

Investigation No. 17-04-019
Exhibit PAC/1400-I
Witnesses: Mary M. Wiencke

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

PACIFICORP

Rebuttal Testimony of Mary M. Wiencke

Redline Version

ERRATA

December 2018

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ATTACHED EXHIBITS

Exhibit PAC/1401-I - Alternate Emissions Performance Standard Compliance Filing
February 1, 2018

Confidential Exhibit PAC/1402-I - Capital Investments in Environmental Equipment

1 ~~Q. Please state your name, business address, and position with PacifiCorp d/b/a~~
2 ~~Pacific Power.~~

3 ~~A. My name is Chad A. Teply. My business address is 1407 West North Temple, Suite~~
4 ~~310, Salt Lake City, Utah 84116. My present position is Senior Vice President of~~
5 ~~Strategy and Development.~~

6 ~~I. QUALIFICATIONS~~

7 ~~Q. Please describe your education and business experience.~~

8 ~~A. I have a Bachelor of Science Degree in Mechanical Engineering from South Dakota~~
9 ~~State University. I have held positions of increasing responsibility within various~~
10 ~~Berkshire Hathaway Energy companies since November 1999. I joined PacifiCorp in~~
11 ~~February 2009 as Vice President of Resource Development and Construction, and I~~
12 ~~undertook the role of Senior Vice President of Strategy and Development in 2017. I~~
13 ~~am responsible for strategic planning, stakeholder engagement, regulatory support,~~
14 ~~and development and implementation of the company's major generation resource~~
15 ~~additions, major environmental compliance projects, and major transmission and~~
16 ~~distribution projects.~~ Q. Are you the same Mary M. Wiencke who submitted

17 direct testimony in this proceeding?

18 A. Yes, I am.

19 ~~II. PURPOSE OF TESTIMONY~~

20 ~~Q. What is the purpose of your testimony?~~

21 ~~A. The purpose of my testimony is to provide clarification regarding PacifiCorp's~~
22 ~~alternative compliance mechanism with California's Emissions Performance Standard~~
23 ~~(EPS) under Senate Bill (SB) 1368 and California Public Utilities Commission~~

1 (Commission) Decision (D.) 07-01-039. ~~I am also adopting testimony provided by~~
2 ~~Ms. Mary M. Wiencke, Vice President of Environmental Strategy and Policy for~~
3 ~~PacifiCorp, filed as Exhibit PAC/400-I—PacifiCorp’s Compliance with the~~
4 ~~California Emissions Performance Standard, on November 8, 2017.~~

5 III. COMPLIANCE WITH SB 1368

6 Q. How has PacifiCorp complied with SB 1368?

7 A. As ~~discussed~~I discuss in the portion of the testimony ~~of Mr. Scott D. Bolton~~I share
8 with Ms. Lockey (Exhibit PAC/1300-I), SB 1368¹ provided the Commission the
9 discretion to approve an alternate compliance option for an electrical corporation that
10 provides electric service to 75,000 or fewer retail end-use customers in California
11 where: (A) a majority of the electrical corporation’s end use customers for electric
12 service are located outside of California; and (B) the emissions of greenhouse gasses
13 (GHG) to generate electricity for the retail end-use customers of the electrical
14 corporation are subject to a review by the utility regulatory commission of at least one
15 other state in which the electrical corporation provides regulated retail electric
16 service.² In D.07-01-039, the Commission adopted PacifiCorp’s proposed alternative
17 compliance framework finding that a utility serving fewer than 75,000 customers in
18 California meets the requirements of Public Utilities Code section 8341(d)(9) when
19 any of the following occur: (1) a state jurisdiction in which PacifiCorp operates
20 requires PacifiCorp to review and report on the potential impacts of different carbon
21 policies within its IRP process; or (2) a state jurisdiction in which PacifiCorp operates
22 requires PacifiCorp to disclose its GHG emissions or expected change in overall

¹ Pub. Util. Code §§ 8340 and 8341.

² Pub. Util. Code § 8341(d)(9).

1 emissions as a result of changes to its portfolio, including new capacity additions; or
2 (3) when a state jurisdiction in which PacifiCorp operates adopts rules specifically
3 regulating emissions of GHGs from electricity generating facilities.³ The
4 Commission found that PacifiCorp met these requirements and required PacifiCorp to
5 file an annual Advice Letter in February of each year, attesting to the fact that
6 PacifiCorp continues to meet the alternative compliance requirements of SB 1368.⁴

7 **Q. Does PacifiCorp still meet the alternative compliance requirements?**

8 A. Yes. PacifiCorp currently serves approximately 45,000 retail electric customers in
9 California, which represents less than 2 percent of PacifiCorp's total retail electric
10 load. PacifiCorp's GHG emissions continue to be subject to review by the regulated
11 utility commissions in other states, principally Oregon and Washington.⁵ Per the
12 Commission's requirement, PacifiCorp has filed an annual Advice Letter in February
13 of each year, attesting to the fact that PacifiCorp continues to meet the alternative
14 compliance requirements of SB 1368. The Advice Letters PacifiCorp has filed since
15 its SB 1368 alternative compliance mechanism began in 2008 through 2018 are
16 contained in Exhibit PAC/1100-I and Exhibit PAC/1401-I, along with the documents
17 confirming the Commission's approval of each Advice Letter.

