost with manageable risk to its customers.

The key elements of the PacifiCorp 2009 IRP include a finding of resource need, focusing on the 10-year period 2009-2018, a preferred portfolio of supply-side and demand-side resources to meet this need, and an action plan that identifies the steps the Company will take during the next 2 to 4 years to implement the plan. The resources identified in the 2009 IRP preferred portfolio are considered proxy resources that guide procurement efforts, and do not constitute the actual resources that would be acquired as part of future procurement initiatives.

Significant changes reflected in this IRP relative to the 2007 IRP include:

- A decrease in resource need: The system becomes short on capacity in 2011 rather than 2010 due to lower forecasted loads and new resource additions.

- Acquisition of the 520 megawatt (MW) Chehalis gas plant and 175 MW of additional wind resources added in 2008.
- New IRP guidelines issued by the Oregon Public Utility Commission on the treatment of carbon dioxide (CO₂) regulatory risk.
- Incorporation of the Energy Gateway Transmission Project in the portfolio analysis.
- State commission 2007 IRP acknowledgement orders calling for modeling methodology changes and the expansion of resource options to consider, including energy efficiency measures (Class 2 Demand-Side Management programs) and additional renewable energy technologies such as solar and geothermal.

THE INTEGRATED RESOURCE PLANNING ENVIRONMENT

For capital expenditure planning, PacifiCorp states its challenge has been to minimize customer rate impacts in light of a substantial capital spending requirement needed to address customer load growth, support government environmental and energy policies, and maintain transmission grid reliability. To address this challenge, the Company is scrutinizing capital projects for cost reductions or deferrals that make economic sense in today's market environment.

An additional planning challenge for the Company has been to respond to and predict the demand response impacts of the economic recession and financial crisis. The Company states that it is currently seeing a continuation of significant industrial and commercial sector demand reduction. This will translate, it states, into a reduction of resource need for the near-term. Volatile economic conditions and commodity prices are requiring the Company to continuously re-evaluate input assumptions and resource acquisition strategies. Significant price drops in fuels and forward wholesale power in late 2008 and early 2009 signal near-term opportunities to lower power supply costs through market purchases before the Company needs to commit to a large new thermal power plant. If construction markets continue to soften as several experts predict, this will create additional cost-saving opportunities through lower plant prices.

The 2009 IRP also reflects evolution of PacifiCorp's corporate resource planning approach. The Company has embarked on a strategy to more closely align IRP development activities and the annual 10-year business planning process. The purpose of the alignment is to

adopt consistent planning assumptions, to ensure that business planning is informed by the IRP portfolio analysis and that the IRP accounts for near-term resource affordability, and to improve resource planning transparency for public stakeholders.

PacifiCorp's 2009 IRP accounts for the Energy Gateway Transmission project. For the 2009 IRP cycle, the Company treated the various planned transmission segments as existing resources for portfolio modeling purposes. Going forward, Gateway transmission segments will be re-evaluated from an integrated resource planning perspective during the IRP and annual business planning cycles.

RESOURCE NEEDS AND PORTFOLIO MODELING

The resource need accounts for load growth, sales obligations, existing resources, and a 12% planning reserve margin. Based on a November 2008 load forecast, PacifiCorp experiences a capacity deficit beginning in 2011, when the system will be short by 498 MW. This deficit increases to 1,936 MW in 2012 and 3,528 MW by 2018. The capacity deficit is driven by a coincident system peak load growth rate of 2.5% for 2009-2018, and expiration of major power contracts such as the Bonneville Power Administration peaking contract in August 2011. On an energy basis, the system begins to experience summer short positions by 2012.

To determine how best to address the capacity deficits, PacifiCorp developed 57 resource portfolios using a capacity expansion model that optimizes resource choice according to a variety of input assumptions and capacity planning criteria. PacifiCorp's state utility commissions require the Company, through its IRP standards and guidelines, to develop a portfolio that is least-cost after accounting for risk, uncertainty, and the long-run public interest.

2009 IRP PREFERRED PORTFOLIO

PacifiCorp's 2009 IRP preferred portfolio consists of a diverse mix of resources dominated by renewable, demand-side management, gas-fired resources, and firm market purchases. The major resources for the 2009-2018 planning period consist of the following:

- Renewables:
 - Wind: 1,313 MW
 - Geothermal: 35 MW
 - Major hydroelectric upgrades: 75 MW in 2012-2014

- Demand-side management:
 - Energy efficiency: 904 MW
 - Dispatchable load control: 105-325 MW

- Gas-fired capacity: 831 MW in the 2014-2016 period
- Coal plant turbine upgrades: 170 MW of emissions-free capacity
- Firm market purchases: Ranging from 50 MW to 1,400 MW on an annual basis, contingent on the time and amounts of long-term resource acquisitions.

