

Wyoming Outdoor Council

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Wyoming Public Service Commission
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Sent via email: wyo_psc@wyo.gov

RE: Docket No. 20000-552-EA-19 Wyoming Outdoor Council Comments to the Wyoming PSC on Rocky Mountain Power's Integrated Resource Plan

Dear Commission Members,

On behalf of the Wyoming Outdoor Council, thank you for accepting comments on Rocky Mountain Power's 2019 Integrated Resource Plan (IRP). With our main office located in Lander, Rocky Mountain Power is our organization's electricity provider, as well as the provider for many of our members across the state. More importantly however, Rocky Mountain Power's preferred energy portfolio will have significant long-term impacts on Wyoming's environmental quality, economy, and way of life. We believe that these impacts will be primarily positive, and urge the Commission to allow Rocky Mountain Power to proceed with its least-cost/least-risk portfolio that keeps customer rates low, invests heavily into the future of Wyoming, and responds to legitimate scientific concerns about greenhouse gas emissions and climate change.

We ask you to take this action while at the same time recognizing that communities that host retiring coal plants and their workers are harmed with these changes, and our state has a moral obligation to assist the workers and communities that have powered Wyoming and the country for generations. We fear that continued opposition and investigation into Rocky Mountain Power's IRP actually detracts from the important job of mitigating these impacts and supporting a fair energy transition in Wyoming.

The economics tell a clear story – even if it's a hard one to hear.

Rocky Mountain Power's IRP comes at an important point and opportunity for Wyoming to be thinking strategically about the long-term future of the state. The traditional energy industry that we have depended on is facing significant declines and uncertainty, and the coal industry in particular is experiencing what most experts agree is a permanent structural decline driven by consumer demands for cleaner and cheaper forms of energy. These are trends that Wyoming alone cannot buck, despite the state's best efforts to keep our coal fired power plants operational. Furthermore, Wyoming's small population and customer base relative to the broader PacifiCorp network means that we cannot, and should not, try to hoist the burden of continuing to operate uneconomic coal-fired power plants on the shoulders of Wyoming ratepayers.

Rocky Mountain Power's preferred alternative, and numerous other studies and research, makes very clear that aging coal fired power plants are simply not cost competitive with new solar and wind. We ask that the PSC consider how quickly the cost of renewable energy has fallen over the last decade as customers continue to demand cleaner sources of energy. In the last 10 years alone, the Levelized Cost of Energy (LCOE) for wind energy has dropped 70% from an average of \$135/MWh to \$40/MWh and large-scale solar PV 90% from \$359/MWh - \$41/MWh.¹ As these industries continue to mature, manufacturing and installation costs are expected to continue falling, making them even more competitive than they already are relative to conventional fuel sources.

Aside from the simple cost-competitiveness of renewables, local governments, states, and countries are prioritizing renewable energy because of the numerous benefits of clean energy. Currently, 29 states across the country have Renewable Portfolio Standards (several within the broader PacifiCorp network) and countless public and private sector entities have sustainability goals to reduce greenhouse gas emission to move towards carbon neutrality over the next 30 years.

The economic trend here is clear. Fighting a continual uphill battle to push off renewable development and maintain older, less efficient, and more expensive technologies is not a viable long-term solution for Wyoming, nor for the communities where these plants are located. This tactic can result in a poorly planned, more harmful and haphazard transition instead of one that is guided to support workers and communities while making strategic investments to diversify and transition our economy and workforce.

Instead of focusing almost entirely on maintaining our aging coal fleet, we *strongly* encourage the PSC to consider the opportunities associated with Rocky Mountain Power's preferred portfolio, which represents nearly \$6 billion of new investment in Wyoming over the next 20 years.² This new development will help modernize our electric grid, create thousands of new jobs, provide significant environmental benefits – locally in terms of air pollution, but also nationally and globally with regards to reducing greenhouse gas emissions – and provide cheaper electricity to Wyoming's ratepayers. And, because the vast majority of Wyoming's energy is exported, it will keep us competitive in the national energy marketplace.

The PSC should remain objective in its responsibility “to ensure the public utilities operating in Wyoming provide safe and reliable service to customers at just and reasonable rates.”

In its investigation order of Rocky Mountain Power's IRP, the PSC announced its intention to “*thoroughly evaluate potential impacts, individual and collective, to ensure that the implementation of Rocky Mountain Power's preferred portfolio is consistent with the public interest.*” We are concerned by the vagueness of this

¹ LAZARD Levelized Cost of Energy, 2019 <https://www.lazard.com/perspective/lcoe2019>

² Table 1.2. Rocky Mountain Power IRP. Total Initial Capital to Deliver Preferred Portfolio Transmission and Resource Investments.

language and how the PSC chooses to define and prioritize “individual” and “collective impacts.”³

For example, where does the PSC draw a line on what collective impacts it chooses to consider or not consider in the preferred portfolio? Are the impacts being evaluated only economic criteria, or are they open to evaluation of social or environmental criteria as well? How is “public interest” defined and quantified? And finally, if the PSC is willing to intervene to address factors such as job loss, is it also prepared to consider the collective impacts different types of energy generation have on human health, air pollution, and climate change?