18 **Q. What are PacifiCorp's EPS requirements in Oregon?**

19 A. In Oregon, the GHG emissions standard applicable to electric companies and electric
20 service suppliers is 1,100 pounds of GHGs per megawatt-hour for a generating

³ D.07-01-039, pp. 165–166.

⁴ See Exhibit PAC/1100-I and Exhibit PAC/1401-I.

⁵ See Oregon Revised Statutes (ORS) 757.522 *et al*; Revised Code of Washington (RCW) 80.80.005 *et al*.

1 facility.⁶ An electric company may not enter into a new long-term financial
2 commitment unless the baseload electricity acquired under the commitment is
3 produced by a generating facility that complies with the 1,100 pounds per megawatt-
4 hour requirement.⁷ A “long-term financial commitment” is an investment in or
5 upgrade of a generating facility that produces baseload electricity, or a contract with a
6 term of more than five years, beginning on the date on which the contract is executed,
7 that includes acquisition of baseload electricity.⁸ The term “long-term financial
8 commitment,” however, excludes:

9 (A) Routine or necessary maintenance;

10 (B) Installation of emission control equipment;

11 (C) Installation, replacement or modification of equipment that
12 improves the heat rate of the facility or reduces a generating facility’s
13 pounds of GHGs per megawatt-hour of electricity;

14 (D) Installation, replacement or modification of equipment where the
15 primary purpose is to maintain reliable generation output capability and
16 not to extend the life of the generating facility, and that does not increase
17 the heat input or fuel usage as specified in existing generation air quality
18 permits, but that may result in incidental increases in generation
19 capacity;

20 (E) Repairs necessitated by sudden and unexpected equipment failure;
21 or

22 (F) An acquisition of additional interest.⁹

23 Additionally, an “upgrade” is defined as any modification made for the primary
24 purpose of increasing the electric generation capacity of a baseload facility.¹⁰

⁶ ORS 757.524 (<https://www.oregonlaws.org/ors/757.524>).

⁷ ORS 757.531(1)(a) (<https://www.oregonlaws.org/ors/757.531>).

⁸ ORS 757.522(10)(a) (<https://www.oregonlaws.org/ors/757.522>).

⁹ ORS 757.522(10)(b) (<https://www.oregonlaws.org/ors/757.522>).

¹⁰ ORS 757.522(13) (<https://www.oregonlaws.org/ors/757.522>).

1 **Q. Did all of the projects identified in the list of capital expenditures referenced by**
2 **Mr. Woodruff and Dr. Fisher comply with the Oregon EPS?**

3 A. Yes. The list of capital expenditures referenced in Mr. Woodruff's¹¹ and
4 Dr. Fisher's¹² testimonies all comply with the Oregon EPS, as each of the identified
5 investments are specifically excluded from the definition of a "long-term financial
6 commitment" under ORS 757.522(10)(b).

7 **Q. What were the investments identified by Mr. Woodruff and Dr. Fisher?**

8 A. Confidential Exhibit PAC/1402-I provides a listing of the investments and a brief
9 summary of the rationale for each investment. Most of the projects, 15 of the 19
10 identified, related to the installation of environmental equipment and associated
11 routine maintenance, allowed under ORS 757.522(10)(b)(A) and (B). The remaining
12 four projects were turbine upgrades. These projects retrofit the turbines in Jim
13 Bridger Unit 2, Hunter Units 1 and 3, and Huntington Unit 1 with "Dense Pack"
14 design technology to improve efficiency to increase electrical generation capability
15 without additional boiler heat input, steam flow, or emissions. The primary purpose
16 of these projects was to make the units more efficient and reduce emissions, not to
17 extend the life of the generating facility, and were allowed under Oregon's EPS.¹³

18 **Q. Did installation of the selective catalytic reduction system at Jim Bridger Units 3**

¹¹ Prepared Direct Testimony of Kevin Woodruff on Behalf of The Utility Reform Network (Woodruff Direct), p. 12, lines 19–24; and Woodruff Direct, Attachment E.

