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ATTACHMENT A

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of PacifiCorp (U 901 E) for Approval
of its 2024 Energy Cost Adjustment Clause and
Greenhouse Gas-Related Forecast and
Reconciliation of Costs and Revenue

Application No. 23-09-008
(Filed September 15, 2023)

**SETTLEMENT REGARDING REMAINING ISSUES
IN THE 2024 PACIFICORP ECAC**

June 28, 2024

**SETTLEMENT REGARDING REMAINING ISSUES
IN THE 2024 PACIFICORP ECAC**

PacifiCorp d/b/a Pacific Power (“PacifiCorp”), the California Farm Bureau Federation (“CFBF”) and the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) (together “Settling Parties”) offer to settle the *Application of PacifiCorp (U 901 E) for Approval of its 2024 Energy Cost Adjustment Clause and Greenhouse Gas-Related Forecast and Reconciliation of Costs and Revenue* (“Application 23-09-008,” hereinafter referred to as “the Application”), on the following terms and conditions, which will become effective on the date of a Final Order by the California Public Utilities Commission (“CPUC” or “Commission”) approving this Settlement Regarding Remaining Issues in the 2024 PacifiCorp ECAC (“Settlement”).

DEFINITIONS

The following definitions are provided to allow the Commission and the Parties to understand the nature of the events that gave rise to the Application and the resulting Settlement.

“Account 158.1”- Established by FERC Order No. 552, FERC Account 158.1 includes the cost of allowances owned by the utility that the Environmental Protection Agency does not withhold.

“Account 509”- Established by FERC Order No. 552, FERC Account 509 includes the cost of allowances expensed concurrently with the monthly emissions.

“Account 509.1”- FERC Order No. 898 renumbered FERC Account 509 to 509.1 and made other changes to FERC’s Uniform System of Accounts.

“Adjusted Actual Net Power Cost”- As currently defined by Schedule ECAC-94, Adjusted Actual Net Power Cost is the sum of the total Company amounts recorded in Account Numbers: 501, 503 and 547 (Steam Production-Fuel Expense) for coal, steam and natural gas purchased and or sold; 555 (Purchased Power), 565 (Wheeling); and 447 (Sales for Resale). Adjustments will be made to these accounts so adjusted actual costs are consistent with costs modeled in the Company’s production cost model, prior period accounting entries made during the accrual period will be removed, and Commission-adopted adjustments will be included from the most recent general rate case.

“Application” - PacifiCorp’s application for CPUC approval of its 2024 Energy Cost Adjustment Clause and Greenhouse Gas-Related Forecast and Reconciliation of Costs and Revenue, docketed as Application (“A.”) 23-09-008.

“Aurora”- The Aurora Production Cost Model is a chronological, hourly dispatch model representing all major pricing zones across North America. The inputs include supply resources, fuel prices, transfer capabilities between zones, demand, and emission prices.

“Balancing Account” - In 2006, the Commission granted PacifiCorp authority to establish a Balancing Account to track net power costs.

“Balancing Period” - The Balancing Period is a 21 month period, beginning January 1, 2024 and extending through September 30, 2025.

“Balancing Rate” - The Balancing Rate either returns to, or recovers from, customers the difference between the actual Net Power Cost and the forecasted Net Power Cost reflected in PacifiCorp’s ECAC Balancing Account from the previous tracking period.

“Energy Cost Adjustment Clause” (“ECAC”) - The Commission granted PacifiCorp authority to implement an ECAC starting in 2007, in order to allow for timely and efficient recovery of its net power costs. The ECAC application is filed annually on August 1, and to date, the Commission has approved PacifiCorp’s annual ECAC applications.

“Net Power Cost” (“NPC”) - Net Power Cost is the sum of fuel expenses and wholesale purchase power expenses, less wholesale sales revenue.

“Offset Rate” - The Offset Rate accounts for forecasted Net Power Costs and fuel stock carrying charges that are anticipated for the upcoming tracking period. The Offset Rate is an unbundled rate established either during the most recent California general rate case or between general rate cases if the new Offset Rate changes by more than 5% and is equal to the Offset Period’s California-allocated Projected Net Power Costs plus Other Costs For Recovery all divided by California projected sales and adjusted for the ECAC Billing Factor. PacifiCorp may update the Offset Rate annually if it varies by five percent or more from current rates.

