PUC rejects PacifiCorp plan to build two coal plants

by Bend Weekly News Sources

Salem, OR -â€“ This week the Oregon Public Utility Commission rejected PacifiCorpâ€™s request to conditionally approve a plan to seek bids to build two coal plants in order to meet growing energy demands. The Commission found that the company failed to justify the need to acquire the amount and type of energy resources sought. And the companyâ€™s proposal was not consistent with its earlier acknowledged resource plan. In the previously approved plan, PacifiCorp presented a preferred strategy that included short-term market purchases, renewable resources and conservation to meet growing resource demands in the eastern part of its system, primarily Utah. â€œIn its Request for Proposals we expected PacifiCorp to fully explore strategies that would allow the company to delay a commitment for a big new central generating plant,â€• Commission Chairman Lee Beyer said. â€œIt didnâ€™t do that. We simply cannot conclude, based on the information provided to us, that it is reasonable for PacifiCorp to make a commitment of this magnitude without further study.â€• Commission staff argued that PacifiCorpâ€™s request for approval of 1,109 megawatts (MW) of new generating resources overstated its energy needs. Staff analysis indicated the need for 157 (MW) in 2012 and 335 MW in 2013. The Commission agreed with staffâ€™s analysis, and also concluded that PacifiCorp had failed to prove that base load resources are the best way to meet growing resource needs that are seasonal in nature, with the highest demand forecast for the summer months. A coalition of customer group and others had opposed the plan because it included coal generation. In its decision, the Commission declined to resolve issues related to CO2 risk at this time. However, the Commission has opened a separate proceeding to review CO2 risk related to the expected cost, risk and uncertainties of coal resources. PacifiCorp has the option to submit a new plan to the Commission. PacifiCorp is owned by MidAmerican Energy Holdings Inc. PacifiCorp serves approximately 530,000 customers in Oregon.

Link to Commission Order 07-018