¹² Sierra Club Direct Testimony of Jeremy Fisher (Fisher Direct), p. 10, lines 10–14; and Sierra Club Exhibit JIF-2.

¹³ ORS 757.522(10)(b)(C) and (D) (<https://www.oregonlaws.org/ors/757.522>).

1 **and 4 extend the lives of those two generation units?**

2 A. No. Installation of selective catalytic reduction system at Jim Bridger Units 3 and 4
3 did not extend the lives of those units. Contrary to the unsupported assertion of Mr.
4 Woodruff,¹⁴ compliance with environmental regulations does not extend the life of a
5 unit, it simply allows the units to continue operating through the units' useful lives.
6 The installation of the selective catalytic reduction systems in 2015 and 2016 on Jim
7 Bridger Units 3 and 4 were made to comply with the Wyoming Regional Haze state
8 implementation plan and were reviewed and approved by the U.S. Environmental
9 Protection Agency.¹⁵ The cost effectiveness of the selective catalytic reduction
10 systems analysis assumed a 20-year asset life,¹⁶ consistent with U.S. Environmental
11 Protection Agency's Air Pollution Control Cost Manual. Accordingly, these
12 investments were assessed within the assumed remaining asset life for both Jim
13 Bridger Unit 3 (2037) and Unit 4 (2037).¹⁷

¹⁴ Woodruff Direct p. 12, lines 26–27.

¹⁵ Federal Register / Vol. 79, No. 20 / Thursday, January 30, 2014 / Rules and Regulations
<https://www.gpo.gov/fdsys/pkg/FR-2014-01-30/pdf/2014-00930.pdf>.

¹⁶ EPA Air Pollution Control Costs Manual, Sixth Edition, EPA/452/B-02-001, January 2002,
https://www3.epa.gov/ttnca1/dir1/c_allchs.pdf.

¹⁷ See PacifiCorp's 2015 IRP, Table 5.3 p. 63

(http://www.pacificorp.com/content/dam/pacificorp/doc/Energy_Sources/Integrated_Resource_Plan/2015IRP/PacifiCorp_2015IRP-Vol1-MainDocument.pdf).

1 **Q. Did any of the projects referenced by Mr. Woodruff or Dr. Fisher, and listed on**
2 **Confidential Exhibit PAC/1402-I, extend the lives of the respective generation**
3 **plant units?**

4 A. No. None of the projects changed the established lives of the respective units.

5 **Q. What are PacifiCorp's EPS requirements in Washington?**

6 A. In Washington, RCW 80.80.040 requires that all baseload electric generation long-
7 term financial commitments meet the average available GHG emissions output
8 determined by the Washington Department of Commerce, which is currently 970
9 pounds of GHGs per megawatt-hour for a generating facility.¹⁸ A "long-term
10 financial commitment" means either a new ownership interest in baseload electric
11 generation or an upgrade to a baseload electric generation facility, or a new or
12 renewed contract for baseload electric generation with a term of five or more years.¹⁹
13 An upgrade is defined as any modification made for the primary purpose of
14 increasing generation capacity, but does not include: routine or necessary
15 maintenance; installation of emission control equipment; installation, replacement, or
16 modification of equipment that improves the heat rate of the facility; or installation,
17 replacement, or modification of equipment for the primary purpose of maintaining
18 reliable generation output capability that does not increase the heat input or fuel
19 usage.²⁰ These are essentially the same requirements as in Oregon.

¹⁸ RCW 80.80.040(1) (<http://app.leg.wa.gov/RCW/default.aspx?cite=80.80.040>); RCW 80.80.050 (<http://app.leg.wa.gov/RCW/default.aspx?cite=80.80.050>); and Washington Administrative Code (WAC) 194-26-020 (<http://apps.leg.wa.gov/WAC/default.aspx?cite=194-26-020>).

¹⁹ RCW 80.80.010(16) (<http://app.leg.wa.gov/RCW/default.aspx?cite=80.80.010>).

²⁰ RCW 80.80.010(20) (<http://app.leg.wa.gov/RCW/default.aspx?cite=80.80.010>).

1 **Q. Has PacifiCorp met the Washington EPS requirements?**

2 A. Yes. ~~PacifiCorp's investments have~~PacifiCorp has met the requirements of the
3 Washington EPS, for the same reasons as PacifiCorp's compliance with the Oregon
4 EPS.

