

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. IPC-E-17-16
OF IDAHO POWER TO ESTABLISH A)
METHOD OF RECOVERY FOR COSTS) NOTICE OF APPLICATION
ASSOCIATED WITH PARTICIPATION IN)
THE WESTERN ENERGY IMBALANCE) NOTICE OF
MARKET) INTERVENTION DEADLINE
)
) ORDER NO. 33938

On November 14, 2017, Idaho Power Company applied to the Commission for an Order authorizing the Company to establish an interim method of recovery of costs associated with participation in the western Energy Imbalance Market (EIM) through a temporary rate component in Tariff Schedule 55, the Power Cost Adjustment. Application at 1. The Company asked that its Application be processed by Modified Procedure and requested a case schedule that would allow for an order to be issued on or before March 31, 2018. *Id.* at 6. Staff recommended that the Commission set a deadline for requests to intervene. With this Order, the Commission provides notice of the Company’s Application, and sets a deadline for petitions to intervene.

BACKGROUND

In November 2014, the California Independent System Operator (CAISO) and PacifiCorp formed the western EIM. The western EIM is a five-minute market administered by CAISO. The market utilizes an automatic model to identify the least-cost energy resources to serve real-time customer demand. The western EIM “focuses solely on real-time imbalances and allows EIM entities to retain all balancing responsibilities and transmission provider duties.” *Id.* at 2. EIM participants bid resources into the market and the operator dispatches those resources based on the marginal price for energy imbalances factoring in load, available generation, and transmission congestion. *Id.* Idaho Power plans to begin participating in the western EIM in April 2018. *Id.* EIM participants by that time will include PacifiCorp, the California Independent System Operation (CAISO), NV Energy, Inc., Arizona Public Service Company, Portland General Electric Company, and Powerex Corp. *Id.*

In a previous case, Case No. IPC-E-16-19, the Company sought to defer costs related to joining the EIM in a regulatory asset until they could be amortized into rates after the Company's EIM participation begins. Order No. 33706 at 2. The Commission found that the Company's EIM participation "would provide an opportunity for benefits greater than costs" and thus the possibility of a net benefit to customers. *Id.* at 9. The Commission concluded "that the Company's joining the EIM is reasonable and in the public interest." *Id.* The Commission authorized Idaho Power to track the incremental operations and maintenance (O&M) expenses of joining the EIM in a deferral account with a ten-year amortization period. *Id.* at 11.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that, to participate in the EIM and achieve net power supply expense savings, Idaho Power anticipates it will incur incremental costs of \$13.71 million, a roughly \$2 million decrease from its estimate in Case No. IPC-E-16-19. *Id.* at 4.

YOU ARE FURTHER NOTIFIED that the Company "seeks authorization to establish an interim method of recovery for the incremental costs associated with joining the EIM." *Id.* at 3. Specifically, the Company proposes to include the revenue requirement associated with the incremental costs of EIM participation as a temporary rate component in Tariff Schedule 55, the Power Cost Adjustment, until these costs and benefits can be reflected in base rates. *Id.*

YOU ARE FURTHER NOTIFIED that Idaho Power states this will allow it to "more closely match the timing of benefits and costs of participation" in the EIM, and "allows for administrative efficiencies and utilizes the same tariff schedule that EIM-related benefits will ultimately be reflected in." *Id.*

YOU ARE FURTHER NOTIFIED that the Company proposes to update the revenue requirement associated with EIM-related costs as well as Schedule 55 rates annually, with new rates going into effect June 1 of each year. *Id.* at 4-5.

YOU ARE FURTHER NOTIFIED that the Application, testimony of Tami White, Senior Manager of Revenue Requirement with Idaho Power, and three attached exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and accompanying documents are also available on the Commission's Website at www.puc.idaho.gov under "File Room" and then "Electric Cases."

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that persons who wish to intervene in this matter to obtain the rights of a party (e.g. to file formal discovery, present evidence, or cross-examine witnesses at a hearing) must file a Petition to Intervene with the Commission under Commission Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and .073. **Persons who wish to intervene as a party must file a petition to Intervene no later than 14 days from the service date of this Order.** Such persons shall also provide the Commission Secretary with their electronic mail address to facilitate further communications in this case.

YOU ARE FURTHER NOTIFIED that after the intervention deadline runs, the Commission Secretary shall issue a Notice of Parties. The Notice of Parties shall assign exhibit numbers to each party in this proceeding. After the Notice of Parties is issued, Commission Staff shall meet with the Company and with any intervening parties who wish to participate in the meeting to discuss how the parties wish to process the case.

YOU ARE FURTHER NOTIFIED that persons who would like to present their views without parties' rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or to other parties. The comment must contain a statement of reasons supporting the comment. Written comments concerning this Application shall be mailed to the Commission and the Company at the following addresses:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

Julia A. Hilton
Tami White
Idaho Power Company
1221 W. Idaho St.
PO Box 70
Boise, ID 83707
E-mail: jhilton@idahopower.com
twhite@idahopower.com
dockets@idahopower.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Case Comment or Question Form" under the "Consumers" tab, and complete the form using the case number as it appears on

the front of this document. These comments must also be sent to the Company at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code, and specifically *Idaho Code* §§ 61-501, 61-524, and 61-525. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000, *et seq.*

ORDER

IT IS HEREBY ORDERED that persons desiring to intervene in this matter shall file a Petition to Intervene no later than 14 days from the service date of this Order. Once the deadline for intervention has passed, the Commission Secretary shall prepare and issue a Notice of Parties.

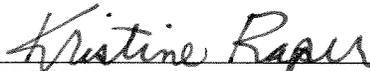
IT IS FURTHER ORDERED that, after the Notice of Parties has issued, Commission Staff shall confer with the parties regarding a procedural schedule for this matter, and report the proposed schedule to the Commission.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this
day of November 2017.

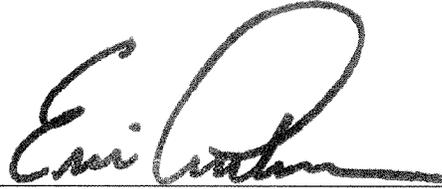
29th



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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