

Application No. 24-08-\_\_\_\_  
Exhibit No. PAC/300  
Witness: James C. Owen

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

PACIFICORP 2025 ECAC

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Direct Testimony of James C. Owen  
Coal Fuel Procurement

**[PUBLIC VERSION]**

August 2024

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ATTACHED EXHIBITS

Highly Confidential Exhibit PAC/301-HC – Hunter/Gentry CSA Second Amendment and Spot Agreement First Amendment Analysis

Highly Confidential Exhibit PAC/302-HC – Hunter/Wolverine CSA Second Amendment and Huntington/Wolverine CSA Second Amendment Key Terms and Analysis

Highly Confidential Exhibit PAC/303-HC – Fueling Analysis for the Hunter and Huntington Plants

Highly Confidential Exhibit PAC/304-HC – Jim Bridger/Peabody Energy CSA First Amendment Analysis

Highly Confidential Exhibit PAC/305-HC – Jim Bridger/Peabody Energy Spot Agreement Analysis

Highly Confidential Exhibit PAC/306-HC – Naughton/Kemmerer CSA First Amendment Analysis

Highly Confidential Exhibit PAC/307-HC – Naughton/Kemmerer Spot Agreement Analysis

1                                   **I. INTRODUCTION AND QUALIFICATIONS**

2   **Q. Please state your name, business address, and present position with PacifiCorp**  
3   **d/b/a Pacific Power (PacifiCorp or Company).**

4   A. My name is James C. Owen. My business address is 1407 West North Temple, Suite  
5   210, Salt Lake City, Utah 84116. My title is Vice President of Environmental, Fuels,  
6   and Mining.

7   **Q. Briefly describe your education and professional experience.**

8   A. I have a Bachelor of Science Degree in Mining Engineering, a Master of Business  
9   Administration Degree, and a Juris Doctor Degree, all from the University of Utah.  
10   I joined the Utah Department of Natural Resources – Division of Oil, Gas and Mining  
11   in November 2008, and held positions of increasing responsibility within the agency,  
12   including responsibilities for environmental permitting, enforcement of  
13   environmental compliance, engineering design, oversight of mine reclamation  
14   bonding, environmental program management, and legislative and policy  
15   management. I joined PacifiCorp as Director of Environmental in February 2018.  
16   I have assumed positions of increasing responsibility since that time and currently  
17   serve as Vice President of Environmental, Fuels, and Mining. My current  
18   responsibilities encompass strategic planning, stakeholder engagement, regulatory  
19   support, support of major generation resource additions, direct oversight of fueling  
20   strategy, management of mining operations, and direct oversight of major  
21   environmental compliance projects.

22   **Q. Have you testified in previous regulatory proceedings?**

23   A. Yes. I have testified in previous proceedings before the Public Utilities Commission

1 of the State of California (Commission), and the public utility commissions of  
2 Oregon, Utah, Idaho, and Wyoming.

3 **II. PURPOSE AND SUMMARY OF TESTIMONY**

4 **Q. What is the purpose of your testimony in this proceeding?**

5 A. I provide information related to several coal supply agreements and contracting issues  
6 requested by the Commission in previous Energy Cost Adjustment Clause (ECAC)  
7 proceedings. Specifically, my testimony: (1) discusses recent changes in coal market  
8 conditions and how those changes impact the 2025 ECAC fuel costs; (2) addresses  
9 the prudence of the coal supply agreements (CSA) compared to alternative resources  
10 including considerations of system-wide reliability and costs.

11 **Q. Can you summarize your testimony?**

12 A. As discussed in detail in my 2024 ECAC direct testimony,<sup>1</sup> coal prices throughout the  
13 United States have significantly increased, which have materially impacted the coal  
14 market and coal availability for PacifiCorp since 2021. As a result, PacifiCorp's coal  
15 supply costs have increased during the current ECAC recovery periods, while at the  
16 same time the Company has entered into new and amended CSAs that mitigate and  
17 offset substantial costs the Company would have incurred without their execution.  
18 Each of these CSAs and CSA amendments include minimum take provisions, which  
19 are standard terms that provide adequate security for coal suppliers to invest in their  
20 operations to provide coal when PacifiCorp requires it. The Company does not  
21 believe it would have been possible to negotiate these CSAs or CSA amendments

