



PacifiCorp Advice Letter 713-E – PacifiCorp annually submits its Energy Cost Adjustment Clause and Greenhouse Gas-Related Forecast and Reconciliation of Costs and Revenue (ECAC) Application each August. As in previous years, the Cap-and-Trade Program related portions of the ECAC were approved through a partial settlement in D.23-03-008. On March 23, 2023 PacifiCorp submitted Advice Letter 713-E implementing the GHG Surcharge and Residential and Small Business California Climate Credit changes approved in the decision. The increase in the GHG Surcharge will result in the rate and bill impacts below beginning on March 23, 2023. The approved increase in the twice-annual California Climate Credit, from \$132.85 to \$268.56 per credit, is not included in the rate change. The October 2023 California Climate Credit will include an additional adjustment to account for PacifiCorp’s 2023 spring California Climate Credit being distributed in the 2022 rather than 2023 amount, resulting in an on-bill October total California Climate Credit of \$404.27.

Estimated Bill Impacts of All Requested Electric Rate Changes Effective March 23, 2023:

Estimated Electric Bill Impacts ¹	PacifiCorp as of March 23, 2023
➤ Average Residential Non-CARE electric bill	\$152.53
➤ Average Residential Non-CARE electric bill increase	\$12.94 (9.3%)
➤ Average Residential CARE electric bill	\$118.93
➤ Average Residential CARE electric bill increase	\$10.48 (9.7%)

1. PacifiCorp Advice Letter 713-E Highlights:

- The drivers behind PacifiCorp’s rate change are an increase in the GHG Surcharge and the need to address an undercollection in GHG Surcharge account. The GHG Surcharge is the cost PacifiCorp charges its customers to maintain compliance with California’s Cap-and-Trade Program. The price of “allowances” – the primary method for achieving compliance – has risen dramatically since July 2021. Due to the timing of PacifiCorp’s 2022 application, the 2022 GHG Surcharge was undercollected (i.e., the price was set too low) since the application did not capture a price spike in allowance cost that occurred in the latter part of 2021. While PacifiCorp forecasts emitting roughly the same GHGs in 2023 as in 2022, the combined effect of addressing the 2022 GHG Surcharge undercollection and higher allowance prices going forward into 2023 is this rate increase.

¹ Based on a “typical” PacifiCorp residential customer using, on average, 850 kilowatt-hours per month.



- ✚ High allowance prices also benefit the residential California Climate Credit. AL 713-E also implements a \$135.71 increase in the credit for customer energy bills. Although this credit amount is not included in the rate change calculation, on average, the increase in the California Climate Credit of \$11.30 per month is similar to the projected monthly average household increase in rates caused by the increase in the GHG Surcharge (\$12.94 for non-CARE; \$10.48 for CARE).
- ✚ In response to high energy prices this winter, the CPUC advanced the April 2023 California Climate Credit in D.23-02-014, to be delivered on customer bills in February or March 2023. As PacifiCorp's 2023 Climate Credit amount was not yet approved, customers received the 2022 approved amount of \$132.85 on for their Spring 2023 Climate Credit. PacifiCorp will true-up the spring credit, providing an additional \$135.71 (i.e., \$268.56-\$132.85, the difference between the 2023 and 2022 Climate Credits) for a total October Climate Credit of \$404.27 (i.e., \$135.71+\$268.56, the true-up amount plus the 2023 approved Climate Credit).