5 **Q. Do other state commissions also review PacifiCorp's resource plans in relation to**
6 **GHG emissions?**

7 A. Yes. For example, the Public Utility Commission of Oregon requires PacifiCorp to
8 include in its Integrated Resource Planning (IRP) filings the potential regulatory
9 compliance costs for carbon dioxide (CO₂), nitrous oxides, sulfur oxides, and mercury
10 emissions.²¹ In D.07-01-039, the Commission found that the IRP process qualified as
11 "review" for the purposes of the SB 1368 alternative compliance provision because
12 the Public Utility Commission of Oregon requires that PacifiCorp report the expected
13 regulatory compliance costs associated with an array of GHGs, including CO₂, within
14 the IRP process.²²

15 **Q. Does PacifiCorp still include regulatory compliance costs associated with GHGs**
16 **in its IRP process?**

17 A. Yes. PacifiCorp continues to include such regulatory compliance costs in its IRP.

18 Additionally, ORS 757.536²³ prohibits the Public Utility Commission of Oregon from

²¹ See *In the matter of Public Utility Commission of Oregon Investigation into Integrated Resource Planning*, Order No. 07-002 (January 8, 2007) (Integrated Resource Planning Guideline 8: Environmental Costs – "Utilities should include, in their base-case analyses, the regulatory compliance costs they expect for carbon dioxide (CO₂), nitrogen oxides, sulfur oxides, and mercury emissions. Utilities should analyze the range of potential CO₂ regulatory costs in Order No. 93-695, from zero to \$40 (1990\$). In addition, utilities should perform sensitivity analysis on a range of reasonably possible cost adders for nitrogen oxides, sulfur oxides, and mercury, if applicable.")

²² D.07-01-039 at p. 168.

²³ <https://www.oregonlaws.org/ors/757.536>.

1 acknowledging an integrated resource plan or allowing in customer rates any costs of
2 a long-term financial commitment by an electric utility unless the electricity acquired
3 under the commitment meets Oregon's GHG emissions regulations.

4 **Q. Did PacifiCorp extend the depreciable lives of generation facilities post-2007, as
5 stated in Mr. Woodruff's testimony?**

6 A. Yes. In 2007, PacifiCorp extended the depreciable lives of the company's coal-fired
7 generation resources in most of its regulated states to alleviate rate pressures on
8 PacifiCorp's regulated customers.

9 **Q. Do depreciation lives determine the operational lives of PacifiCorp's generation
10 facilities?**

11 A. No. Depreciation lives establish ratemaking treatment for individual facilities in
12 PacifiCorp's regulated states and are used to inform resource planning, but they do
13 not necessarily establish the operational lives of PacifiCorp's generation facilities.
14 PacifiCorp regularly re-evaluates depreciable lives of its assets, and has requested that
15 the Commission accelerate depreciation of PacifiCorp's coal-fired generation
16 facilities in its recent Test Year 2019 General Rate Case filing to align the depreciable
17 lives for the company's coal-fired generation resources in California rates with the
18 depreciable lives of coal-fired generation resources in Oregon and Washington.²⁴

19 **Q. Please summarize your testimony.**

²⁴ *In the Matter of the Application of PACIFICORP (U-901-E), an Oregon Company, for an Order Authorizing a General Rate Increase Effective January 1, 2019*, Application (A.)18-04-002 (filed April 12, 2018).

1 A. PacifiCorp continues to comply with California's EPS alternative compliance
2 requirements, as approved by the Commission in D.07-01-039. The Commission
3 should leave PacifiCorp's alternative EPS compliance mechanism in place.
4 PacifiCorp's alternative compliance in California is supported by its compliance with
5 the EPS requirements in other states and applicable IRP guidelines. The basis for the
6 Commission's findings in D.07-01-039 have not changed, and contrary to the
7 assertions of Mr. Woodruff and Dr. Fisher, PacifiCorp has not made any long-term
8 financial commitments that have extended the life of any coal-fired generation
9 resource.

10 **Q. Does this conclude your rebuttal testimony?**

11 A. Yes.

Investigation No. 17-04-019
Exhibit PAC/1400-I
Witnesses: Mary M. Wiencke

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OF THE STATE OF CALIFORNIA

PACIFICORP

Rebuttal Testimony of Mary M. Wiencke
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February 1, 2018

- Confidential Exhibit PAC/1402-I - Capital Investments in Environmental Equipment

1 **Q. Are you the same Mary M. Wiencke who submitted direct testimony in this**
2 **proceeding?**

3 A. Yes, I am.

4 **I. PURPOSE OF TESTIMONY**

5 **Q. What is the purpose of your testimony?**

6 A. The purpose of my testimony is to provide clarification regarding PacifiCorp's
7 alternative compliance mechanism with California's Emissions Performance Standard
8 (EPS) under Senate Bill (SB) 1368 and California Public Utilities Commission
9 (Commission) Decision (D.) 07-01-039. .

