

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF PACIFICORP DBA
ROCKY MOUNTAIN POWER'S 2015
INTEGRATED RESOURCE PLAN**

) **CASE NO. PAC-E-15-04**
)
) **NOTICE OF FILING**
)
) **NOTICE OF**
) **MODIFIED PROCEDURE**
)
) **NOTICE OF**
) **INTERVENTION DEADLINE**
)
) **ORDER NO. 33299**

On March 31, 2015, PacifiCorp dba Rocky Mountain Power (“Rocky Mountain” or “Company”) filed its 2015 Integrated Resource Plan (“IRP”) with the Commission pursuant to the Commission’s rules and in compliance with the biennial IRP filing requirements mandated in Order No. 22299.

NOTICE OF IRP FILING

YOU ARE HEREBY NOTIFIED that Rocky Mountain’s 2015 IRP represents its 13th comprehensive plan submitted to state regulatory commissions.

YOU ARE FURTHER NOTIFIED that the Company states that its IRP Application was developed with participation from numerous public stakeholders, including regulatory staff, advocacy groups, and other interested parties, and focuses on a 10-year period, 2015-2024 (hereinafter “planning horizon”).

YOU ARE FURTHER NOTIFIED that Rocky Mountain’s projected load forecast continues to decline beyond 2019 in relation to projected loads used in the Company’s 2013 IRP and 2013 IRP Update.

YOU ARE FURTHER NOTIFIED that the Company cites reduced residential class load forecast due to increased energy efficiency, including continued phase-in of the Energy Independence and Security Act federal lighting standards, and lower energy response to economic growth as the main drivers of lower forecasted load.

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YOU ARE FURTHER NOTIFIED that Rocky Mountain claims that Class 2 DSM, or energy efficiency, savings in the 2015 IRP preferred portfolio exceeds energy efficiency savings from the 2013 IRP preferred portfolio by 59% by 2024. The Company says that acquisition of incremental energy efficiency resources increases by 59% over its estimate in its 2013 IRP and meets 86% of the Company's forecast load growth from 2015 through 2024.

YOU ARE FURTHER NOTIFIED that Rocky Mountain's base case wholesale power and natural gas price estimates are significantly lower than the estimates found in its previous (2013) IRP. The Company asserts that the estimates found in its 2013 IRP Update are more closely aligned to its 2015 IRP estimates.

YOU ARE FURTHER NOTIFIED that Rocky Mountain remarks that growth in natural gas supplies, primarily from prolific shale plays in North America, have continued to outpace expectations and exert downward pressure on natural gas prices.

YOU ARE FURTHER NOTIFIED that Rocky Mountain believes that while the market for front office transactions (FOTs) is favorable, growth in energy efficiency savings mitigate the need for FOTs through the front ten years of the planning horizon. The Company says that, on average, 2015 IRP preferred portfolio FOTs are down 16% from the 2013 IRP Update and down 29% when compared to the 2013 IRP preferred portfolio.

YOU ARE FURTHER NOTIFIED that Rocky Mountain's 2015 IRP preferred portfolio includes the addition of 816 MW of energy from power purchase agreements for 36 qualifying wind and solar projects coming on-line by the end of 2016. The Company says that these projects are necessary in order to mitigate the cost of state renewable portfolio standard (RPS) compliance in its California, Oregon, and Washington service areas. Rocky Mountain believes that its preferred portfolio meets the Utah 2025 state target of 20%, and has a significant bank to sustain continued future compliance in Utah.

YOU ARE FURTHER NOTIFIED that Rocky Mountain's analysis of near-term Regional Haze compliance requirements led the Company to convert some of its coal plants to natural gas by 2018 and install emissions control equipment at its Wyodak, Dave Johnston Unit 3, and Cholla Unit 4. Rocky Mountain believes that this will potentially save its (PacifiCorp) customers hundreds of millions of dollars.

YOU ARE FURTHER NOTIFIED that Rocky Mountain noted the impact of the U.S. Environmental Protection Agency's (EPA) issuing Rule §111(d) of the Clean Air Act establishing state emission rate targets for existing resources. According to the Company, its 2015 IRP preferred portfolio meets PacifiCorp's share of state emission rate targets among those states in which PacifiCorp serves retail customers and owns existing fossil generation potentially affected by the proposed rule.