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<sup>1</sup> *In the Matter of the Application of PacifiCorp (UE901E) for Approval of its 2024 Energy Cost Adjustment Clause and Greenhouse Gas-Related Forecast and Reconciliation of Costs and Revenue, Application 23-09-008, Exhibit PAC/300-C, Owen/3-4 (September 15, 2023).*

1 without minimum take obligations, without agreeing to other terms that would not be  
2 reasonable or cost-effective for customers. As discussed below, the Company's  
3 current analyses indicate how the current coal supply market has been negatively  
4 affected by domestic and international factors, and how it has impacted PacifiCorp's  
5 economic analysis in executing new and amended CSAs.

### 6 III. CHANGES IN COAL MARKET CONDITIONS

7 **Q. What significant changes have occurred in the coal market since the 2024**  
8 **ECAC?**

9 A. The coal market continues to experience similar issues to the ones highlighted in the  
10 2024 ECAC filing. The unprecedented increase in coal prices, instability in coal  
11 supply and overall market fluctuations continue to cause adverse impacts to  
12 PacifiCorp and other large consumers. This negative impact is due to multiple factors,  
13 including but not limited to: increased coal demand due to high domestic natural gas  
14 prices; low inventories at coal-fired power plants; increased demand abroad for coal  
15 exports; international and domestic supply chain constraints; labor and material  
16 shortages; weather events and general market inflation.

17 **Q. Are there additional factors that impacted coal market and coal availability for**  
18 **PacifiCorp since 2023?**

19 A. Yes. As mentioned in detail in my 2024 ECAC direct testimony, the Lila Canyon mine  
20 fire resulted in the loss of approximately 25 percent of Utah's coal production and  
21 disrupted approximately the same portion of PacifiCorp's coal supply needs in Utah.<sup>2</sup>

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<sup>2</sup> *In the Matter of the Application of PacifiCorp (UE901E) for Approval of its 2024 Energy Cost Adjustment Clause and Greenhouse Gas-Related Forecast and Reconciliation of Costs and Revenue, Application 23-09-008, Exhibit PAC/300-C, Owen/4-5 (September 15, 2023).*

1 Further, on November 18, 2023, PacifiCorp was informed that the Lila Canyon mine  
2 would be permanently closed due to damage caused by the fire. The permanent closure  
3 of Lila Canyon mine continues to negatively affect PacifiCorp and other large  
4 consumers of Utah coal in 2024 and beyond.

5 Additionally, coal suppliers in Utah and Wyoming continue to experience  
6 issues relating to unfavorable geologic and mining conditions, delays and pressure  
7 relating to securing federal mining leases, limited availability of trucking and railway  
8 transportation for coal, long lead-times for procurement of necessary mining  
9 equipment, and limitations in availability of financing, which has put them at an  
10 increased risk of becoming insolvent.

11 **IV. NEW COAL SUPPLY AGREEMENTS**

12 **Q. Has PacifiCorp entered into any new CSAs or CSA amendments since the**  
13 **record was submitted in the 2024 ECAC?**

14 A. Yes. The Company has entered into two new spot agreements, one amendment to a  
15 spot agreement, and five amendments to previously executed CSAs since the last  
16 ECAC filing. These agreements are reflected in Table 1 below.

17 **Table 1 – New CSAs or CSA Amendments since Last ECAC Filing**

Plant	Supplier/Mine	Contract Type	Executed	Term
Naughton	Kemmerer	Spot	12/20/23	Dec 2023
Jim Bridger	Peabody/NARM	CSA 1st Amendment	01/02/24	Dec 2023 - Jun 2024
Hunter	Gentry Mountain/Bear Canyon	Spot 1st Amendment	01/09/24	Jan 2024 - Dec 2024
Hunter	Gentry Mountain/Bear Canyon	CSA 2nd Amendment	01/09/24	Jan 2024 - Dec 2024
Naughton	Kemmerer	CSA 1st Amendment	01/18/24	Jan 2024 - Dec 2025
Jim Bridger	Peabody/NARM	Spot	02/02/24	Feb 2024 - Jun 2024
Hunter	Wolverine Fuels/Various	CSA 2nd Amendment	02/15/24	Jan 2024 - Dec 2030
Huntington	Wolverine Fuels/Various	CSA 2nd Amendment	02/15/24	Feb 2024 - Dec 2029