“Other Costs For Recovery” - Relevant to PacifiCorp’s Balancing and Offset Rate, Other Costs For Recovery are costs other than Net Power Cost, and typically include, on a California allocated basis as necessary, any payments or bill credits for: (1) net surplus compensation expense from Schedule NEM-35; (2) renewable energy production tax credits; (3) California Air Resources Board (CARB) implementation and reporting verification fees and costs; (4) fuel stock carrying charges; (5) purchases of renewable energy certifications for RPS compliance; (6) start-up fuel costs and mandatory reporting; (7) Energy Imbalance Market body of state regulatory fees; and (8) Western Power Pool Western Resource Adequacy Program costs.

“Projected Net Power Cost” - Projected Net Power Cost is the sum of net power cost components during the Intermediate Period and the Offset Period calculated either between or during general rate cases by the Company’s production cost model. PacifiCorp’s Projected Net Power Cost includes various inputs, such as: (1) forward price curves for electricity and natural gas products; (2) new wholesale electricity and natural transactions (physical and financial); (3) wheeling contracts and updated transmission paths and capacity; (4) updated wholesale electricity and natural gas contracts and wheeling expenses; (5) new and updated coal supply and transportation contracts; (6) updates to Company-owned generation resource capabilities and renewable generation integration costs; and (7) updated load forecasts, among others.

“Uniform System of Accounts” - Electric Public Utilities & Licensees, Natural Gas, and Oil Pipeline companies within FERC jurisdiction must maintain their books and records in accordance with the Uniform System of Accounts. The Uniform System of Accounts provides basic account descriptions, instructions, and accounting definitions.

RECITALS

The following recitals are provided to allow the Commission and the Parties to understand the nature of the events that gave rise to the Application and the resulting Settlement.

1. In Decision (“D.”) 22-11-008, the Commission directed PacifiCorp to provide information on three issues for future ECAC applications: (1) the assumed marginal fuel costs for the Company’s coal plants, and indicate specific coal plants where adjustments were made to align forecasted generation with minimum take provisions, and the magnitude of adjustments made; (2) an Aurora model run that depicts NPC when average fuel cost are utilized to forecast unit dispatch; and (3) analyses that investigate various cycling scenarios of the Company’s coal units.
2. On June 29, 2023, FERC issued a final rule that amended the Uniform System of Accounts and will be effective January 1, 2025. Relevant to the current proceedings, FERC clarified that utilities must credit Account 158.1 and debit Account 509 concurrently with the monthly remittance of the allowances to be charged to expenses based on each month’s emissions. In the final rule, FERC renumbered Account 509 to Account 509.1. Utilities subject to FERC’s jurisdiction would use Account 509.1 to track and report for allowances associated with monthly emissions. FERC also created additional expense and inventory accounts for bundled and unbundled Renewable Energy Credits.

3. On September 15, 2023, PacifiCorp filed A.23-09-008 requesting approval of its 2024 ECAC rates, authorized as part of PacifiCorp's 2005 general rate case (approved by D.06-12011). The 2024 ECAC Application requested, among other things, approval to authorize a Balancing Rate of \$29.97 per MWh and an Offset Rate of \$48.14 per MWh for rates effective March 1, 2024, a change to the definition of Adjusted Actual NPC to incorporate recent amendments to FERC Uniform System of Accounts, a removal of the requirement for supplemental coal cycling scenarios.
4. On January 5, 2024, the Settling Parties filed a Joint Motion for Written Settlement to resolve all issues raised concerning the Greenhouse Gas (GHG) Emissions Allowance program costs and Climate Credits in PacifiCorp's 2024 ECAC Application (GHG Settlement).
5. On March 7, 2024, in D.24-03-011, the Commission approved the GHG Settlement and resolved issues pertaining to GHG Emissions Allowance program costs and Climate Credits in PacifiCorp's 2024 ECAC Application. The proceeding remains open to address other issues raised in PacifiCorp's Application.
6. PacifiCorp, Cal Advocates, and the CFBF have agreed to support this Settlement.
7. The Settling Parties held a settlement conference call on May 29, 2024 as required by Rule 12.1(b), with all parties having waived in advance the requirement for seven days' notice of the conference.
8. The Settling Parties have prepared Tables to illustrate the rate increases by customer class and for CARE and non-CARE customers as required by the Ruling of Administrative Law Judge Jason Jungreis issued May 17, 2024. These Tables are provided as Attachments A and B to this Settlement.