YOU ARE FURTHER NOTIFIED that Rocky Mountain continues to support transmission permitting efforts for Energy Gateway West (Segments D and E), Energy Gateway South (Segment F), Boardman to Hemingway (Segment H), and a line from Walla Walla to McNary. The Company expects to complete construction of the Walla Walla to McNary project by 2017.

YOU ARE FURTHER NOTIFIED that Rocky Mountain described several "supplemental studies" the Company relied upon in order to develop its 2015 IRP.

YOU ARE FURTHER NOTIFIED that, regarding potential future resource acquisition, Rocky Mountain claims that it will exceed its 13% target planning reserve margin through 2019 and falls just short of its target planning reserve margin in 2020. The Company believes that the expiration of an existing exchange contract will increase system capacity and allow the Company to exceed its 13% target planning reserve margin in 2021 and 2022. Rocky Mountain estimates that it will be at least 82 MW and 165 MW below its target planning reserve margin in 2023 and 2024, respectively.

YOU ARE FURTHER NOTIFIED that Rocky Mountain expressed a commitment toward assessing current market conditions and dispatch or sell its system resources in an economic manner to the benefit of customers. The Company believes that the economic dispatch of system resources is critical to how the Company manages net power costs.

YOU ARE FURTHER NOTIFIED that the Company estimates that its first on-peak energy shortfall will occur in July 2020, totaling 5 GWh. In July 2024, the Company states that the on-peak monthly load deficit will increase to 189 GWh. Rocky Mountain does not forecast an energy shortfall during off-peak periods through the 2024 planning horizon.

YOU ARE FURTHER NOTIFIED that Rocky Mountain's 2015 IRP Action Plan reveals the Company's planned actions during the ten-year planning horizon (2015-2024):

1. **Renewable Resource Actions**

- Pursue unbundled REC request for proposals (RFP) to meet its state RPS compliance requirements.
- Issue annual RFPs seeking current-year or forward-year vintage unbundled RECs to meet Washington and California renewable portfolio standard targets through 2017.
- Defer issuance of RFPs seeking unbundled RECs that will qualify in meeting Oregon renewable portfolio standard targets until states begin to develop implementation plans under EPA's draft 111(d) rule. The Company asserts that it has a projected bank balance extending out through 2027.
- Issue quarterly reverse RFPs through 2016 to sell 2016 vintage or older RECs that are not required to meet state RPS compliance obligations.
- Secure bids from 2013 Request for Proposals (RFP) seeking up to 7 MW of capacity from qualifying solar systems to meet Oregon's 2020 solar capacity standard.

2. **Firm Market Purchase Actions**

- Acquire short-term on-peak firm market purchase deliveries from 2015 through 2017.
- Balance month and day-ahead competitive price brokered transactions.
- Balance month, day-ahead, and hour-ahead transactions executed through an exchange, such as Intercontinental Exchange (ICE).
- Prompt month forward, balance of month, day-ahead, and hour-ahead non-brokered transactions.

3. **DSM Actions**

- Class 1 DSM: Pursue a west-side irrigation load control pilot beginning 2016. Class 2 DSM: Acquire the following cost-effective Class 2 DSM resources targeting annual system energy and capacity selections from the preferred portfolio: 2015 – 551 MW of Annual Incremental Energy (GWh) and 133 MW of Annual Incremental Capacity; 2016 – 584 MW

of Annual Incremental Energy and 139 MW of Annual Incremental Capacity; 2017 – 616 MW of Annual Incremental Energy and 146 MW of Annual Incremental Capacity; 2018 – 634 MW of Annual Incremental Energy and 146 MW of Annual Incremental Capacity.

