



STATE OF CALIFORNIA

GAVIN NEWSOM, Governor

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

FILED
06/09/21
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June 9, 2021

Agenda ID #19605 Ratesetting

TO PARTIES OF RECORD IN APPLICATION 18-04-002, INVESTIGATION 17-04-019:

This is the proposed decision of Administrative Law Judge Larsen. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's July 15, 2021 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, *ex parte* communications are prohibited pursuant to Rule 8.2(c)(4).

/s/ ANNE E. SIMON
Anne E. Simon
Chief Administrative Law Judge

AES:mph
Attachment

Decision **PROPOSED DECISION OF ALJ LARSEN** (Mailed 6/9/2021)**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

In the Matter of the Application of
PACIFICORP (U901E), an Oregon
Company, for an Order Authorizing a
General Rate Increase Effective
January 1, 2019.

Application 18-04-002

And Related Matter.

Investigation 17-04-019

**DECISION MODIFYING DECISION 20-02-025
TO EXTEND THE FILING OF PACIFICORP'S COAL FACILITY RETIREMENT
PLANS AND ANY ASSOCIATED REQUESTS FOR ACCELERATED
DEPRECIATION**

Summary

In Decision 20-02-025, Ordering Paragraph 18, the Commission ordered PacifiCorp to file retirement plans for all coal facilities serving California customers, and any associated request for accelerated depreciation, consistent with its Integrated Resource Plan filings, by second quarter 2021. PacifiCorp petitions to extend the deadline for filing these documents to the filing date of its 2023 general rate case to allow them to be efficiently considered with information

obtained from PacifiCorp's 2021 Integrated Resource Plan.¹ This decision grants PacifiCorp's petition.

This proceeding is closed.

1. Background and Discussion

On February 18, 2020, the California Public Utilities Commission (Commission) issued Decision (D.) 20-02-025 directing PacifiCorp to file retirement plans for all coal facilities serving California customers, and any associated request for accelerated depreciation by first quarter 2021.² In D. 21-01-006, the Commission extended the same filing deadline to second quarter 2021 to align the application timeline with the anticipated timeline for PacifiCorp's 2021 Integrated Resource Plan (IRP).³ PacifiCorp petitions to extend the deadline for these filings further because the filing date of PacifiCorp's 2021 IRP is likely to be extended to September 1, 2021.⁴

In the 2019 IRP, filed on August 31, 2020, PacifiCorp filed models of resource portfolios that included retirement dates for all its coal burning facilities, including a preferred portfolio with the following retirement dates for its coal burning facilities:⁵

¹ PacifiCorp's Reply to Response to Petition of PacifiCorp filed March 11, 2021, at 1.

² (D.) 20-02-025 Ordering Paragraph 18.

³ D. 21-01-006, Comments on Proposed Decision.

⁴ PacifiCorp's Reply to Response to Petition of PacifiCorp filed March 11, 2021, at 4.

⁵ Integrated Resource Plan of PacifiCorp for 2019-2020 filed August 31, 2020 in R.20-05-003, Appendix M – Case Study Fact Sheets, Preferred Portfolio (P-45CNW), <https://www.pacificorp.com/energy/integrated-resource-plan.html>, <https://edocs.puc.state.or.us/efdocs/HAH/lc70hah165441.pdf>.

<u>Coal Facility/Unit</u>	<u>Retirement Date and Location</u>
Colstrip 3-4	2027 (Montana)
Craig 1-2	2027 (Colorado)
Dave Johnston 1-4	2027 (Wyoming)
Hayden 1	2025 (Colorado)
Hayden 2	2026 (Colorado)
Jim Bridger 1	2023 (Wyoming)
Jim Bridger 2	2028 (Wyoming)
Jim Bridger 3-4	2037 (Wyoming)
Naughton 1-2	2025 (Wyoming)

PacifiCorp plans to update this information in its 2021 IRP. Once coal facility retirement plans are updated, they can inform the filing of applications for accelerated depreciation in PacifiCorp's 2023 general rate case.

The Sierra Club argues there is no reason why PacifiCorp cannot file their coal facility retirement dates this quarter.⁶ However, it is not clear what information Sierra Club expects PacifiCorp to file outside of the IRP process that would be more efficient to file separately from PacifiCorp's 2021 IRP or the next general rate case. PacifiCorp's request may not be necessary, but it is warranted by providing more complete information through its IRP. The Commission can use this information to more effectively evaluate PacifiCorp's coal facility retirement plans in an effort to further California's goal of reducing greenhouse gas emissions. Accordingly, PacifiCorp's request is granted.

⁶ Sierra Club's Response to Petition of PacifiCorp for Modification of Decision 20-02-025 and Request for Expedited Treatment, at 2.

2. Proposed Modification to Decision 20-02-25

The modification requested by PacifiCorp to Ordering Paragraph (OP) 18 of D. 20-02-025 shown below by underlining and deletions should be adopted:

PacifiCorp shall file retirement plans for all coal facilities serving California customers, and any associated request for accelerated depreciation, consistent with its Integrated Resource Plan filings, ~~by second quarter 2021~~ with its 2023 Test Year general rate case.

3. Comments on Proposed Decision

The proposed decision of Administrative Law Judge John H. Larsen in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code. Comments allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure were filed by PacifiCorp and Sierra Club. Comments were filed on _____, and reply comments were filed on _____ by _____.

4. Assignment of Proceeding

Marybel Batjer is the assigned Commissioner and John H. Larsen is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. The schedule for filing PacifiCorp's 2021 Integrated Resource Plan is likely to be extended to September 1, 2021.
2. In its 2019 Integrated Resource Plan, PacifiCorp included models of resource portfolios with retirement dates for all its coal burning facilities, including a preferred portfolio.
3. PacifiCorp plans to update its models and retirement dates for its coal burning facilities in its 2021 Integrated Resource Plan

4. The Commission can evaluate PacifiCorp's coal facility retirement plans in its 2023 general rate case more efficiently after PacifiCorp's plans are updated with information provided by PacifiCorp's 2021 Integrated Resource Plan than if these retirement plans were filed separately in second quarter 2021 without additional information obtained from the Integrated Resource Plan.

Conclusions of Law

1. PacifiCorp should be authorized to extend the filing of retirement plans for all coal facilities serving California customers, and any associated request for accelerated depreciation, consistent with its Integrated Resource Plan filings with its 2023 Test Year general rate case.

O R D E R

IT IS ORDERED that:

1. The February 12, 2021 Petition of PacifiCorp for modification of Decision 20-02-025 is granted.
2. Decision 20-02-025 Ordering Paragraph 18 is modified as follows:

PacifiCorp shall file retirement plans for all coal facilities serving California customers, and any associated request for accelerated depreciation, consistent with its Integrated Resource Plan filings with its 2023 Test Year general rate case.
3. Application 18-04-002 and Investigation 17-04-019 are closed.

This order is effective today.

Dated _____, at San Francisco, California.