10 **II. COMPLIANCE WITH SB 1368**

11 **Q. How has PacifiCorp complied with SB 1368?**

12 A. As I discuss in the portion of the testimony I share with Ms. Lockey (Exhibit
13 PAC/1300-I), SB 1368¹ provided the Commission the discretion to approve an
14 alternate compliance option for an electrical corporation that provides electric service
15 to 75,000 or fewer retail end-use customers in California where: (A) a majority of the
16 electrical corporation's end use customers for electric service are located outside of
17 California; and (B) the emissions of greenhouse gasses (GHG) to generate electricity
18 for the retail end-use customers of the electrical corporation are subject to a review by
19 the utility regulatory commission of at least one other state in which the electrical
20 corporation provides regulated retail electric service.² In D.07-01-039, the
21 Commission adopted PacifiCorp's proposed alternative compliance framework
22 finding that a utility serving fewer than 75,000 customers in California meets the

¹ Pub. Util. Code §§ 8340 and 8341.

² Pub. Util. Code § 8341(d)(9).

1 requirements of Public Utilities Code section 8341(d)(9) when any of the following
2 occur: (1) a state jurisdiction in which PacifiCorp operates requires PacifiCorp to
3 review and report on the potential impacts of different carbon policies within its IRP
4 process; or (2) a state jurisdiction in which PacifiCorp operates requires PacifiCorp to
5 disclose its GHG emissions or expected change in overall emissions as a result of
6 changes to its portfolio, including new capacity additions; or (3) when a state
7 jurisdiction in which PacifiCorp operates adopts rules specifically regulating
8 emissions of GHGs from electricity generating facilities.³ The Commission found
9 that PacifiCorp met these requirements and required PacifiCorp to file an annual
10 Advice Letter in February of each year, attesting to the fact that PacifiCorp continues
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17 Commission's requirement, PacifiCorp has filed an annual Advice Letter in February
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³ D.07-01-039, pp. 165–166.

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⁵ See Oregon Revised Statutes (ORS) 757.522 *et al*; Revised Code of Washington (RCW) 80.80.005 *et al*.

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2 confirming the Commission’s approval of each Advice Letter.

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7 commitment unless the baseload electricity acquired under the commitment is
8 produced by a generating facility that complies with the 1,100 pounds per megawatt-
9 hour requirement.⁷ A “long-term financial commitment” is an investment in or
10 upgrade of a generating facility that produces baseload electricity, or a contract with a
11 term of more than five years, beginning on the date on which the contract is executed,
12 that includes acquisition of baseload electricity.⁸ The term “long-term financial
13 commitment,” however, excludes:

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20 primary purpose is to maintain reliable generation output capability and
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23 permits, but that may result in incidental increases in generation
24 capacity;

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⁶ ORS 757.524 (<https://www.oregonlaws.org/ors/757.524>).

⁷ ORS 757.531(1)(a) (<https://www.oregonlaws.org/ors/757.531>).

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2 (F) An acquisition of additional interest.⁹

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15 routine maintenance, allowed under ORS 757.522(10)(b)(A) and (B). The remaining
16 four projects were turbine upgrades. These projects retrofit the turbines in Jim
17 Bridger Unit 2, Hunter Units 1 and 3, and Huntington Unit 1 with “Dense Pack”
18 design technology to improve efficiency to increase electrical generation capability
19 without additional boiler heat input, steam flow, or emissions. The primary purpose

⁹ ORS 757.522(10)(b) (<https://www.oregonlaws.org/ors/757.522>).

¹⁰ ORS 757.522(13) (<https://www.oregonlaws.org/ors/757.522>).

¹¹ Prepared Direct Testimony of Kevin Woodruff on Behalf of The Utility Reform Network (Woodruff Direct), p. 12, lines 19–24; and Woodruff Direct, Attachment E.

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1 of these projects was to make the units more efficient and reduce emissions, not to
2 extend the life of the generating facility, and were allowed under Oregon's EPS.¹³

3 **Q. Did installation of the selective catalytic reduction system at Jim Bridger Units 3**
4 **and 4 extend the lives of those two generation units?**

5 A. No. Installation of selective catalytic reduction system at Jim Bridger Units 3 and 4
6 did not extend the lives of those units. Contrary to the unsupported assertion of Mr.
7 Woodruff,¹⁴ compliance with environmental regulations does not extend the life of a
8 unit, it simply allows the units to continue operating through the units' useful lives.
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10 Bridger Units 3 and 4 were made to comply with the Wyoming Regional Haze state
11 implementation plan and were reviewed and approved by the U.S. Environmental
12 Protection Agency.¹⁵ The cost effectiveness of the selective catalytic reduction
13 systems analysis assumed a 20-year asset life,¹⁶ consistent with U.S. Environmental
14 Protection Agency's Air Pollution Control Cost Manual. Accordingly, these
15 investments were assessed within the assumed remaining asset life for both Jim
16 Bridger Unit 3 (2037) and Unit 4 (2037).¹⁷

¹³ ORS 757.522(10)(b)(C) and (D) (<https://www.oregonlaws.org/ors/757.522>).

