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Chair Megan Decker, Commissioner Letha Tawney, and Commissioner Mark Thompson
Public Utility Commission of Oregon
201 High St. NE
Salem, OR 97301

RE: In the Matter of PACIFICORP, dba PACIFIC POWER, 2021 Integrated Resource Plan
Docket No. LC 77

Dear Chair Decker, Commissioner Tawney, and Commissioner Thompson:

Thank you for the opportunity to comment on PacifiCorp's 2021 Integrated Resource Plan (IRP), filed with the Commission on September 1, 2021.

GEI is a nonprofit energy and climate law and policy institute within Lewis & Clark's top-ranked environmental, natural resources, and energy law program. We work to address the climate crisis by developing and supporting laws and policies that enable a quick and equitable transition to a clean and renewable energy system. In support of that mission, we are deeply invested in engaging in processes to make rapid progress towards reducing greenhouse gas (GHG) emissions.

PacifiCorp has made noteworthy strides in aligning its planning priorities to prepare for the future decarbonized world. We are heartened by the utility's preference for renewables and storage, its decision to decline inclusion of *new* gas generation in its resource mix, and its plan to retire 14 coal plants by 2030.

PacifiCorp, however, has an important opportunity to use this process efficiently—and to make critical decisions in the near-term—that will better situate the utility and its ratepayers to face the future. It is the Commission's role to assure that the utility is using this time wisely—delay in planning for and implementing emissions free technologies equals risk. The Intergovernmental Panel on Climate Change (IPCC) has made it clear that the world must achieve dramatic reductions in carbon emissions to avoid the worst effects of climate change. The Commission must steer our utilities on a path to quickly reduce emissions from existing generating resources while preventing investments in resources that will contribute to future emissions.

We recognize that the 2021 IRP deadline arrived during a time of shifting priorities, given HB 2021's emphasis on the importance of decarbonizing the energy system. Nevertheless, both the current state of Oregon law, and the current state of the climate, require efficient and ambitious action. At every opportunity, PacifiCorp should plan to cut emissions from its resource mix. The deadline to meet the HB 2021 targets is quickly approaching and any delays will only pose increased risks to ratepayers and the climate. Pursuant to its legislatively granted authority, the Commission has the "power and jurisdiction to supervise and regulate every public utility . . . in this state, and to do all things necessary and convenient in the exercise of such power and jurisdiction."¹ The Commission should approach its review of PacifiCorp's 2021 IRP with an eye toward the future to ensure the utility has selected the best portfolio of resources to meet the needs of the ratepayers in this state.²

To that end, we focus our comments today on three primary issues in PacifiCorp's 2021 IRP: the Jim Bridger coal-to-gas peaker conversions, the Natrium Nuclear Demonstration project, and providing expanded access to IRP workshops.

I. Avoid Creating New Path Dependencies: No Conversion of Coal to Gas

By proposing to delay the retirement of Jim Bridger 1 & 2 and, instead, convert them to gas peakers, PacifiCorp has missed an opportunity to select proven, clean, cost-effective, and non-emitting resources. PacifiCorp supports its position by pointing to the near-term cost benefits of converting the Bridger units from coal to gas, but it fails to fully consider the costs associated with delaying procurement of emissions-free technologies and the risks associated with locking in fossil equipment and related emissions.

The Commission must test whether, under IRP Guidelines 1(c) and (d),³ PacifiCorp has appropriately balanced cost and risk and made a selection that is consistent with "the long-run public interest."⁴ By proposing this coal to gas conversion, PacifiCorp aims to swap one risky fuel source for another and, by doing so, offers a short-term fix that will have long-lasting negative impacts. Every new fossil gas investment locks in equipment and emissions that will be slow and costly to phase out, and that will not benefit Oregon ratepayers in the long-term.

Relatedly, the Commission should consider how decisions to allow new gas infrastructure would lock out decarbonized resources. A perfect example of this theory playing out in real time occurred during the Commission's hearing on this IRP. Specifically, in answering a question about the benefit of the conversion given Jim Bridger's ten-year end of life, PacifiCorp suggested that the exact date of end-of-life is open to discussion and that the facility could remain running on fossil fuels for years beyond the proposed ten-year timeline. In testing whether PacifiCorp's proposed gas conversions represent a proper balancing of cost and risk, the Commission should consider whether this resource selection, perpetuating dependency on fossil fuels, improperly induces risky reliance on a short-term solution.

¹ ORS § 756.040(2).

² OAR 860-027-0400.