Attachment A is labeled "Overall Requested Rate Increase / Impact Compared to Present Rates in Effect" and includes the rate increase by class and the rate impacts on CARE and Non-CARE customer bills

Attachment B is labeled "Overall Requested Rate Increase / Impact Compared to Present Rates in Effect including D.24-03-011," and includes the rate increase by class as well as the rate impacts on CARE and Non-CARE customer bills.

9. The Settling Parties have prepared a Table to illustrate the Balancing and Offset Rates proposed by this Settlement, relative to previously adopted rates and the rates implemented following the adoption of D.24-03-011, as required by the Ruling of Administrative Law Judge Jason Jungreis issued May 17, 2024. This Table is provided as Attachment C to this Settlement.

10. The Settling Parties request that the Commission approve this Settlement to resolve the remaining issues in the 2024 ECAC Proceeding.

ARTICLE I RECORD OF PROCEEDING

- 1.1 In support of this settlement agreement, the Settling Parties request that the following documents be admitted as evidence and entered into the record of this proceeding:

- a. The Application, and the testimony and exhibits of PacifiCorp and intervening parties served in this proceeding, specifically identified as the following Exhibits:

PAC/100	Direct Testimony of Ramon Mitchell (Confidential)
PAC/101	Net Power Cost Analysis—Projected 2024 Net Power Costs
PAC/102	Net Power Cost Analysis—Prior ECAC Projected 2023 Net Power Costs
PAC/103	Net Power Cost Analysis—Projected NPC Comparison to Prior ECAC (Confidential)
PAC/104	2024 California-allocated Net Power Costs
PAC/105	Coal Cycling Scenarios (Confidential)
PAC/106	Coal Volumes
PAC/200	Direct Testimony of Jack Painter
PAC/201	California ECAC Offset/Balancing Rate Calculation
PAC/201 rev.	California ECAC Offset/Balancing Rate Calculation revised for settlement
PAC/202	Net Power Cost Analysis—Adjusted Actual 2022 Net Power Costs
PAC/203	Net Power Cost Analysis—Adjusted Actual/Projected 2023 Net Power Costs
PAC/204	ARB Administrative Costs (Confidential)
PAC/300	Direct Testimony of James Owen (Confidential)
PAC/301	Wyodak CSA Analysis (Highly Confidential)
PAC/302	Dave Johnston CSA Analysis (Highly Confidential)
PAC/303	Hunter/Gentry CSA Analysis (Highly Confidential)
PAC/304	Hunter/Gentry CSA First Amendment Analysis (Highly Confidential)
PAC/305	Hunter/Gentry Spot Agreement Analysis (Highly Confidential)
PAC/306	Hunter/Bronco CSA Second Amendment Analysis (Highly Confidential)
PAC/307	Hunter/Bronco CSA Third Amendment Analysis (Highly Confidential)
PAC/308	Hunter/Wolverine CSA Analysis (Highly Confidential)
PAC/309	Jim Bridger/Peabody CSA Analysis (Highly Confidential)
PAC/310	Jim Bridger Long-Term Fuel Plan (Highly Confidential)
PAC/700	Direct Testimony of Judith M. Ridenour
PAC/701	Calculation of Proposed ECAC Adjustment Rates
PAC/701 rev.	Calculation of Proposed ECAC Adjustment Rates revised for settlement
PAC/702	Proposed ECAC-94 Tariff Change
PAC/707	Effects of Proposed Rate Change Distributed by Rate Schedule