PacifiCorp is on pace to exceed the previous renewable resource amount identified in the Company's 2007 Renewable Energy Action Plan filed in May 2007 (1,400 MW by 2015), and the amount identified in the 2007 IRP update report filed in June 2008 (2,000 MW by 2013). Since 2005, the Company's projected renewable resource inventory has grown by 1,404 MW, accounting for existing resources and those under construction, contract, or included in the capital budget. The incremental renewables identified in the 2009 IRP preferred portfolio and action plan bring the target to about 2,040 MW by 2013. The projected renewable inventory exceeds 2,540 MW by 2018, which represents 18.5% of PacifiCorp's owned generation capability in that year.

2009 IRP ACTION PLAN

The 2009 IRP action plan is based upon the latest and most accurate information available at the time of portfolio study completion. The current volatile economic and regulatory environment will likely require near-term alteration to resource plans as a response to specific events and improved clarity concerning the direction of the economy and government energy and environmental policies.

PacifiCorp's 2009 IRP action plan consists of the following:

Renewables: 2009-2018

Acquire an incremental 1,400 MW of renewable by 2018, in addition to the already planned 75 MW of major hydroelectric upgrades in 2012-2014; PacifiCorp's projected renewable resource inventory by 2018 exceeds 2,540 MW with these additions.

Firm Market Purchases: 2009-2013

Implement a bridging strategy to support acquisition deferral of long-term intermediate/base load resource(s) in the east control area until no sooner than the beginning of summer 2014.

Peaking/Intermediate/Base Load Supply-Side Resources: 2012-2016

Procure long-term firm capacity and energy resources for commercial services in the 2012-2016 time frame.

Plant Efficiency Improvements: 2009-2018

Pursue economic plant upgrade projects – such as turbine system improvements and retrofits – and unit availability improvements to lower operating costs and help meet the Company's future CO2 and other environmental compliance requirements.

Class 1 DSM: 2009-2018

Acquire at least 200-300 MW of cost-effective Class 1 demand-side management programs for implementation in the 2009-2018 time frame.

Class 2 DSM: 2009-2018

Acquire 900-1,000 MW of cost-effective Class 2 programs by 2018 (peak capacity), equivalent to about 430 to 480 MWa.

Class 3 DSM: 2009-2018

Acquire cost-effective Class 3 DSM programs by 2018.

Distributed Generation: 2009-2018

Pursue at least 100 MW of distributed generation resources by 2018.

Planning Process Improvements: 2009-2010

Portfolio modeling improvements.

Establish additional portfolio development scenarios for the business plan that will be completed by the end of 2009, and which will support the 2008 IRP update.

Transmission: 2009-2011

Obtain Certificates of Public Convenience and Necessity for Utah/Wyoming/Northwest segments of the Energy Gateway Transmission Project to support PacifiCorp load growth, regional resource expansion needs, access to markets, grid reliability, and congestion relief.

Transmission: 2010

Permit and build Utah/Idaho/Nevada segments of the Energy Gateway Transmission project to support PacifiCorp load growth, regional resource expansion needs, access to markets, grid reliability, and congestion relief.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed PacifiCorp's filing in Case No. PAC-E-09-06 and finds it reasonable to establish the following schedule for comment on the Company's 2009 Integrated Resource Plan.

Friday, July 31, 2009

Deadline for filing written comments

All comments should contain the case caption and case number shown on the first page of this document.

YOU ARE FURTHER NOTIFIED that written comments concerning the Company's filing should be mailed to the Commission and the Company at the addresses reflected below.

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
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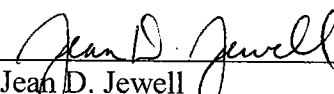
Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Comments and Questions" icon and complete the comment form using the case number as it appears on the front of this document. These comments must also be sent to PacifiCorp at the e-mail address listed above.

YOU ARE FURTHER NOTIFIED that the Application and submitted documents are available for public inspection during regular business hours at the Commission's office and at the Idaho offices of PacifiCorp. The Company's 2009 IRP is also available at the Commission's web site at www.puc.idaho.gov by clicking on "File Room" then "Electric Cases."

DATED at Boise, Idaho this

24th

day of June 2009.



Jean D. Jewell
Commission Secretary

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