¹⁴ Woodruff Direct p. 12, lines 26–27.

¹⁵ Federal Register / Vol. 79, No. 20 / Thursday, January 30, 2014 / Rules and Regulations
<https://www.gpo.gov/fdsys/pkg/FR-2014-01-30/pdf/2014-00930.pdf>.

¹⁶ EPA Air Pollution Control Costs Manual, Sixth Edition, EPA/452/B-02-001, January 2002,
https://www3.epa.gov/ttnecat1/dir1/c_allchs.pdf.

¹⁷ See PacifiCorp's 2015 IRP, Table 5.3 p. 63

(http://www.pacificorp.com/content/dam/pacificorp/doc/Energy_Sources/Integrated_Resource_Plan/2015IRP/PacifiCorp_2015IRP-Vol1-MainDocument.pdf).

1 **Q. Did any of the projects referenced by Mr. Woodruff or Dr. Fisher, and listed on**
2 **Confidential Exhibit PAC/1402-I, extend the lives of the respective generation**
3 **plant units?**

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5 **Q. What are PacifiCorp's EPS requirements in Washington?**

6 A. In Washington, RCW 80.80.040 requires that all baseload electric generation long-
7 term financial commitments meet the average available GHG emissions output
8 determined by the Washington Department of Commerce, which is currently 970
9 pounds of GHGs per megawatt-hour for a generating facility.¹⁸ A "long-term
10 financial commitment" means either a new ownership interest in baseload electric
11 generation or an upgrade to a baseload electric generation facility, or a new or
12 renewed contract for baseload electric generation with a term of five or more years.¹⁹
13 An upgrade is defined as any modification made for the primary purpose of
14 increasing generation capacity, but does not include: routine or necessary
15 maintenance; installation of emission control equipment; installation, replacement, or
16 modification of equipment that improves the heat rate of the facility; or installation,
17 replacement, or modification of equipment for the primary purpose of maintaining
18 reliable generation output capability that does not increase the heat input or fuel
19 usage.²⁰ These are essentially the same requirements as in Oregon.

¹⁸ RCW 80.80.040(1) (<http://app.leg.wa.gov/RCW/default.aspx?cite=80.80.040>); RCW 80.80.050 (<http://app.leg.wa.gov/RCW/default.aspx?cite=80.80.050>); and Washington Administrative Code (WAC) 194-26-020 (<http://apps.leg.wa.gov/WAC/default.aspx?cite=194-26-020>).

¹⁹ RCW 80.80.010(16) (<http://app.leg.wa.gov/RCW/default.aspx?cite=80.80.010>).

²⁰ RCW 80.80.010(20) (<http://app.leg.wa.gov/RCW/default.aspx?cite=80.80.010>).

1 **Q. Has PacifiCorp met the Washington EPS requirements?**

2 A. Yes. PacifiCorp has met the requirements of the Washington EPS, for the same
3 reasons as PacifiCorp's compliance with the Oregon EPS.

4 **Q. Do other state commissions also review PacifiCorp's resource plans in relation to
5 GHG emissions?**

6 A. Yes. For example, the Public Utility Commission of Oregon requires PacifiCorp to
7 include in its Integrated Resource Planning (IRP) filings the potential regulatory
8 compliance costs for carbon dioxide (CO₂), nitrous oxides, sulfur oxides, and mercury
9 emissions.²¹ In D.07-01-039, the Commission found that the IRP process qualified as
10 "review" for the purposes of the SB 1368 alternative compliance provision because
11 the Public Utility Commission of Oregon requires that PacifiCorp report the expected
12 regulatory compliance costs associated with an array of GHGs, including CO₂, within
13 the IRP process.²²

14 **Q. Does PacifiCorp still include regulatory compliance costs associated with GHGs
15 in its IRP process?**

16 A. Yes. PacifiCorp continues to include such regulatory compliance costs in its IRP.
17 Additionally, ORS 757.536²³ prohibits the Public Utility Commission of Oregon from
18 acknowledging an integrated resource plan or allowing in customer rates any costs of

²¹ See *In the matter of Public Utility Commission of Oregon Investigation into Integrated Resource Planning*, Order No. 07-002 (January 8, 2007) (Integrated Resource Planning Guideline 8: Environmental Costs – "Utilities should include, in their base-case analyses, the regulatory compliance costs they expect for carbon dioxide (CO₂), nitrogen oxides, sulfur oxides, and mercury emissions. Utilities should analyze the range of potential CO₂ regulatory costs in Order No. 93-695, from zero to \$40 (1990\$). In addition, utilities should perform sensitivity analysis on a range of reasonably possible cost adders for nitrogen oxides, sulfur oxides, and mercury, if applicable.")