18 **Q. Are you providing any additional testimony for these agreements?**

19 A. Yes. Consistent with D.20-12-004, my testimony and corresponding exhibits provide

1 additional information demonstrating the prudence and reasonableness of these CSA  
2 amendments and spot agreements. My testimony is organized by plant and discusses  
3 the second amendment to the CSA that PacifiCorp executed for the Hunter and  
4 Huntington plants, an amendment to a spot agreement for the Hunter plant, an  
5 amendment to an existing CSA and a new spot agreement for the Jim Bridger plant  
6 and an amendment to the CSA and a spot agreement for the Naughton plant.

7 **Q. Do any of these CSAs or CSA amendments have a term of five years or longer?**

8 A. Yes, the Hunter plant CSA second amendment (Hunter/Wolverine CSA Second  
9 Amendment), with Wolverine Fuel Sales, LLC (Wolverine), extended the term of the  
10 original CSA by five years. The length of all other agreements is consistent with  
11 PacifiCorp's current practice of limiting long-term CSAs to as short a term as  
12 possible to maintain flexibility in its fuel supply options and generation planning  
13 strategies. PacifiCorp continually re-evaluates this practice with each new CSA or  
14 CSA amendment to determine whether a longer or shorter term would benefit  
15 customers.

16 **Q. Do any of these CSAs or CSA amendments have minimum-take provisions?**

17 A. Generally, yes. Each CSA or CSA amendment has a minimum-take or similar  
18 contracting provision. These provisions are necessary given the reality that coal  
19 mining is a capital- and time-intensive industry. Without a commitment by the  
20 customer to purchase a minimum amount of coal, the coal supplier does not have an  
21 assured market for the output of the mine; the contract is merely an option for the  
22 customer to purchase coal if desired while paying no cost for this option. No coal  
23 producer could afford to agree to such a contract as it would require a large

1 investment of capital in reserves, development, and equipment to be available to  
2 supply coal with no assurance that any coal would be purchased. Further, coal  
3 suppliers (and similarly coal transporters) require a commitment to purchase at a  
4 regular rate (commonly known as “ratable take”) to employ and maintain a workforce  
5 able to meet the customer’s requirements.

6 As a result, while some contracts may provide some flexibility for the  
7 customer to vary purchase requirements, every CSA or CSA amendment includes a  
8 minimum volume commitment or similar requirement to purchase coal.

9 **Q. Has the Company provided analysis that indicates that each agreement was**  
10 **supported by least-cost least-risk principles?**

11 A. Yes. Prior to entering into each CSA or amendment, the Company conducted a  
12 detailed internal economic analysis to determine whether each agreement was a  
13 reasonable and prudent business decision and in best interest of customers. Generally,  
14 these economic analyses include background on each plant, key contracting  
15 provisions, discussion of modeling inputs and assumptions, and analyses of various  
16 scenarios ran under current and forecasted conditions. These analyses are consistent  
17 with the Company’s integrated resource procurement planning processes and rely on  
18 sophisticated software to estimate the expected cost or benefit of each new CSA or  
19 existing CSA amendments compared to relevant alternatives. Each of these CSA  
20 amendments are discussed below.

21 **A. HUNTER COAL SUPPLY AGREEMENT**

22 **Q. Please provide some background on the Hunter plant.**

23 A. The Hunter plant is located approximately 2.5 miles south of Castle Dale, Utah, in



1 Emery County. The plant is supplied with coal from Wolverine Fuel Sales, LLC  
2 (“Wolverine”), Bronco Utah Operations, LLC (“Bronco”) and Gentry Mountain  
3 Mining, LLC (“Gentry”). The coal is delivered to the plant by trucks. The plant  
4 opened in 1978 and has three coal units. The combined rated capacity for the three  
5 units is 1,363 megawatts (MW). PacifiCorp owns 93.75 percent of Unit 1, 60.31  
6 percent of Unit 2, and 100 percent of Unit 3, for a combined 84.968 percent or 1,158  
7 MW. Deseret Generation & Transmission, Utah Associated Municipal Power  
8 Systems and Utah Municipal Power Agency are also co-owners. Historically,  
9 PacifiCorp has purchased 100 percent of Hunter’s coal requirements from local  
10 mines. The co-owners then purchase their coal requirements from PacifiCorp based  
11 on their actual generation and coal consumption. PacifiCorp’s 2023 Integrated  
12 Resource Plan (IRP) called for Hunter Unit 1 to cease burning coal on December 31,  
13 2031, and for Hunter Units 2 and 3 to cease burning coal on December 31, 2032.  
14 However, after the recent 2023 Integrated Resource Plan Update (IRP Update), issued  
15 on April 1, 2024, the Hunter coal unit retirement dates have been updated to revert  
16 back to 2042 as previously indicated by PacifiCorp’s 2021 IRP.<sup>3</sup>

