

2006 Integrated Resource Plan Public Input Meeting

Wednesday, December 7, 2005
12:30 pm – 3:30 pm (Pacific)

Meeting Summary

Idaho	Terri Carlock (ID-PUC), Rick Sterling (ID-PUC)
Oregon	Lisa Schwartz (OPUC), Maury Galbraith (OPUC), Phil Carver (ODOE), Lowrey Brown (CUB), Brian Kuehne (PGE)
Utah	Don Henderson (UAE), Elizabeth Brereton (DPU), Jim Logan (UT-PSC), Nancy Kelly (CCS), Nykole Littleboy (SEP), George Compton (DPU), Sam Liu (DPU), Thomas Brill (DPU), Andrea Coon (DPU), Becky Wilson (UT-PSC), Lowell Alt (UT-PSC), Christine Mikell (WATS Consulting), Mary Cleveland (DPU), Charles Peterson (DPU), Glade Sowards (UDAQ), Sarah Wright (UCEA), Laura Nelson (Governor's Energy Advisor),
Washington	John Klingele (WA Customer)
Wyoming	Denise Parrish (WY-OCA)
Regional	Ann Gravatt (RNP), Steve Weiss (NVEC), Roger Hamilton (WWW), Eric Guidry (WRA)
PacifiCorp	<u>In Portland</u> : Greg Duvall, David Engberg, Jeff Bumgarner, Pete Warnken, Ken Dragoon, Dan Swan, Stan Williams, Mike DeWolf, Mike Rife <u>In Utah</u> : Mark Klein, Stacey Kusters, Dan Peterson

2006 IRP Work Plan

PacifiCorp presented the 2006 IRP Work Plan and outlined its elements and associated timelines. Main elements of the public process schedule included a Public Input Meeting schedule, establishment of PIM participant working groups, distribution of the IRP document draft in early October 2006 for public review, and filing of the IRP by mid-January 2007. PacifiCorp then outlined the IRP modeling plan. New activities center on full integration of the Capacity Expansion Module (CEM) into the portfolio analysis process, including use of the CEM to develop candidate portfolios and to conduct sensitivity analysis against the Preferred Portfolio. Pete Warnken mentioned that the intention is to distribute CEM portfolio modeling results to participants soon after PacifiCorp reviews and validates the results. Pete then discussed the impact of using the March vs. June Forward Price Curve (FPC) on the Work Plan. He asked the participants for feedback on the plan to use the March forecast for modeling, and perhaps use a later forecast for Preferred Portfolio sensitivity analysis (i.e., Action Plan Path Analysis) if there is a significant difference in forecasts. No objections were raised; participants reiterated that PacifiCorp should conduct a comparative analysis of price forecasts.

Becky Wilson noted that public meetings were held more frequently for the last IRP. Pete Warnken responded that additional technical workshops and working group meetings were intended to provide a similar level of public input as in past IRPs but with more emphasis on front-end planning. In addressing IRP strategic assumptions, Phil Carver recommended that PacifiCorp initiate discussions

and analysis on environmental issues as early as possible. He cited the desirability for PacifiCorp to share how recent research results and policy decisions affect its strategic assumptions.

A number of participants asked for clarification on how the CEM was to be used in the modeling process. Nancy Kelly was not clear if the proposed analysis of the Preferred Portfolio met the Utah IRP requirement for resource acquisition path analysis in the IRP. Further discussion of the role of the CEM in IRP modeling was to be provided later in the meeting.

Working Group Approach

PacifiCorp presented its plan for instituting working groups into the IRP public process. Pete Warnken provided the context for moving to the working group approach, stating three motivations: (1) Participants previously commented that information flow has been predominately one-way with too much reliance on a “presentation” format, and that not enough time was made available to debate the tougher issues, (2) PacifiCorp was concerned that major criticisms of the IRP were provided at the end of the process rather than early in the process so as to give all stakeholders the opportunity to discuss and address them, and (3) the Utah 2004 IRP Acknowledgement Order directs PacifiCorp to structure the public process to allow for sufficient time for discussion and resolution of issues.

Some of the Participants voiced support for the working group approach but had specific concerns about PacifiCorp assigning members and time commitments involved with participating in multiple simultaneous working groups. Denise Parrish was opposed to the working group approach but expressed satisfaction with the current meeting format. Participants agreed that a smaller number of working groups is preferred. Steve Weiss recommended a structure composed of three groups: (1) transmission, (2) inputs (combining DSM, renewables, thermal resources, and risk-related inputs) and (3) risk analysis/portfolio scenarios. The consensus viewpoint was that working group participation should be open to everyone. Laura Nelson advocated having open technical sessions with potential follow-up activities. Lisa Schwartz emphasized that meeting minutes should be distributed to all PIM participants and that a break-up of meetings by topic is a good idea. Becky Wilson mentioned that a transmission working group will need to account for the effects of FERC Order 889. Phil Carver cited NTAC (Northwest Transmission Assessment Committee) activities, including those of the wind integration study group, and recommended that PacifiCorp merchant representation attend the January NTAC meeting. Denise Parrish wanted to know what a transmission working group would address. Ken Dragoon responded that a key objective would be to construct transmission resource scenarios using proposed regional transmission projects as the basis.

Pete Warnken emphasized that the Work Plan is subject to change to account for any requirements stemming from new IRP Standards & Guidelines and the pending Oregon acknowledgement order.

2006 IRP Studies

Ken Dragoon summarized the major studies to be conducted for the 2006 IRP cycle. The role of the CEM in portfolio analysis was discussed further. Ken emphasized that the Action Plan Path Analysis consisted of conducting sensitivity analysis using just the Preferred Portfolio resources along with

alternative economic assumptions. Participants questioned what the implications of this analysis would be. For example, would this lead to the testing of alternative resources? PacifiCorp emphasized that the objective is to just focus on implications to the Preferred Portfolio (i.e., sensitivity to resource timing). Pete stressed that this is a reasonable accomplishment for this IRP cycle. Nancy Kelly indicated that she was more comfortable with this approach; however, participants agreed that additional scoping of the CEM for Action Plan Path Analysis would be useful to ensure that Utah PSC expectations are being met.

Action Plan Update

Greg Duvall, Stacey Kusters, and Jeff Bumgarner provided participants with updates on transmission, thermal/renewable/distributed generation procurement, and DSM action items, respectively.

Stacey noted that under the RFP-2003B Renewables RFP, PacifiCorp has recently signed a 20-year power purchase agreement to purchase the output of a 42-megawatt geothermal electric generating plant near Cove Fort, Utah. The project is anticipated to be on line by year-end 2007. Stacey also mentioned that negotiations for two renewable projects had ceased due to unfavorable project economics. PacifiCorp discussed proceeding with one potential project in 2006 as well as reviewing the updated proposals received for projects in 2007 before closing the current RFP process. PacifiCorp will also assess how best to move forward in meeting renewable targets given new RFP information and the changing procurement landscape that now includes new state rules (Utah Senate Bill 26, and Oregon UM1182 and UM1056).

Next Steps

Pete Warnken and Mike Rife announced the January 24, 2006 Load Forecasting Technical Workshop, which will consist of the industrial portion of the forecast, load distributions and an update to the elasticity study. No parking lot questions were raised. The next regular Public Input Meeting is scheduled for mid-April.

Pete Warnken outlined the approach for selecting dates for the regular Public Input Meetings, which is to propose one or two alternative dates and then ask participants to rank them. PacifiCorp will present the alternatives two months in advance of the meeting.