4. **Coal Resource Actions**

- Naughton Unit 3: Issue RFP to procure gas transportation and resume engineering, procurement, and construction (EPC) contract procurement activities for the Naughton Unit 3 natural gas conversion in the first quarter of 2016. Possibly update its economic analysis of natural gas conversion in conjunction with the RFP processes to align gas transportation and EPC cost assumptions with market bids.
- Dave Johnston Unit 3: Wyoming currently appealing 10 Circuit ruling the portion of EPA’s final Regional Haze Federal Implementation Plan (FIP) requiring the installation of selective catalytic reduction (SCR) at Dave Johnston Unit 3, or a commitment to shut down Dave Johnston Unit 3 by the end of 2027. If EPA’s final FIP is upheld, the Company is committed to shutting down Dave Johnston Unit 3 by the end of 2027. If EPA’s final FIP is or will be modified, the Company will evaluate alternative compliance strategies.
- Wyodak: Continue appeal of the portion of EPA’s final Regional Haze FIP that requires the installation of SCR at Wyodak. Compliance deadline for SCR under the FIP is currently stayed by the court. If EPA’s final FIP is upheld (with a modified schedule that reflects the final stay duration), the Company will update its evaluation of alternative compliance strategies that will meet Regional Haze compliance obligations.
- Cholla Unit 4: Continue permitting efforts in support of an alternative Regional Haze compliance approach that avoids installation of SCR with a commitment to cease operating Cholla Unit 4 as a coal-fueled resource by April 2025.

5. **Transmission Actions**

- Continue permitting for the Energy Gateway transmission plan. Near-term targets for Segments D, E, and F include the continued funding of the required federal agency permitting environmental consultant; continue to support the federal permitting process by providing information and participating in public outreach. For Segment H (Boardman to Hemingway), continue to support the project under the

conditions of the Boardman to Hemingway Transmission Project Joint Permit Funding Agreement.

- Complete to follow Walla Walla to McNary project construction plan with 2017 expected in-service date. Continue to support permitting process.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the Company's filing in Case No. PAC-E-15-04 and finds that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position concerning Rocky Mountain's 2015 IRP may file a written comment in support or opposition with the Commission. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning Rocky Mountain's IRP Filing shall be filed with the Commission **no later than August 7, 2015**. Written comments concerning this filing should be mailed to the Commission and Rocky Mountain at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

Yvonne Hogle
Regulatory Counsel
Rocky Mountain Power
201 S. Main, One Utah Center, 23rd Floor
Salt Lake City, UT 84111

Ted Weston
Idaho Regulatory Affairs Manager
Rocky Mountain Power
201 S. Main, One Utah Center, 23rd Floor
Salt Lake City, UT 84111

These comments should contain the case caption and case number shown on the first page of this document. 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 "Case Comment or Question

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Form” under the “Consumers” tab, and complete the comment form using the case number as it appears on the front of this document.

YOU ARE FURTHER NOTIFIED that the Company may file reply comments, if necessary, **no later than August 14, 2015**.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that Rocky Mountain’s 2015 IRP filing has been filed with the Commission and is available for public inspection during regular business hours at the Commission offices and Rocky Mountain Power Headquarters, 201 S. Main, One Utah Center, Salt Lake City, UT 84111. The Application is also available on the Commission’s web site at www.puc.idaho.gov. Click on the “File Room” tab at the top of the page, scroll down to “Electric Cases,” and then click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that the Idaho Public Utilities Commission has jurisdiction over Rocky Mountain, its filing and the issues pertaining to this case pursuant to Title 61 of the Idaho Code and specifically *Idaho Code* § 61-401.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission’s Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in Case No. PAC-E-15-04 for the purpose of becoming a party must file a Petition to Intervene with the Commission pursuant to Rules 72 and 73 of the Commission’s Rules of Procedure, IDAPA 31.01.01.072 and .073. Persons desiring to acquire intervenor rights of participation must file a Petition to Intervene **no later than 14 days** from the service date of this Order.


ORDER

IT IS HEREBY ORDERED that this Application be processed under Modified Procedure, Rules 201-204, IDAPA 31.01.01.201-.204. Persons interested in submitting written


comments must do so no later than August 7, 2015. The Company may file a reply no later than August 14, 2015.

IT IS FURTHER ORDERED that persons desiring to intervene in this case shall file a Petition to Intervene with the Commission no later than 14 days from the service date of this Order.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 12th day of May 2015.



PAUL KJELLANDER, PRESIDENT

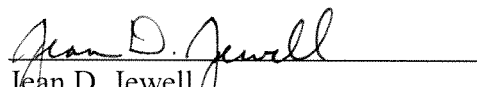


MACK A. REDFORD, COMMISSIONER



KRISTINE RAPER, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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