

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER) **CASE NO. IPC-E-17-11**
COMPANY'S 2017 INTEGRATED)
RESOURCE PLAN) **NOTICE OF FILING**
)
) **NOTICE OF**
) **INTERVENTION DEADLINE**
)
) **ORDER NO. 33827**

On June 30, 2017, Idaho Power Company filed its 2017 Integrated Resource Plan (IRP). With this Order, the Commission summarizes the IRP process, notifies interested persons that the Company has filed its IRP, and sets deadlines by which interested persons may intervene.

SUMMARY OF IRP PROCESS

An IRP is a status report on a utility's ongoing, changing plans to adequately and reliably serve its customers at the lowest system cost and least risk over the next 20 years. The report informs the Commission and the public about the utility's plans, and is similar to an accounting balance sheet; i.e., it is a "freeze frame" look at the utility's fluid, resource planning process. *See* Order No. 22299. The Commission requires the utility to update the IRP every two years, allow the public to participate and comment during the IRP process, and implement the IRP. *See id.* and Order No. 25260.

The IRP should explain the utility's present load/resource position, the utility's expected responses to possible future events, and the role of conservation in those responses. The IRP should also discuss "any flexibilities and analyses considered during comprehensive resource planning, such as: (1) examination of load forecast uncertainties; (2) effects of known or potential changes to existing resources; (3) consideration of demand- and supply-side resource options; and (4) contingencies for upgrading, optioning and acquiring resources at optimum times (considering cost, availability, lead time, reliability, risk, etc.) as future events unfold." *See* Order No. 22299. The IRP should separately address:

- "Existing resource stack," by identifying all existing power supply resources;

- “Load forecast,” by discussing expected 20-year load growth scenarios for retail markets and for the federal wholesale market including “requirements” customers, firm sales, and economy (spot) sales. This section should be a short synopsis of the utility’s present load condition, expectations, and level of confidence; and
- “Additional resource menu,” by describing the utility’s plan for meeting all potential jurisdictional load over the 20-year planning period, with references to expected costs, reliability, and risks inherent in the range of credible future scenarios.

Id. By including this information, the IRP can demonstrate to the Commission and the public that the utility has considered, and prepared for, a multitude of scenarios. The Commission expects the utility to vigorously test the assumptions used in its plan to better ensure that the results of its IRP accurately reflect changing markets and customer demand.

NOTICE OF IRP FILING

A. Background

YOU ARE HEREBY NOTIFIED that the Company explains that its 2017 IRP addresses available supply-side and demand-side resource options, planning period load forecasts, potential resource portfolios, a risk analysis, and an action plan that details how the Company intends to implement the 2017 IRP. The IRP filing consists of four documents: (1) the 2017 IRP; (2) Appendix A – Sales and Load Forecast; (3) Appendix B – Demand-Side Management 2014 Annual Report; and (4) Appendix C – Technical Appendix.

YOU ARE FURTHER NOTIFIED that the Company notes that it incorporated stakeholder and public input into its 2017 IRP by working with an Integrated Resource Plan Advisory Council (IRPAC) consisting of various stakeholders. The Company states that it held eight IRPAC meetings while developing the 2017 IRP, including a workshop designed to explore the potential for distributed generation to defer grid investment.

B. IRP Goals and Assumptions

YOU ARE FURTHER NOTIFIED that the Company explains that the 2017 IRP’s primary goals are to: (1) identify sufficient resources to reliably serve growing demand for energy over the 20-year planning period (2017-2036); (2) ensure the selected resource portfolio balances cost, risk, and environmental concerns; (3) give balanced treatment to supply-side

resource and demand-side measures; and (4) involve the public in the planning process in a meaningful way.

YOU ARE FURTHER NOTIFIED that the 2017 IRP makes numerous assumptions about what will occur during the 20-year planning period. It assumes that the Company will continue to be responsible for acquiring resources sufficient to serve its retail customers in Idaho and Oregon and to operate as a vertically-integrated utility. Further, the Company expects to add about 222,000 customers, and that its load will increase by 0.9% per year for average energy demand and 1.4% per year for peak-hour demand. The Company continues to use 70th percentile water conditions and 70th percentile average load for energy planning. For peak-hour capacity planning, the Company uses 90th percentile water conditions and 95th percentile peak-hour load. The Company plans to meet this increased demand by combining demand-side measures with additional Company-owned resources.

C. IRP Methodology

YOU ARE FURTHER NOTIFIED that the Company states that the Company forecasted demand in its 2017 IRP by combining existing generation resources, demand-side resources, and transmission import capacity with forecasted customer demand to create a load and resource balance for energy and capacity over the 20-year planning period. The Company then analyzed energy efficiency programs and DSM programs to revise energy and capacity deficits.

YOU ARE FURTHER NOTIFIED that the Company evaluated the financial costs and benefits of each resource type during the development of its 2017 IRP, using a variety of factors. This analysis included the continued inclusion of an additional Pacific Northwest transmission connection as part of the Company's preferred resource portfolio.