²² D.07-01-039 at p. 168.

²³ <https://www.oregonlaws.org/ors/757.536>.

1 a long-term financial commitment by an electric utility unless the electricity acquired
2 under the commitment meets Oregon's GHG emissions regulations.

3 **Q. Did PacifiCorp extend the depreciable lives of generation facilities post-2007, as**
4 **stated in Mr. Woodruff's testimony?**

5 A. Yes. In 2007, PacifiCorp extended the depreciable lives of the company's coal-fired
6 generation resources in most of its regulated states to alleviate rate pressures on
7 PacifiCorp's regulated customers.

8 **Q. Do depreciation lives determine the operational lives of PacifiCorp's generation**
9 **facilities?**

10 A. No. Depreciation lives establish ratemaking treatment for individual facilities in
11 PacifiCorp's regulated states and are used to inform resource planning, but they do
12 not necessarily establish the operational lives of PacifiCorp's generation facilities.
13 PacifiCorp regularly re-evaluates depreciable lives of its assets, and has requested that
14 the Commission accelerate depreciation of PacifiCorp's coal-fired generation
15 facilities in its recent Test Year 2019 General Rate Case filing to align the depreciable
16 lives for the company's coal-fired generation resources in California rates with the
17 depreciable lives of coal-fired generation resources in Oregon and Washington.²⁴

18 **Q. Please summarize your testimony.**

19 A. PacifiCorp continues to comply with California's EPS alternative compliance
20 requirements, as approved by the Commission in D.07-01-039. The Commission
21 should leave PacifiCorp's alternative EPS compliance mechanism in place.

²⁴ *In the Matter of the Application of PACIFICORP (U-901-E), an Oregon Company, for an Order Authorizing a General Rate Increase Effective January 1, 2019*, Application (A.)18-04-002 (filed April 12, 2018).

1 PacifiCorp's alternative compliance in California is supported by its compliance with
2 the EPS requirements in other states and applicable IRP guidelines. The basis for the
3 Commission's findings in D.07-01-039 have not changed, and contrary to the
4 assertions of Mr. Woodruff and Dr. Fisher, PacifiCorp has not made any long-term
5 financial commitments that have extended the life of any coal-fired generation
6 resource.

7 **Q. Does this conclude your rebuttal testimony?**

8 A. Yes.

Investigation No. 17-04-019
Exhibit PAC/1401-I
Witness: Mary M. Wiencke

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

PACIFICORP

Exhibit Accompanying Rebuttal Testimony of

Mary M. Wiencke

Alternate Emissions Performance Standard Compliance Filing February 1, 2018

ERRATA

December 2018



February 1, 2018

***VIA ELECTRONIC FILING AND
OVERNIGHT DELIVERY***

California Public Utilities Commission
Energy Division
Tariff Unit, 4th Floor
505 Van Ness Avenue
San Francisco, CA 94102
Email: edtariffunit@cpuc.ca.gov

**Re: Advice Letter No. 559-E - PacifiCorp (U 901-E)
Annual Attestation of Compliance with Senate Bill 1368 Alternative Compliance
Requirements, Commission Decision 07-01-039**

PURPOSE

Pursuant to California Public Utilities Commission (Commission) Decision (D.) 07-01-039, PacifiCorp, d/b/a Pacific Power (PacifiCorp or Company) submits Advice Letter No. 559-E attesting that PacifiCorp continues to meet the alternative compliance requirements of Senate Bill (SB) 1368.

BACKGROUND

Section 8341(d)(9) of Senate Bill 1368 creates an alternative compliance mechanism to the Emission Portfolio Standard (EPS) for electrical corporations that provide electric service to 75,000 or fewer retail customers in California, provided an electrical corporation demonstrates that: (A) a majority of the electrical corporation's retail end-use customers for electric service are located outside of California; and, (B) the emissions of greenhouse gases to generate electricity for the retail end-use customers of the electrical corporation are subject to a review by the utility regulatory commission of at least one other state in which the electrical corporation provides regulated retail electric service.

PacifiCorp satisfies subpart (A). PacifiCorp is a multi-jurisdictional utility serving 1.7 million customers in six western states including California, Idaho, Oregon, Utah, Washington, and Wyoming. PacifiCorp serves 45,000 customers in northern California. Therefore, a majority of PacifiCorp's customers are located outside of California.

