

Date: May 4, 2018

To: NTTG Planning Committee
NTTG Cost Allocation Committee

Cc: Sharon Helms, NTTG
Rick Vail, PacifiCorp
Brian Fritz, PacifiCorp

Subject: PacifiCorp's Response to the Joint Parties April 26, 2018 Public Policy Consideration Request

PacifiCorp is encouraged by the changes that have been recommended by the Joint Parties – Public Policy Consideration (PPC) request and provides the following general comments and recommendations/clarification requests noted below.

General Comments:

While the Joint Parties have requested an analysis of the impacts of coal retirements on the NTTG footprint, the Planning Committee is reminded that the role of NTTG is to evaluate transmission planning projects that have been submitted by each of the transmission providers, which have been determined as part of analysis of the corresponding local transmission plan, not to evaluate the impacts of resource redispatch across the NTTG footprint. The regional transmission planning process is not the vehicle by which integrated resource planning is conducted¹, but rather, each of the transmission providers Integrated Resource Plans (IRPs) are the used as the source of resources that are submitted through the local plan as detailed in the yearly loads and resources plan provided to WECC. The dispatch of each generation resource are determined based on detailed analysis performed by each of the generation entities, which utilize the transmission provider's network to deliver resources to customer loads.

From a Transmission Provider standpoint, when generation resources are designated for retirement, individual LGI studies will to be performed by the Transmission Planner to assess the impacts to the transmission system of permanently removing a given resource. Additionally, the potential for replacing the generation capacity at a specific site with a new resource may be considered, based on the specific LGI study request parameters.

Recently, NTTG Management requested a Legal opinions relative to matters raised to the Planning Committee. PacifiCorp felt it prudent to share the following Legal opinions:

¹ Order No. 1000 at P154 (*"Just as there may be opportunities for regional transmission solutions to better meet the needs of the region, the same could be true for regional non-transmission alternatives. However, the regional transmission planning process is not the vehicle by which integrated resource planning is conducted; that may be a separate obligation imposed on many public utility transmission providers and under the purview of the states."*)
See also, P156

Issue: Can transmission needs be justified based on network resources serving non-network loads:

Response: *In the context of regional transmission planning, the regional transmission needs are identified based on the Local Transmission Plan, reliability criteria, and the Public Policy Requires and Public Policy Considerations selected for use in the Biennial Study Plan.*

In the context of local transmission planning, each Transmission Provider's local transmission needs are identified based upon the current and expected transmission needs of the network customers, point-to-point customers, and native load. Importantly, the focus on the demand for transmission services, not the location of load ultimately served by the energy moved utilizing transmission services. Those concepts are demonstrated by the definition of local transmission plan in each Transmission Provider's Attachment K.

Issue: Should NTTG consider a viable non-transmission alternative, backing down generation with the NTTG footprint to solve a transmission constraint as long as native load is met?

Response: *The regional transmission planning process must consider both regional transmission solutions and regional non-transmission solutions. The question appears to be focused on local integrated resource planning issues, which are outside the scope of regional transmission planning.*

PacifiCorp believes that these Legal opinions should resolve some of the issues relative to technical study findings that have identified transfers leaving the NTTG footprint and redispatch of resources within NTTG to solve transmission constraints, which continue to be raised by Stakeholders at the Planning Committee or Steering Committee.

Recommendations/Clarification Request

Assuming that the NTTG Planning Committee, independent of the information provided above, agrees to advance the April 26, 2018, Joint Parties – Public Policy Consideration request, PacifiCorp provides the following recommended changes to the PPC study scope, and request further clarifications:

1. Coal Unit Retirements
 - The PPC study window should be limited to no later than 2028, which covers the same time-frame and the NTTG biennial study period and the local plan; therefore, Naughton Unit #1 and Unit #2 should be removed from the list.
 - Per follow-on discussions with Idaho Power, only Jim Bridger Unit #1 is currently scheduled for retirement in 2028; therefore, Jim Bridger Unit #2 should be removed from the list.
2. Relative to the following statement in the PPC request: "For each of the planned coal resource retirements, increase resource output of available generator outside the NTTG footprint as needed to make up the difference based on a reasonable planning practice."

- **Clarification Request:** PacifiCorp is not aware of a reasonable planning practice that has been established for making up the generation differences outside the NTTG footprint to make up for significant levels of generation retirements within NTTG.

For example, as the NTTG footprint borders on at least seven states in the Western Interconnection, and potentially three other states vs the AC/DC/AC interconnections with the Eastern Interconnection - no planning practices have been established for filling the void of at least 2397 MW of NTTG footprint coal retirements. Assuming transmission capacity into the NTTG footprint is available, should the generation resources come from the Pacific Northwest, Desert Southwest, Rocky Mountain, etc.? Each of the resource dispatch options will provide vastly different results.

3. While the Joint Parties Public Policy Consideration request has been very surgical in identifying which of the Energy Gateway project segments should or should not be included in the analysis, PacifiCorp requests that one modification be made to list under Item #3:
 - As the Antelope generation project is a non-committed generation project, which has not requested interconnection (via the LGI study process) to the PacifiCorp transmission system and has not been vetted in any of the WECC planning processes, this project and associated transmission should be removed for consideration as part of this Public Policy Consideration request. The PPC study request is intended to focus on retirement of coal units; therefore, the addition of a non-committed generation project would skew the overall study results.

PacifiCorp appreciates the excellent efforts of the NTTG Planning Committee in performing the necessary regional planning studies that are required to meet the requirements of Order 1000, Attachment K.

Thank you,

Craig Quist – NTTG Planning Committee Member

Patience Kerchinsky – NTTG Cost Allocation Committee Member