17 **Q. Why did PacifiCorp execute the second Hunter/Gentry CSA amendment?**

18 A. Throughout 2022 and 2023, PacifiCorp did not receive the expected coal supply it  
19 contracted for under its existing CSAs for the Hunter plant. In order to maintain the  
20 generation requirement of the plant, the Company regularly communicates with Utah  
21 coal suppliers in search of additional coal to facilitate the generation requirements of  
22 the plant.

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<sup>3</sup> PacifiCorp’s 2023 Integrated Resource Plan (IRP) Update is publicly available and can be accessed by utilizing the following website link: <https://www.pacificorp.com/energy/integrated-resource-plan.html>.

1 **[Begin Confidential]** [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED] **[End Confidential]**

10 **Q. What are the terms for volume and pricing of the second Hunter/Gentry**  
11 **CSA amendment?**

12 **A. The terms for annual volume and pricing of the Hunter/Gentry CSA second**  
13 **amendment are as follows:**

14 **[Begin Confidential]**

<b>CSA 2nd Amendment-Term</b>	[REDACTED]	
<b>Pricing</b>	[REDACTED]	
<b>Year</b>	<b>Total Tons</b>	<b>Price/Ton</b>
	<b>(original CSA)</b>	
<b>2023</b>	[REDACTED]	[REDACTED]
<b>2024</b>	[REDACTED]	[REDACTED]
<b>2025</b>	[REDACTED]	[REDACTED]
<b>Total:</b>	[REDACTED]	[REDACTED]
<b>Minimum Take</b>	[REDACTED]	[REDACTED]

15  
16 **[End Confidential]**

17 **Q. Why did PacifiCorp execute an amendment to its Hunter/Gentry spot**  
18 **agreement?**

1 A. As mentioned above, [Begin Confidential] [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED] [End Confidential]

6 Q. What are the terms for volume and pricing of the amended Hunter/Gentry spot  
7 agreement?

8 A. The terms for volume and pricing of the amended Hunter/Gentry spot agreement are  
9 as follows:

10 [Begin Confidential]

<b>Spot Agreement Term</b>	The original term was April 19, 2023 through December 31, 2023.	
<b>Pricing</b>	[REDACTED]	
<b>Year</b>	<b>Contractual Tons</b>	<b>Spot Pricing/Ton</b>
2024	[REDACTED]	[REDACTED]
<b>After Amendment</b>	[REDACTED]	

11  
12 [End Confidential]

13 Q. Does the Company believe that entering into an amendment to the  
14 Hunter/Gentry spot agreement was a prudent decision?

15 A. Yes. Please refer to Highly Confidential Exhibit PAC/301-HC which contains the  
16 background and economic analysis conducted by PacifiCorp prior to the execution of  
17 the amendment to its Hunter/Gentry spot agreement.

18 Q. Please provide a brief summary of the second Hunter/Wolverine CSA  
19 Amendment.

20 A. The second Hunter/Wolverine CSA Amendment [Begin Confidential] [REDACTED]

1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED] [End Confidential]

10 The second Hunter/Wolverine CSA amendment is consistent with  
11 PacifiCorp's current practice of limiting long-term CSAs where practical, maintaining  
12 optionality where possible, based on business judgment, to maintain flexibility in fuel  
13 supply and generation planning. PacifiCorp continually re-evaluates this practice and  
14 its impact on customers.

