



Case No. IPC-E-16-24, Notice of Public Workshop
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www.puc.idaho.gov

PUC staff to conduct March 21 public workshop regarding Idaho Power Valmy depreciation request

Those who can't attend can phone in to listen, ask questions

BOISE (February 24, 2017) – Staff from the Idaho Public Utilities Commission will conduct a public workshop for Idaho Power Company customers on Tuesday, March 21 at 7 p.m., regarding the utility's application to accelerate depreciation for its share of the Valmy, Nevada, coal plant.

Idaho Power and Nevada Energy, co-owners of the plant near Battle Mountain, are considering a closure of the two-unit, 284-megawatt plant by 2025, six years earlier than the planned retirement of Unit 1 and ten years earlier than the planned retirement of Unit 2. Consequently, Idaho Power is asking the commission to compress the remaining depreciation on the plants into the shorter 2025 time period, which, if approved, would increase base rates by \$28.5 million, or about 2.5 percent effective June 1. Idaho Power maintains that an earlier retirement of the plant will save customers about \$103 million in today's dollars than if it were to continue to operate Valmy until it is fully depreciated in 2035.

In a separate case, Idaho Power is also seeking a 0.6 percent increase to update the depreciation on its remaining plant assets, excluding Valmy and the Boardman, Ore., coal plant. The combined increase of both requests, if granted, would increase the monthly bill of a residential user who uses the system average of 1,000 kilowatt-hours per month by about \$3.08. However, the adjustment, if granted, would be combined with the annual June 1 Power Cost Adjustment (PCA). Depending on the size of the PCA, the overall impact of all adjustments could be an increase or a decrease. Idaho Power will file its annual PCA application on or about April 15.

Idaho Power claims that a significant decrease in market prices for electricity has made it uneconomical for Idaho Power to operate Valmy except to meet peak energy needs during extremely cold or hot weather. In 2011, the average price Idaho Power and its customers received for off-system sales was \$24.56 per megawatt. By the end of 2016, the average price

had dropped to \$5.77 per MW. Consequently, the cost to dispatch Valmy generation is usually higher than the market price, Idaho Power claims.

Idaho Power further claims that since its last general rate case in 2011, Valmy plant balances have increased about \$70 million due to a number of investments required for environmental compliance, as well as investments for routine maintenance and repair.

The workshop will be held in the commission hearing room at 472 W. Washington St. in Boise. Those not able to attend the 7 p.m. workshop can call in on a toll-free line and listen in to the workshop or ask questions of commission staff. The printed information that will be made available to those attending the workshop will also be posted on the commission's website, so that those who call in can follow the staff presentation.

Those wanting to call in are asked to dial **1-800-920-7487** between 6:45 p.m. and the 7 p.m. start of the workshop. When prompted, enter the passcode **76373262#**. To view the workshop slides, which will be posted by no later than noon on March 20, go to www.puc.idaho.gov and under "Hot" items, click on "Valmy Depreciation Workshop slides."

At the workshop, commission staff will summarize Idaho Power's application and explain how the commission generally evaluates and decides a case. **Commission staff will not take a position on the merits of the case because information gleaned from the workshop may contribute to the comments that staff will file by April 20 along with other parties to the case.** Other parties include the Department of Energy, the Idaho Conservation League, the Idaho Irrigation Pumpers Association, Micron Technology and the Sierra Club. Idaho Power will submit reply comments by May 18.

To read Idaho Power's application and supporting documentation, go the www.puc.idaho.gov. Under the "Electric" heading, select "Open Cases" and scroll down to Case No. IPC-E-16-24. To submit written comments, go to the website and click on "Case Comment Form," under the "Electric" heading and enter the above case number. Comments can also be mailed to the Idaho Public Utilities Commission, P.O. Box 83720, Boise, ID, 83720-0074.

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