- PAC/707 rev. Effects of Proposed Rate Change Distributed by Rate Schedule revised for settlement
- PAC/708 Essential Usage and Average Usage Bills, Affordability Ratios and Hours at Minimum Wage by Climate Zone
- CA-01 Testimony on Remaining Issues PacifiCorp’s 2024 Energy Cost Adjustment Clause and Greenhouse Gas-Related Forecast and Reconciliation of Costs and Revenue
- CFBF-1 Direct Testimony of Lloyd C. Reed on Behalf of the California Farm Bureau Federation Concerning PacifiCorp’s 2024 ECAC (Confidential)

b. This Settlement.

ARTICLE II TERMS OF THE SETTLEMENT

- 2.1 An ECAC Offset Rate of \$44.94 MWh, effective March 1, 2024, is reasonable;
- 2.2. A Balancing Rate at \$16.48 MWh, designed to amortize the undercollected ECAC balancing account balance over a period of 21 months, is reasonable and in the public interest;
- 2.3. PacifiCorp has recalculated its NPC and the above-proposed Offset Rate and Balancing Rate using the allocation factors contained in the 2020 Allocation protocol approved by D.23-12-016 in PacifiCorp’s most recent General Rate Case, and will serve revised exhibits to document the revised rates and NPC;
- 2.4. The Commission should modify the ECAC mechanism to amend the “Adjusted Actual Net Power Cost” definition by adding FERC Account 509 as a cost category for recovery in rates. This change will allow PacifiCorp to recover Account 509 costs when FERC’s amendments become effective on January 1, 2025;
- 2.5. Economic cycling of PacifiCorp’s coal units will materially increase NPC for the Company’s California customers, and the Commission should act in the public interest by removing the requirement for PacifiCorp to provide analyses investigating various economic cycling scenarios of the Company’s coal units in future ECAC Applications;

- 2.6. The Parties agree that the 2024 PacifiCorp ECAC Application only seeks recovery in rates of California’s allocated share of Climate Commitment Act (“CCA”) costs from the Washington State Cap and Invest program, and does not include any CCA costs allocated to other states where PacifiCorp provides service. This issue remains open in future ECAC proceedings, and this Settlement is not binding on the parties as to this issue in those future proceedings.
- 2.7 This Settlement addresses and resolves all remaining issues at dispute in this proceeding.
- 2.8 The Settling Parties request that the Commission admit into evidence the documents identified in Article I, Section 1.1 of this Settlement.
- 2.9 The Settling Parties request that the Commission approve this Settlement by issuance of a Final Order, authorizing the specific actions set forth above.

ARTICLE III APPROVALS

3.1 Settlement Effective Date

This Settlement will become effective upon the Commission’s issuance of a Final Order approving this Settlement without modification or condition or, if modified or conditioned, upon its acceptance as so modified by the Settling Parties as provided further below. For purposes of this Settlement, a Commission order will be deemed a Final Order when the last date for filing an application for rehearing has expired and no application is filed by that date, or if any request for rehearing is filed, as of the date on which rehearing is denied.

3.2 Confidentiality of Settlement Communications

This Settlement is submitted on the condition that, if the Settlement does not become effective in accordance with this Article III, it will not constitute any part of the record in this proceeding or be used for any other purpose. The communications among the Settling Parties that have produced this Settlement have been conducted on the explicit understanding that they were undertaken subject to Rule 12.6 of the Commission’s Rules of Practice and Procedure, and the rights of the Parties with respect thereto are not impaired by this Settlement.

3.3 Rejection or Modification

If this Settlement is rejected or modified in any material respect, the Settlement Party(ies) adversely affected thereby may, upon written notice to the other

Parties within twenty (20) days thereafter, withdraw from this Settlement. If any Settlement Party exercises its right of withdrawal under this section, any other Settlement Party may, upon written notice to the other Parties within twenty (20) days thereafter, withdraw from this Settlement. If the Commission's approval of this Settlement is conditioned on the modification of this Settlement or on any other condition, such modification or condition will be considered to be accepted or not opposed unless any Settlement Party provides such written notice within the twenty-day period.