15 **Q. What are the annual volume and pricing terms for the second Hunter/Wolverine**  
16 **CSA amendment?**

17 A. The annual volume and pricing terms for the second Hunter/Wolverine CSA  
18 amendment are as follows:

1

[Begin Confidential]

<b>Term</b>	[Redacted]			
<b>Pricing</b>	The CSA has fixed pricing			
	<b>Original CSA</b>	<b>Original CSA</b>	<b>After Amendment</b>	<b>After Amendment</b>
<b>Year</b>	<b>Contractual Tons</b>	<b>Price/Ton</b>	<b>Contractual Tons</b>	<b>Price/Ton</b>
<b>2024</b>	[Redacted]	[Redacted]	[Redacted]	[Redacted]
<b>2025</b>	[Redacted]	[Redacted]	[Redacted]	[Redacted]
<b>Total:</b>	[Redacted]	[Redacted]	[Redacted]	[Redacted]
<b>Minimum Take</b>	Take-or-pay agreement			

2

3

[End Confidential]

4

**Q. Was entering into the second Hunter/Wolverine CSA amendment a prudent decision?**

5

6

**A.** Yes. Wolverine is Utah’s largest coal supplier and the main coal supplier to the Hunter plant. Wolverine has been experiencing mining, geologic and other unforeseen events since 2022 which have disrupted the supply of coal delivered to PacifiCorp. These disruptions have resulted in four force majeure claims over the past two years – two at Hunter and two at Huntington. [Begin Confidential] [Redacted]

10

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1 [REDACTED]  
2 [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED]  
10 [REDACTED]

11 **[End Confidential]**

12 PacifiCorp completed an internal analysis which evaluated different options,  
13 and conducted a detailed internal economic and financial analysis to choose the least-  
14 cost and least-risk option that was in the best interest of customers. **[Begin**

15 **Confidential]** [REDACTED]  
16 [REDACTED]  
17 [REDACTED]  
18 [REDACTED]  
19 [REDACTED]  
20 [REDACTED]  
21 [REDACTED]. **[End Confidential]**

22 Please refer to Highly Confidential Exhibit PAC/302-HC which contains an  
23 overview, background and economic analysis of the second Hunter/Wolverine CSA

1 amendment and Highly Confidential Exhibit PAC/303-HC which contains the fueling  
2 analysis supporting the decision process and prudence of this CSA amendment.

3 **B. HUNTINGTON COAL SUPPLY AGREEMENT**

4 **Q. Please provide some background on the Huntington Plant.**

5 A. The Huntington power plant is located near Huntington, Utah. The plant opened in  
6 1974 and has two generating units. The combined rated capacity for the two units is  
7 909 MW. PacifiCorp owns 100 percent of the plant. PacifiCorp's 2023 IRP called for  
8 both Huntington units to cease burning coal on December 31, 2032. However, in the  
9 2023 IRP Update released in April 2024, the retirement dates have been updated to  
10 revert back to 2036, as previously indicated by PacifiCorp's 2021 IRP.

11 Historically, similar to the Hunter plant, PacifiCorp has purchased all of  
12 Huntington's coal requirements from local mines or from Company-owned mines. In  
13 2014, in conjunction with the closure of PacifiCorp's Deer Creek mine, the Company  
14 negotiated a 15 year CSA, for 2015 through 2029, with Wolverine's predecessor,  
15 Bowie Coal Sales, LLC. The original contract terms included fixed pricing that  
16 escalated a nominal amount each year at a predetermined rate. Throughout 2022 and  
17 2023, PacifiCorp had not received the full expected coal supply as provided under the  
18 existing Huntington CSA with Wolverine. This was due to force majeure issues and  
19 other mine production challenges including mine fires, geology, mine solvency  
20 issues, and general supply chain issues such as the lack of skilled miners and truck  
21 drivers. Over this period, Utah coal production declined by 46 percent, from 12.5  
22 million tons in 2021 to 6.7 million tons in 2023 as two mines closed or were idled,  
23 reducing the number of Utah mines from six to four.