³ Oregon Public Utility Comm'n, Docket No. UM 1056, Order No. 07-047 Appendix A at 1-2 (Feb. 9, 2007).

⁴ *Id.* at 2.

We urge the Commission to reduce the stranded cost risk associated with PacifiCorp's proposed coal to gas conversion, and resist locking in GHG emissions, by declining to acknowledge the IRP's proposed new investments in gas infrastructure when proven, useful, emissions free options are available.

II. Closely Analyze the Natrium Nuclear Demonstration Project

At the tail end of a long stakeholder process, PacifiCorp surprised stakeholders with the addition of the Natrium Nuclear Demonstration project in its IRP. IRP Guideline 1(b) requires a robust examination of risks and uncertainties to gain a complete picture of whether this resource adds appropriate value to the portfolio.⁵ The Commission should carefully evaluate whether PacifiCorp complied with IRP Guideline 1(b), particularly given the model's selection of two additional nuclear demonstration projects later in the planning period.

At a bare minimum, the Commission should evaluate the implications of forcing the demonstration project into the model, rather than allowing it to be selected. Additionally, the Commission should consider whether the estimates on cost, and the time to develop the project, are sufficiently fleshed out to warrant a conclusion that PacifiCorp has complied with Guideline 1(c) in finding the "best combination of expected costs and associated risks and uncertainties for the utility and its customers."⁶ Nuclear projects carry significant risks, including higher than anticipated capital costs, unexpected delays, and difficulty obtaining licensing. But the risks associated with operating the project are equally significant, including the potential inability to obtain fuel, safety risks, and the unavailability of safe, long-term storage options, not to mention the fact that PacifiCorp plans to operate the plant without any prior experience operating nuclear generating facilities.

In short, the inclusion of the Natrium Nuclear Demonstration plant in PacifiCorp's 2021 IRP impacts other resource decisions in the action plan, and without a robust and honest discussion of all the risks, the company is missing an opportunity to evaluate and potentially select other less risky, more available, and more proven resources that are also emissions free.

III. Ensure Accessibility of IRP Proceedings

Guideline 2 requires significant involvement of the public in preparation of the IRP.⁷ GEI urges the Commission to consider whether the existing public participation paradigm is sufficient to ensure the kind of involvement that is necessary to ensure utility planning represents differing viewpoints and considerations.⁸ A thoughtful, inclusive stakeholder process will be particularly necessary as PacifiCorp works toward implementing the requirements of HB 2021 and convenes a Community Benefits and Impacts Advisory Group ("Advisory Group").

⁵ Order No. 07-047 Appendix A at 2-3.

⁶ *Id.* at 1-2.

⁷ *Id.* at 2.

⁸ We note that, contrary to Guideline 2(c), no draft IRP for public comment and review was filed prior to the filing of the final plan. A failure to provide one additional way for the public to engage with the process undermines the value of the proceeding.

To that end, we offer the following thoughts that have been suggested in the context of other proceedings, for consideration by the Commission. PacifiCorp must be prepared to seek out and facilitate involvement of environmental justice and low-income communities, and it must do so early and often. Workshops should be recorded and posted to the website so that stakeholders seeking to remain involved are not required to attend all-day meetings during the work week. Finally, utilities should consider hosting a few community-oriented workshops in which the utility provides information about the pros and cons of decisions it must make to elicit information about the priorities of affected communities.

Finally, while HB 2021 merely offers that the utility *may* engage with the Advisory Group in formulating and implementing a Clean Energy Plan, it would be most efficient and mutually beneficial to the utility and affected communities if the Commission treated the recommendation as a directive.⁹ To ensure decisions will benefit the communities most disproportionately impacted by climate change, PacifiCorp must prioritize environmental justice communities and adopt methods to meaningfully¹⁰ involve communities in the process leading up to those decisions. Additionally, and most importantly, participants in the Advisory Group should be provided with access to technical experts if they have questions about the proposed plans and investment decisions.

Thank you for the opportunity to comment on PacifiCorp's 2021 IRP.

Sincerely,

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⁹ 100% Clean Energy for All, Enrolled HB 2021-C, Section 6(b)(A) (2021), *available at* <https://olis.oregonlegislature.gov/liz/2021R1/Downloads/MeasureDocument/HB2021/Enrolled>

¹⁰ U.S. Env'tl Protection Agency, *Learn About Environmental Justice*, *available at* <https://www.epa.gov/environmentaljustice/learn-about-environmental-justice>. Although directed at governing bodies, the process points are helpful to consider in this public context.