In D.07-01-039, the Commission indicated that an electrical corporation would satisfy subpart (B) of SB 1368's alternative compliance provision when *any* of the following occur:

- 1) a state jurisdiction requires the utility to review and report on the potential impacts of different carbon policies within its Integrated Resource Planning process; or 2) when it requires the utility to disclose its greenhouse gas emissions or expected change in overall emissions as a result of changes to its portfolio,

California Public Utilities Commission
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including new capacity additions; or 3) when a state jurisdiction adopts rules specifically regulating emissions of greenhouse gases from electricity generating facilities. See D.07-01-039 at 165-66.

In D.07-01-039, the Commission ultimately concluded that PacifiCorp met the alternative compliance requirements as described above. To demonstrate continued compliance with these provisions, the Commission required PacifiCorp, on February 1 of each year, to file an advice letter attesting to the fact that PacifiCorp continues to meet the alternative compliance requirements consistent with D.07-01-039. See D.07-01-039 at 166 and ordering paragraphs 49 and 50.

Accordingly, PacifiCorp hereby attests, as set forth in this advice letter and Attachment A, that PacifiCorp continues to meet the alternative compliance requirements consistent with D.07-01-039. Attachment A represents a signed copy of the attestation.

EFFECTIVE DATE

This advice letter is submitted as a Tier 1 filing. PacifiCorp requests that this advice letter become effective February 1, 2018, the date that this advice letter was filed.

PROTESTS

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile, or electronically, any of which must be received no later than February 21, 2017, which is 20 days after the date of this filing. Protests should be mailed to:

CPUC Energy Division
Attention: Tariff Unit, 4th Floor
505 Van Ness Avenue
San Francisco, CA 94102
Facsimile: (415) 703-2200
E-mail: edtariffunit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above. The protest should also be sent via U.S. mail (and electronically, if possible) to PacifiCorp at the addresses shown below on the same date it is mailed or delivered to the Commission.

Cathie Allen
Regulatory Affairs Manager
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
Telephone: (503) 813-5934
E-mail: californiadockets@pacificorp.com

California Public Utilities Commission
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Page 3

Matthew McVee
Chief Regulatory Counsel
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
Telephone: (503) 813-5585
E-mail: matthew.mcvee@pacificorp.com

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

In addition, PacifiCorp respectfully requests that all data requests regarding this matter be addressed to:

By email (**preferred**): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232

NOTICE

In accordance with General Order 96-B, Section 4, a copy of this Advice Letter will be served electronically or via U.S. mail to parties shown on the GO 96-B service list and on the service list for R.06-04-009, a copy of which is attached. A request for change of address in the GO 96-B service list should be directed by electronic mail to californiadockets@pacificorp.com. Advice letter filings may also be accessed electronically at: www.pacificpower.net/regulation.

Please direct any informal questions to Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

Sincerely,



Scott Bolton
Senior Vice President, External Affairs and Customer Solutions

Enclosures

cc: Eric Dupre, Energy Division
R.06-04-009 Service List
GO 96-B Service List

Attachment A
Officer Attestation

**CERTIFICATION OF COMPLIANCE
WITH SENATE BILL 1368 ALTERNATIVE COMPLIANCE REQUIREMENTS**

- (1) I have reviewed, or have caused to be reviewed, this attestation of alternative compliance with the Greenhouse Gas Emissions Performance Standard submittal.
- (2) Based on my knowledge, information, or belief, this compliance submittal does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements true.
- (3) Based on my knowledge, information, or belief, this compliance submittal contains all of the information required to be provided by Commission orders, rules, and regulations.



Scott Bolton
Senior Vice President, External Affairs and Customer Solutions
PacifiCorp
825 N.E. Multnomah, Suite 2000
Portland, Oregon 97232
(503) 813-7202

Dated: February 1, 2018

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 15, 2018

Advice Letter 559-E

Cathie Allen
Regulatory Manager
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

SUBJECT: Attestation of Compliance with Senate Bill 1368 Alternative Compliance Requirements Decision (D) 07-01-039

Dear Ms. Allen:

Advice Letter 559-E is effective as of March 1, 2018.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph
Director, Energy Division

Investigation No. 17-04-019
Exhibit PAC/1402-I
Witness: Mary M. Wiencke

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

PACIFICORP

REDACTED
Exhibit Accompanying Rebuttal Testimony of
Mary M. Wiencke
Capital Investments in Environmental Equipment

ERRATA
December 2018

EXHIBIT PAC/1402-I IS CONFIDENTIAL IN ITS ENTIRETY AND
HAS BEEN SUBMITTED UNDER SEAL