1 **Q. Please provide some background on the second Huntington/Wolverine CSA**  
2 **amendment.**

3 A. The Huntington/Wolverine CSA second amendment was executed on February 15<sup>th</sup>,  
4 2024, with an effective date of February 1, 2024. **[Begin Confidential]** [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED] **[End Confidential]**

14 **Q. What are the terms for annual volume and pricing in the second**  
15 **Huntington/Wolverine CSA amendment?**

16 A. The terms for volume and pricing for the Huntington/Wolverine CSA second  
17 amendment are as follows:



1

[Begin Confidential]

<b>Term</b>	[Redacted]					
<b>Pricing</b>	The CSA has fixed pricing in 2024 and 2025 that escalates beginning in 2026					
	<b>Original CSA</b>	<b>Original CSA</b>	<b>Estimated Tons (Before Amendment)</b>	<b>After Amendment</b>	<b>Delivered Tons (After Amendment)</b>	<b>After Amendment</b>
<b>Year</b>	<b>Contractual Tons (Min - Max)</b>	<b>Price/Ton</b>	<b>Actual/Forecast</b>	<b>Contractual Tons (Min - Max)</b>	<b>Actual/Forecast</b>	<b>Price/Ton</b>
2024	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
2025	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
<b>Minimum Take</b>	Take-or-pay agreement					
[Redacted]						

2  
3

[End Confidential]

4 **Q. Was entering into the Huntington/Wolverine CSA second amendment a prudent**  
5 **decision?**

6 A. Yes. [Begin Confidential] [Redacted]

7 [Redacted]

8 [Redacted]

9 [Redacted]

10 [Redacted]

11 [Redacted]

12 [Redacted]

13 [Redacted]

14 [Redacted]

15 [Redacted]. [End Confidential]

16 Please refer to Highly Confidential Exhibit PAC/302-HC which contains an

17 overview, background and economic analysis of the Huntington/Wolverine CSA

18 second amendment and Highly Confidential Exhibit PAC/303-HC which contains the

19 fueling analysis supporting this CSA amendment.

20 **C. JIM BRIDGER COAL SUPPLY AGREEMENT**

1 **Q. Please provide some background on the Jim Bridger Plant.**

2 A. The Jim Bridger plant is a natural gas and coal-fired plant located near Rock Springs,  
3 Wyoming. The Jim Bridger plant is the largest power plant on the PacifiCorp system  
4 (2,120 MW total, 1,413 MW PacifiCorp share) and is jointly owned by PacifiCorp  
5 (66.67 percent) and Idaho Power Company (Idaho Power) (33.33 percent). The Jim  
6 Bridger plant consists of four almost identical units, each with a capacity of  
7 approximately 530 MW. Jim Bridger Units 1 and 2 are former coal-fired units that  
8 were converted to natural gas-fired operation in the first half of 2024 and Jim Bridger  
9 Units 3 and 4 are coal-fired units.

10 **Q. Why did PacifiCorp execute an amendment to the Jim Bridger/Peabody Energy**  
11 **CSA?**

12 A. PacifiCorp executed the Jim Bridger/Peabody Energy CSA on April 20, 2023, which  
13 allowed for the delivery of [Begin Confidential] [REDACTED]

14 [REDACTED]

15 [REDACTED]<sup>4</sup>[End Confidential] Due to [Begin Confidential] [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED]

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<sup>4</sup> *In the Matter of the Application of PacifiCorp (UE901E) for Approval of its 2024 Energy Cost Adjustment Clause and Greenhouse Gas-Related Forecast and Reconciliation of Costs and Revenue, Application 23-09-008, Exhibit PAC/300-C, Owen/20-21 (September 15, 2023).*

1 [REDACTED]

2 [REDACTED] [End

3 Confidential]

4 Q. What are the volume and pricing terms for the Jim Bridger/Peabody Energy  
5 CSA amendment?

6 A. The terms for volume and pricing for the Jim Bridger/Peabody Energy CSA  
7 amendment are as follows:

8 [Begin Confidential]

Jim Bridger/Peabody Energy CSA			
Term	April 20, 2023 through December 31, 2023		
Pricing	[REDACTED]		
Volume	The CSA requires PacifiCorp and Idaho Power to purchase between 400,000 to 600,000 tons. PacifiCorp's share is between 266,667 and 400,000 tons.		
Year	Minimum Tons	Maximum Tons	Price/Ton
2023	[REDACTED]	[REDACTED]	[REDACTED]
Minimum Take	[REDACTED]		
Jim Bridger/Peabody Energy CSA Amendment			
Term	January 1, 2024 through June 30, 2024		
Volume	[REDACTED]		
Year	Total Tons	Price/Ton	
2024	[REDACTED]	[REDACTED]	

9  
10 [End Confidential]

11  
12 Q. Was entering into the Jim Bridger/Peabody Energy CSA amendment a prudent  
13 decision?