ARTICLE IV MISCELLANEOUS TERMS

4.1 No Admissions

Agreement to or acquiescence in this Settlement does not constitute an admission by any Settlement Party that any allegation or contention made by any Settlement Party in this proceeding is true or valid. This Settlement is made upon the express understanding that it constitutes a negotiated offer of settlement and, except as otherwise expressly provided for herein, no Settlement Party or the Commission will be deemed to have approved, accepted, agreed to, or consented to any ratemaking or other legal principle or policy associated with this Settlement.

4.2 No Change to Regulatory Requirements or Obligations

Nothing contained in this Settlement relieves PacifiCorp of any requirements or obligations set forth in past, current, or future Commission orders or regulations.

4.3 Not Precedential in Any Further Proceedings

This Settlement will not be cited as an example of precedent, nor will it be deemed to bind any Settlement Party (except in any proceeding to enforce this Settlement or as otherwise expressly provided for herein), in any future proceeding, including, but not limited to, any CPUC proceeding or any other public utility commission proceeding in another state, and will not be deemed precedential or prejudicial to any Settlement Party's rights.

4.4 Applicable Standard of Review

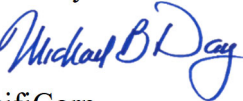
CPUC Rule of Practice and Procedure 12.1(d) provides that the Commission will not approve a settlement, whether contested or not, unless the settlement is "reasonable in light of the whole record, consistent with law, and in the public interest." The Settling Parties agree that this standard applies to the Commission's review of this Settlement.

4.5 Counterparties

This Settlement may be executed by the use of separate signature pages for each counterparty.

Dated: June 28, 2024

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ATTACHMENT A

Settlement Summary Table from filed present revenues

**PACIFICORP
STATE OF CALIFORNIA**

Overall Requested Rate Increase
Impact Compared to Present Rates in Effect

Customer Class	Proposed Rate Change	
	Dollars Change	Percent (%) Change
Residential Combined	\$11,612,390	18.3%
Commercial/Industrial	\$8,813,137	21.0%
Irrigation	\$2,963,886	19.7%
Lighting	\$97,648	12.1%
Overall	\$23,487,061	19.3%

Average Monthly Residential Bill for Residential CARE and Non-CARE Customers

	Before Rate Change	After Rate Change	Difference	Percent Change
Average Monthly CARE Bill	\$119.35	\$141.07	\$21.72	18.2%
Average Monthly Non-CARE Bill	\$153.04	\$179.85	\$26.81	17.5%

ATTACHMENT B

Settlement Summary Table on top of rates from GHG D.24-03-011

**PACIFICORP
STATE OF CALIFORNIA**

Overall Requested Rate Increase
Impact Compared to Present Rates in Effect including D.24-03-011

Customer Class	Proposed Rate Change	
	Dollars Change	Percent (%) Change
Residential Combined	\$11,612,390	19.2%
Commercial/Industrial	\$8,813,137	22.0%
Irrigation	\$2,963,886	20.7%
Lighting	\$97,648	12.7%
Overall	\$23,487,061	20.3%

Average Monthly Residential Bill for Residential CARE and Non-CARE Customers including D.24-03-011

	Before Rate Change	After Rate Change	Difference	Percent Change
Average Monthly CARE Bill	\$113.78	\$135.50	\$21.72	19.1%
Average Monthly Non-CARE Bill	\$146.17	\$172.98	\$26.81	18.3%

ATTACHMENT C

Option 1

	2023 ECAC Approved	2024 ECAC Filed	2024 ECAC After D.24-03-011	2024 ECAC 2020 Protocol Update (Exh. 201 rev.)	2024 ECAC Settlement (21 mo. Balancing rate)
Balancing Rate	(\$1.34)/MWh	\$29.97/MWh	\$29.97/MWh	\$28.84/MWh	\$16.48/MWh
Offset Rate	\$31.33/MWh	\$48.14/MWh	\$48.14/MWh	\$44.94/MWh	\$44.94/MWh