We understand the tendency and reaction to protect established industries and jobs in Wyoming, but we caution the PSC against broadening its mandate and picking and choosing the individual and collective impacts that it investigates. Even if it made sense to fundamentally change how the PSC operates in its decisions and priorities, we do not support such a colossal mission change implemented in reaction to one company’s proposal. There needs to be broad and robust public notice and engagement through the Wyoming Administrative Procedures Act to suddenly change how the PSC interprets its mandate - if even legally allowable. The best way to remain a respected and impartial regulatory body true to its mission is to focus on ensuring safe and reliable service at just and reasonable rates. If Rocky Mountain Power’s preferred scenario can demonstrate these things, the utility should be free to choose the types of energy generation to accomplish its goals and the priorities of its customers across its network.

Wyoming needs a more comprehensive and coordinated approach to energy transitions and a forward-looking plan to address socio-economic and environmental concerns.

Rocky Mountain Power’s preferred portfolio will have significant impacts on Wyoming, and particularly in the communities where coal fired power plants will be retired. Fortunately, these changes are staggered over the next 3 – 17 years and Rocky Mountain Power has made a commitment to help communities make this transition and ensure that none of its employees are left at risk.⁴ The PSC and the State of Wyoming should be working *with* Rocky Mountain Power to anticipate a changing energy economy and develop transition plans for affected coal workers and communities. A good place to start could be to examine the energy transition policies of other states that have undergone similar transitions like West Virginia and New Mexico. *How might we learn from these examples?*

We propose that in order for Wyoming to stay in the driver’s seat and ahead of the changes to come, the state should investigate the following:

³ PSC Order Initiating IRP Investigation, Nov. 2019: <https://www.documentcloud.org/documents/6549692-IRP-Investigation-Order.html>

⁴ PacifiCorp. 2019. Bringing the best of the west to our customers door. https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/PacifiCorp_Story10_02_2019.pdf

1. *How can Wyoming welcome new development and industry on our own terms and in a way that balances future development with other Wyoming values?*
2. *How do we ensure our energy workers and communities have the tools and support they need to take advantage of new opportunities in a rapidly growing clean energy economy?*
3. *How do we modernize our tax and revenue structure so we are not constantly betting against more efficient, cost effective, and environmentally friendly forms of energy?*

Rocky Mountain Power’s preferred portfolio is environmentally preferable to the status quo and essential for addressing the threat of climate change.

Even if economic performance wasn’t the main driver of this transition, it’s clear that Rocky Mountain Power’s preferred portfolio is a preferable environmental alternative to continuing our reliance on coal-fired power. The best available science is telling us that we must transition away from burning fossil fuels to avoid the worst impacts of climate change, and that the time to do this was yesterday.⁵ As a state that is already particularly vulnerable to climate change impacts because of limited rainfall and dependence on snowpack for summer irrigation, Wyoming must begin taking this threat to future generations seriously. By focusing heavily on developing cost-effective clean energy for its customers, Rocky Mountain Power’s preferred least-cost/least-risk portfolio is a strong step in the right direction to realizing this goal while also improving immediate environmental concerns such as regional haze and air quality in Wyoming.

Although the benefits of renewable energy to climate change and air quality are real and significant, it is also vitally important that Wyoming carefully consider the impacts of any future developments to other stakeholders and Wyoming values as well. The energy changes presented in Rocky Mountain Power’s IRP require additional planning efforts. Now is the time to be discussing issues about proactive siting of wind and solar, as well as transition support for workers and communities. There is hard work to be done to ensure that the actual environmental and economic benefits of Rocky Mountain Powers preferred portfolio are realized at state and local levels.

Conclusion

The state is spending an extraordinary amount of civic and political energy, at taxpayer expense, trying to maintain an industry that is in decline because of national and international forces that it cannot control. If we turned and faced the future, we might be able to proactively control some of the impacts and benefits

⁵ IPCC Summary for Policymakers, 2018. <https://www.ipcc.ch/2018/10/08/summary-for-policymakers-of-ipcc-special-report-on-global-warming-of-1-5c-approved-by-governments/>

that a just transition towards renewable energy can bring to Wyoming. No other company that we are aware of is proposing to bring the same level of investment into Wyoming over the next 20 years as Rocky Mountain Power. We need to prepare ourselves to take advantage of this new opportunity, even if it means departing from an industry that has served Wyoming and this country well for nearly a century. If we do this right, Rocky Mountain Power's least-cost/least risk portfolio can help put Wyomingites to work, provide essential tax revenues for communities, modernize our electric grid to keep it competitive with other states, and help address a growing climate crisis. Of course, these changes will look different than the status quo, just like the automobile looked a lot different than the horse when it showed up at our doorstep in the 20th century. Today we look back and call that progress.

We appreciate your consideration of our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "John H. Burrows", with a long horizontal flourish extending to the right.

John H. Burrows
Conservation Advocate

CC: Governor Mark Gordon

Resources

LAZARD Levelized Cost of Energy Comparisons 2019. Available at:
<https://www.lazard.com/perspective/lcoe2019>

Intergovernmental Panel on Climate Change. 2018 Summary for Policy Makers. Available at: <https://www.ipcc.ch/2018/10/08/summary-for-policymakers-of-ipcc-special-report-on-global-warming-of-1-5c-approved-by-governments/>

Rocky Mountain Power Integrated Resource Plan: Available at:
<https://www.pacificorp.com/energy/integrated-resource-plan.html>

WY Public Service Commission Investigation Order. Nov. 13, 2019. Available at:
<https://www.documentcloud.org/documents/6549692-IRP-Investigation-Order.html>