

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

IN THE MATTER OF THE COMMISSION'S)
INVESTIGATION PURSUANT TO WYO. STAT. § 37-2-117) Docket No. 90000-147-XI-19
OF THE INTEGRATED RESOURCE PLAN FILED BY) (Record No. 15389)
ROCKY MOUNTAIN POWER ON OCTOBER 18, 2019)
)

ORDER INITIATING INVESTIGATION
(Issued November 13, 2019)

This matter came before the Wyoming Public Service Commission (Commission), on its own motion, pursuant to due notice at its Open Meeting on November 7, 2019, to consider initiation of an investigation pursuant to Wyo. Stat. § 37-2-117 regarding the Integrated Resource Plan (IRP) filed by Rocky Mountain Power (RMP) on October 18, 2019 (Docket No. 20000-522-EA-19).

Having considered information presented by Commission Staff, the comments of RMP and other interested parties, its files pertaining to RMP, applicable Wyoming law, and being otherwise fully advised in the premises, the Commission FINDS and CONCLUDES:

1. Wyo. Stat. § 37-2-117 authorizes the Commission to investigate any act or omission of a public utility to secure compliance with Wyoming public utility law.

2. RMP is a division of PacifiCorp, an Oregon corporation, engaged in the business of supplying electric utility service to customers throughout its six-state service territory, including Wyoming. RMP is a public utility, as defined in Wyo. Stat. § 37-1-101(a)(vi)(C), subject to the Commission's jurisdiction pursuant to Wyo. Stat. § 37-2-112.

3. On October 18, 2019, RMP filed its IRP pursuant to Commission Rule Chapter 3, Section 33. According to the Company, it developed the IRP using a comprehensive analysis and an extensive public input process resulting in its selection of a least-cost, least-risk preferred portfolio, referred to as Case P-45CNW, Attachment 1 to this Order (Preferred Portfolio). RMP's Preferred Portfolio includes accelerating retirements of certain coal-fired generation units, primarily located in Wyoming, and investment in transmission infrastructure to facilitate the addition of new renewable resources. Through the end of 2023, the Company plans to add 1,821 MW of new solar; 1,989 MW of new wind; and 595 MW of battery storage capacity (Replacement Generation).

4. RMP cites economic pressures on existing coal-fired generation units coupled with decreasing costs for new renewable resources as a justification for retirements that exceed 1,457 MW by the end of 2025; 2,874 MW by the end of 2030; and 4,485 MW by the end of 2038. Implementation of the Preferred Portfolio would include the following actions affecting coal-fired generation units located in Wyoming:

- a. Conversion of Naughton Unit 3 to a 247 MW natural gas unit in 2020 (coal operations ceased in January 2019);
- b. Retirement of Jim Bridger Unit 1 in 2023 (14 years prior to its established depreciable life);
- c. Retirement of Naughton Units 1-2 by 2025 (4 years prior to their established depreciable life);
- d. Retirement of Dave Johnston Units 1-4 in 2027 (at the end of their established depreciable life);
- e. Retirement of Jim Bridger Unit 2 by 2028 (9 years prior to its established depreciable life); and
- f. Retirement of Jim Bridger Units 3-4 by 2037 (at the end of their established depreciable life).

5. Any decision to retire coal-fired generation units prior to the end of their established depreciable lives may adversely impact the cost and reliability of service provided to RMP's Wyoming customers while producing significant negative economic impacts. These impacts, individually and collectively, must be thoroughly evaluated to ensure implementation of the Preferred Portfolio is consistent with the public interest.

6. Given the potential impact of RMP's Preferred Portfolio on Wyoming customers, it is necessary and desirable that the Commission commence a contested case proceeding, pursuant to the Wyoming Administrative Procedure Act, to allow the Commission and other interested parties to adequately explore all aspects of the 2019 IRP, including but not limited to, the methodologies, assumptions and development process resulting in the identification of the Preferred Portfolio:

- a. The time period, specific customer impact and calculation of the estimated \$111 million in customer benefits;
- b. CO2 emissions reductions;
- c. Costs associated with existing and potential environmental regulations, including control or limitation of CO2 emissions;
- d. Reliability modeling;
- e. Inclusion of battery storage;
- f. Front Office Transaction purchases given acknowledged resource adequacy concerns in the region;

- g. Alternative DSM bundling;
- h. Sensitivity analysis;
- i. Transmission investment;
- j. Replacement Generation: resource choices, cost assumptions, environmental concerns related to supply chain and decommissioning, and whether the action plan timeline is realistic for regulatory approvals and construction.

7. The Commission will hold a Procedural and Scheduling Conference on a date to be determined for the purpose of establishing necessary dates and parameters for the discovery process, presentation of testimony, and other aspects of this investigation. However, the Commission hereby sets the following hearings:

- a. January 28, 2020 (4:00 pm – 7:00 pm): Public Comment Hearing in Kemmerer (Kemmerer City Council Chambers at 220 State Hwy 233);
- b. January 29, 2020 (11:00 am – 2:00 pm): Public Comment Hearing in Rock Springs (Rock Springs City Council Chambers at 212 D Street); and
- c. May 5-6, 2020: Public Hearing in the Commission’s Hearing Room in Cheyenne.