14 A. Yes, please refer to Highly Confidential Exhibit PAC/304-HC which contains an  
15 overview and background of the CSA amendment and the economic analysis  
16 supporting this CSA amendment.

17 Q. Why did PacifiCorp execute a Jim Bridger/Peabody Energy spot agreement?

18 A. PacifiCorp executed the Jim Bridger/Peabody Energy spot agreement on February 2,

1 2024 [Begin Confidential] [REDACTED]  
2 [REDACTED]

3 [End Confidential] Under the agreement, PacifiCorp agreed to purchase [Begin  
4 Confidential] [REDACTED] [End Confidential] of coal from Peabody Energy from  
5 [Begin Confidential] [REDACTED]. [End Confidential]

6 **Q. What are the terms for volume and pricing in the Jim Bridger/Peabody Energy  
7 Spot Agreement?**

8 A. The terms for volume and pricing for the Jim Bridger/Peabody Energy spot  
9 agreement are as follows:

10 [Begin Confidential]

<b>Term</b>	February 2, 2024 through June 30, 2024	
<b>Pricing</b>	[REDACTED]	
<b>Volume</b>	PacifiCorp and Idaho Power will purchase 150,000 tons. PacifiCorp's share is 100,000 tons.	
<b>Year</b>	<b>Total Tons</b>	<b>Price/Ton</b>
<b>2024</b>	[REDACTED]	[REDACTED]
<b>Minimum Take</b>	[REDACTED]	

11 [End Confidential]  
12  
13  
14 **Q. Was entering into the Jim Bridger/Peabody Energy spot agreement a prudent  
15 decision?**

16 A. Yes. Please refer to Highly Confidential Exhibit PAC/305-HC which contains a  
17 background and economic analysis conducted by PacifiCorp in its execution of the  
18 Jim Bridger/Peabody Energy spot agreement.

19 **D. NAUGHTON COAL SUPPLY AGREEMENT**

20 **Q. Please provide some background on the Naughton Plant and its CSA.**

21 A. The Naughton plant is located in Kemmerer, Wyoming, and is wholly owned by

1 PacifiCorp. Naughton is supplied by the adjacent Kemmerer mine with Naughton  
2 Unit 1 and Naughton Unit 2, rated at 156 MW and 201 MW, operated on coal.  
3 Naughton Unit 3 operates on natural gas. PacifiCorp's 2023 IRP Update identifies  
4 that Naughton Unit 1 and Naughton Unit 2 will cease burning coal on December 31,  
5 2025, and convert to gas in 2026.

6 PacifiCorp executed a CSA with the Kemmerer Operations, LLC for the  
7 purchase of Naughton's coal supply (Naughton/Kemmerer CSA) from **[Begin**  
8 **Confidential]** [REDACTED] **[End Confidential]** The  
9 Naughton/Kemmerer CSA allowed PacifiCorp to purchase a **[Begin Confidential]**  
10 [REDACTED]  
11 [REDACTED] **[End Confidential]**

12 The Company entered into a Naughton/Kemmerer CSA amendment on  
13 **[Begin Confidential]** [REDACTED]  
14 [REDACTED]  
15 [REDACTED]  
16 [REDACTED] **[End Confidential]**

17 **Q. What are the terms for annual volume and pricing in the Naughton/Kemmerer**  
18 **CSA amendment?**

19 **A.** The terms for volume and pricing for the Naughton/Kemmerer CSA amendment are  
20 as follows:

1

[Begin Confidential]

Naughton/Kemmerer CSA			
<b>Term</b>	January 1, 2022 through December 31, 2025		
<b>Pricing</b>	[Redacted]		
<b>Year</b>	<b>Minimum Tons</b>	<b>Maximum Tons</b>	<b>Price/Ton</b>
2023	[Redacted]	[Redacted]	[Redacted]
2024	[Redacted]	[Redacted]	[Redacted]
2025	[Redacted]	[Redacted]	[Redacted]
<b>Minimum Take</b>	[Redacted]		
Naughton/Kemmerer CSA Amendment			
<b>Term</b>	January 18, 2024 through December 31, 2025		
<b>Volume</b>	[Redacted]		
<b>Year</b>	<b>Total Tons</b>	<b>Price/Ton</b>	
2024-2025	[Redacted]	[Redacted]	[Redacted]

