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IDAHO PUBLIC  
UTILITIES COMMISSION

**DONOVAN E. WALKER**  
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May 23, 2022

**VIA ELECTRONIC MAIL**

Jan Noriyuki, Secretary  
Idaho Public Utilities Commission  
11331 West Chinden Blvd., Building 8  
Suite 201-A  
Boise, Idaho 83714

Re: Case No. GNR-E-22-01  
Commission Staff's Application to Update Inputs to the "Surrogate Avoided  
Resource" Method Avoided Cost Rates

Dear Ms. Noriyuki:

Attached for electronic filing are Comments of Idaho Power Company in the above entitled matter. If you have any questions about the attached documents, please do not hesitate to contact me.

Very truly yours,

Donovan E. Walker

DEW:cld  
Enclosures

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Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF COMMISSION )  
STAFF'S APPLICATION TO UPDATE ) CASE NO. GNR-E-22-01  
INPUTS TO THE "SURROGATE AVOIDED )  
RESOURCE" METHOD AVOIDED COST ) COMMENTS OF IDAHO POWER  
RATES ) COMPANY  
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Idaho Power Company ("Idaho Power" or "Company"), in accordance with RP 201, *et seq.*, and the applicable provisions of the Public Utility Regulatory Policies Act of 1978 ("PURPA"), as well as the Idaho Public Utilities Commission's ("IPUC" or "Commission") Notice of Modified Procedure in this matter, Order No. 35398, hereby respectfully submits the following Comments to Staff's Application.

On April 16, 2020, the Commission issued Order No. 34628 wherein it approved Staff's recommendation to formalize the annual update to inputs to the surrogate avoided resource ("SAR") avoided cost methodology going forward and clarified that, "...this update is still intended to be a simple arithmetic calculation to an established

methodology”.<sup>1</sup>

In accordance with Commission Order No. 34628, on April 21, 2022, Commission Staff applied to the Commission for an order updating the natural gas price forecast in the SAR avoided cost methodology with a proposed effective date of June 1, 2022.<sup>2</sup> The Commission utilizes the SAR methodology as the source of published avoided cost prices available to PURPA qualifying facilities (“QF”) under the Commission’s jurisdiction and subject to the State of Idaho’s implementation of PURPA.

The Company has reviewed the information in the Commission Staff’s Application and the SAR model provided by Staff in the case file, which includes updated inputs to the SAR model based on the U.S. Energy Information Administration’s (“EIA”) Annual Energy Outlook 2022, released on March 3, 2022, in accordance with Commission Order Nos. 32697<sup>3</sup> and 32802<sup>4</sup>. Idaho Power believes the natural gas forecast utilized by Staff has been correctly updated in the model and agrees that the calculations for the Company are consistent with the SAR methodology approved by the Commission. Idaho Power notes, however, that its capacity deficiency date remains under the Commission’s review in proceeding number IPC-E-21-09<sup>5</sup>, and once a decision is issued in that case, the Company’s SAR avoided cost rates will need to be adjusted accordingly.

Idaho Power recommends the Commission update the SAR model as proposed in

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<sup>1</sup> *In the Matter of the Annual Update to “Surrogate Avoided Resource” Avoided Cost Rates*, Case No. GNR-E-20-01, Order No. 34628 at 1 (Apr. 16, 2020).

<sup>2</sup> *In the Matter of Commission Staff’s Application to Update Inputs to the “Surrogate Avoided Resource” Method Avoided Cost Rates*, Case No. GNR-E-22-01, Application (Apr. 21, 2022).

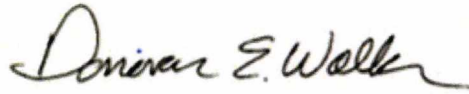
<sup>3</sup> *In the Matter of the Commissions Review of PURPA QF Contract Provisions Including the Surrogate Avoided Resource (SAR) and Integrated Resource Planning (IRP) Methodologies for Calculating Avoided Cost Rates*, Case No. GNR-E-11-03, Order No. 32697 at 52 (Dec. 18, 2012).

<sup>4</sup> *Id.*, Order No. 32802 at 3 (May 6, 2013).

<sup>5</sup> *In the Matter of Idaho Power Company’s Application for Approval of the Capacity Deficiency to be Utilized for Avoided Cost Calculations*, Case No. IPC-E-21-09, Idaho Power Company’s Motion and Amended Application (Feb. 4, 2022).

Staff's Application and approve the updated published avoided cost rates as shown in the attachments to Staff's Application.

Respectfully submitted this 23<sup>rd</sup> day of May, 2022.

A handwritten signature in black ink that reads "Donovan E. Walker". The signature is written in a cursive style with a large initial 'D' and a long, sweeping underline.

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DONOVAN E. WALKER  
Attorney for Idaho Power Company

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 23<sup>rd</sup> day of May, 2022, I served a true and correct copy of the within and foregoing COMMENTS OF IDAHO POWER COMPANY upon the following named parties by the method indicated below, and addressed to the following:

Commission Secretary  
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Christy Davenport, Legal Assistant