IT IS THEREFORE ORDERED:

- 1. The Commission, consistent with its paramount duty to protect the public interest and Open Meeting action taken on November 7, 2019, hereby initiates an investigation to thoroughly evaluate the Integrated Resource Plan, the identified Preferred Portfolio and associated Action Plan to ensure they are economically justified.
- 2. Public Notice of this proceeding shall be published, to include a deadline for written comments and intervention by interested parties, no more than thirty days from issuance hereof.
- 3. This Order is effective immediately.

MADE and ENTERED at Cheyenne, Wyoming, November 13, 2019.

PUBLIC SERVICE COMMISSION OF WYOMING



KARA B. FORNSTROM, Chairman

Mary A. Throne

MARY A. THRONE, Deputy Chair

Michael M. Robinson

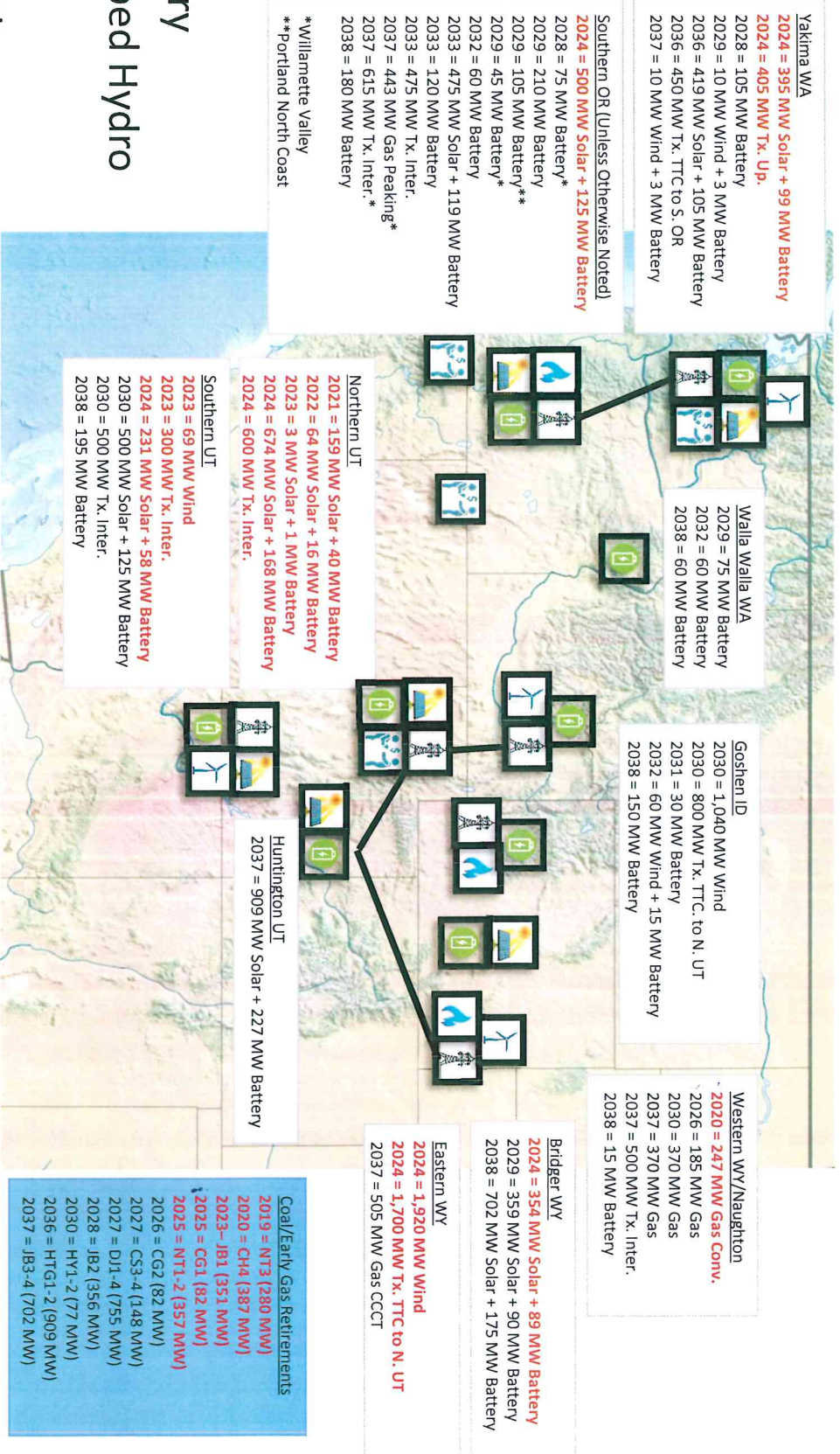
MICHAEL M. ROBINSON, Commissioner



Steve Mink

STEVE MINK, Assistant Secretary

Preferred Portfolio Generating Resources (Case P-45CNW)



- Solar
- Wind
- Battery
- Pumped Hydro
- Gas
- Market
- Transmission