2

3

[End Confidential]

4 **Q. Was entering into the Naughton/Kemmerer CSA amendment a prudent**  
5 **decision?**

6 A. Yes. PacifiCorp performed an analysis of the Naughton future coal requirements and  
7 given the current power market dynamics the execution of the CSA amendment was a  
8 prudent decision and in the best interest of customers. Please refer to Highly  
9 Confidential Exhibit PAC/306-HC which contains a background and economic  
10 analysis conducted by PacifiCorp in its execution of the Naughton/Kemmerer CSA  
11 amendment.

12 **Q. Why did PacifiCorp execute a Naughton/Kemmerer spot agreement?**

13 A. The Naughton/Kemmerer spot agreement was executed [Begin Confidential] [Redacted]  
14 [Redacted]  
15 [Redacted]  
16 [Redacted]  
17 [Redacted]

1 [REDACTED] [End Confidential]

2 **Q. What are the volume and pricing terms for the Naughton/Kemmerer spot**  
3 **agreement?**

4 A. The terms for volume and pricing for the Naughton/Kemmerer spot agreement are as  
5 follows:

6 [Begin Confidential]

<b>Term</b>	December 1, 2023 through December 31, 2023	
<b>Pricing</b>	[REDACTED]	
<b>Year</b>	<b>Total Tons</b>	<b>Price/Ton</b>
<b>2023</b>	[REDACTED]	[REDACTED]
<b>Minimum Take</b>	[REDACTED]	

7  
8 [End Confidential]

9 **Q. Was entering into the Naughton/Kemmerer spot agreement a prudent decision?**

10 A. Yes. Please refer to Highly Confidential Exhibit PAC/307-HC which contains  
11 background and economic analysis conducted by PacifiCorp in its execution of the  
12 Naughton/Kemmerer spot agreement.

13 **V. CONCLUSION**

14 **Q. Does this conclude your direct testimony?**

15 A. Yes.

Application No. 24-08-\_\_\_\_  
Exhibit No. PAC/301  
Witness: James C. Owen

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

PACIFICORP 2025 ECAC

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Hunter-Gentry CSA Amendment and Spot Amendment Analysis – Highly Confidential

**[PUBLIC VERSION]**

August 2024



**THIS DOCUMENT IS CONFIDENTIAL IN ITS ENTIRETY**

Application No. 24-08-\_\_\_\_  
Exhibit No. PAC/302  
Witness: James C. Owen

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

PACIFICORP 2025 ECAC

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Hunter-Wolverine CSA and Huntington-Wolverine CSA Amendments Analysis - Highly  
Confidential

**[PUBLIC VERSION]**

August 2024

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Application No. 24-08-\_\_\_\_  
Exhibit No. PAC/303  
Witness: James C. Owen

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

PACIFICORP 2025 ECAC

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Fueling Analysis for the Hunter and Huntington Plants – Highly Confidential

**[PUBLIC VERSION]**

August 2024

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Application No. 24-08-\_\_\_\_  
Exhibit No. PAC/304  
Witness: James C. Owen

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

PACIFICORP 2025 ECAC

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Jim Bridger-Peabody Energy CSA First Amendment Analysis - Highly Confidential

**[PUBLIC VERSION]**

August 2024

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Application No. 24-08-\_\_\_\_  
Exhibit No. PAC/305  
Witness: James C. Owen

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

PACIFICORP 2025 ECAC

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Jim Bridger-Peabody Energy Spot Agreement Analysis - Highly Confidential

**[PUBLIC VERSION]**

August 2024



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Application No. 24-08-\_\_\_\_  
Exhibit No. PAC/306  
Witness: James C. Owen

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

PACIFICORP 2025 ECAC

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Naughton-Kemmerer CSA First Amendment Analysis - Highly Confidential

**[PUBLIC VERSION]**

August 2024

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Application No. 24-08-\_\_\_\_  
Exhibit No. PAC/307  
Witness: James C. Owen

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

PACIFICORP 2025 ECAC

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Naughton-Kemmerer Spot Agreement Analysis – Highly Confidential

**[PUBLIC VERSION]**

August 2024

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