D. Preferred Resource Portfolio

YOU ARE FURTHER NOTIFIED that the Company states a fundamental goal of the IRP is to identify a preferred resource portfolio that will enable the Company to reliably serve its customers over the 20-year planning horizon. The Company explains that the IRP's preferred resource portfolio assumes (1) the acquisition of the Boardman to Hemingway (B2H) transmission line, and (2) the early retirement of the Jim Bridger Plant Unit 2 in 2028 and Unit 1 in 2032. The portfolio contains no other resources actions through the end of the 2020s, but adds

36 megawatts (MW) reciprocating engine resources in 2031 and in 2032, a 300 MW combined-cycle combustion turbine in 2033, and 54 MW reciprocating engine resources in 2035 and 2036.

D. Action Plan

YOU ARE FURTHER NOTIFIED that the Company states its action plan for the next two to four years includes items related to the preferred resource portfolio. The Company states that the following are significant portions of its action plan: (1) continued planning to enter the western Energy Imbalance Market (EIM) in April 2018; (2) exit from coal-fired operations of North Valmy Unit 1 by year-end 2019 and Unit 2 by 2025, and Jim Bridger Unit 2 by 2028 and Unit 1 by 2032; (3) ongoing permitting and construction of the B2H; (4) continued permitting and planning associated with the Gateway West project; and (5) continued monitoring and assessment of the impacts of litigation surrounding the Clean Air Act (CAA) Section 111(d) on the preferred portfolio.

YOU ARE FURTHER NOTIFIED that the Company also plans to investigate solar photovoltaic (PV) contribution to peak and loss-load probability analysis, pursue cost-effective energy efficiency, and coordinate with Portland General Electric Company to cease coal-fired operations at the Boardman plant by year-end 2020.

E. Response to Order No. 33441

YOU ARE FURTHER NOTIFIED that the Commission's final Order in the Company's 2015 IRP case directed the Company "to continue to use the IRPAC meetings and other outreach opportunities to further explore issues raised in this [2015 IRP] case." *See* Order No. 33441. The Commission further encouraged the Company to explore issues related to the North Valmy Unit closure and the incorporation of more energy efficiency into its IRP.

YOU ARE FURTHER NOTIFIED that, with respect to the North Valmy Unit closure, the Company states that many of the risks that led it to choose a higher cost portfolio in its 2015 IRP have largely diminished. As a result, the Company's updated quantitative analysis reflected significant cost savings related to a 2019 North Valmy Unit 1 2019 shutdown. This analysis led to a settlement, which was approved by the Commission in Order No. 33771, with the Company's North Valmy Operation co-owner NV Energy to permanently cease burning coal in Unit 1 on or before December 31, 2019, and Unit 2 on or before December 31, 2025.

YOU ARE FURTHER NOTIFIED that the Commission's Order No. 33441 also directed the Company to more effectively incorporate energy efficiency into its IRP model. The

Company explains that it addressed this part of the Order by discussing various energy efficiency modeling approaches with regional counterparts. With its DSM consultant, the Company led its 2017 IRPAC in a discussion of energy efficiency approaches, including the approach and convention used in the National Action Plan for Energy Efficiency (NAPEE) Guide for Conducting Energy Efficiency Potential Studies. The Company states that energy efficiency found under the NAPEE Guide is considered a committed resource in all the 2017 IRP's resource portfolios and is included as a portfolio element prior to supply-side resources. The Company maintains that its IRP target does not represent a ceiling on energy efficiency because cost-effectiveness measures are dynamic and not fixed (e.g., natural gas price), and implementation efforts made by the Company and the Energy Efficiency Advisory Group may cause energy efficiency in excess of the IRP target.

YOU ARE FURTHER NOTIFIED that the Application and supporting documents and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. These documents are also available on the Commission's web site at www.puc.idaho.gov. Click on the "File Room" tab at the top of the page, scroll down to "Electric Cases" and then click on the case number as shown on the front of this document.

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. 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.*

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this matter must file a Petition to Intervene with the Commission pursuant to this Commission's Rules of Procedure 72 and 73, IDAPA 3 1.01.01.072 and -.073. Persons intending to participate in this matter must file a Petition to Intervene no later than twenty-one (21) days from the service date of this Order. Persons desiring 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 the parties.

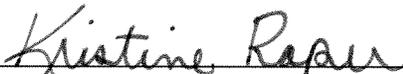
ORDER

IT IS HEREBY ORDERED that persons desiring to intervene in this matter shall file a Petition to Intervene with the Commission no later than twenty-one (21) days from the service date of this Order.

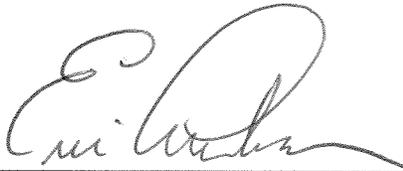
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this *13th* day of July 2017.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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