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IDAHO PUBLIC
UTILITIES COMMISSION

LISA D. NORDSTROM
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July 1, 2020

VIA ELECTRONIC FILING

Diane Hanian, Secretary
Idaho Public Utilities Commission
11331 W. Chinden Boulevard
Building 8, Suite 201-A
Boise, Idaho 83714

Re: Case No. IPC-E-19-18
Validation of North Valmy Power Plant Unit 2 Closure in 2025
Idaho Power Company's Motion to Suspend Procedural Schedule

Dear Ms. Hanian:

Attached for electronic filing in the above matter is Idaho Power Company's Motion to Suspend Procedural Schedule.

If you have any questions about the enclosed documents, please do not hesitate to contact me.

Very truly yours,

Lisa D. Nordstrom

LDN:sdh
Attachment

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Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER'S)
APPLICATION FOR A VALIDATED) CASE NO. IPC-E-19-18
ECONOMIC CLOSURE DATE FOR)
NORTH VALMY POWER PLANT UNIT 2) IDAHO POWER COMPANY'S
) MOTION TO SUSPEND
) PROCEDURAL SCHEDULE
)
_____)

Pursuant to Procedural Rule 056, Idaho Power Company (Idaho Power or Company) submits this Motion to Suspend the Procedural Schedule to the Idaho Public Utilities Commission (Commission) in the above-captioned case. Idaho Power seeks this suspension to allow time for Idaho Power to conduct a comprehensive review of the Company's Integrated Resource Plan (IRP) modeling. As described in more detail below, Idaho Power has experienced several complications in its efforts to implement a new modeling approach used to develop the IRP and subsequent analyses performed in this proceeding. While Idaho Power has previously supplemented the initial filing, and has provided further corrections and revisions, the Company has continued to identify additional issues that require additional diligence to ensure accuracy of certain aspects of the IRP analysis and resulting analyses performed with respect to the economic closure

of Valmy. For this reason, Idaho Power has initiated a systematic audit of the Company's IRP modeling in consultation with Idaho Power's internal audit division, to ensure the reliability of the IRP's results. Idaho Power commits to concluding this audit and proposing a revised procedural schedule in this proceeding by no later than July 31, 2020. Idaho Power has consulted with the Commission Staff and they do not oppose the Company's requested suspension.

I. MOTION

1. On June 27, 2019, Idaho Power filed an Application requesting a Commission order acknowledging that the Company has sufficiently validated the economic retirement date of the North Valmy power plant Unit 2 as December 31, 2025, as directed by the Commission in Order No. 34349.¹

2. On July 19, 2019, the Company filed a letter in its 2019 IRP docket² stating that it needed additional time to perform modeling and analysis which would likely impact the economic analysis conducted in this case.

3. On August 13, 2019, the Commission issued a Notice of Application stating that no further action would be taken on Idaho Power's Application until the Company submitted its amended 2019 IRP.

4. Idaho Power submitted its amended 2019 IRP on January 31, 2020.

5. The Commission issued a Notice of Modified Procedure establishing comment deadlines in Order No. 34672, on May 19, 2020. To facilitate the review of the

¹ *In the Matter of the Application of Idaho Power Company for Authority to Increase Its Rates for Electric Service to Recover Costs Associated with the North Valmy Power Plant*, Case No. IPC-E-19-08, Order No. 34349 at 4-5 (May 31, 2019).

² *In the Matter of Idaho Power Company's 2019 Integrated Resource Plan*, Case No. IPC-E-19-19.

Company's request, Idaho Power filed supplemental direct testimony on May 22, 2020, that updated the analyses performed since the Application was submitted.

6. Idaho Power filed its original IRP on June 28, 2019. At the recommendation of Idaho Power's Integrated Resource Planning Advisory Council, Idaho Power's IRP used a Capacity Expansion Modeling (CEM) approach to build and optimize alternative portfolios. Specifically, the Company employed the Long-Term Capacity Expansion (LTCE) tool in AURORA, which allows for portfolios to dynamically adjust based on the impacts of new capacity additions and other factors.

7. Subsequent to this initial filing, the Company identified an issue related to the CEM approach, which required the Company to perform additional modeling to confirm the accuracy of the IRP's conclusions. The LTCE model had optimized portfolios for the entire Western Electricity Coordinating Council (WECC) region, rather than for Idaho Power's system in particular. For this reason, on July 19, 2019, Idaho Power notified the Commission of the need to perform supplemental analysis to ensure that the IRP yielded a least-cost, least-risk solution specific to Idaho Power's service area, and asked that the Commission refrain from adopting a procedural schedule until an amended IRP could be filed.

8. Idaho Power filed its Amended IRP on January 31, 2020. This Amended IRP identified eight modifications to the original IRP,³ and implemented a new manual modeling step to ensure that the LTCE results yielded the best possible economic and reliability outcomes for Idaho Power's system and customers. Importantly, these changes resulted in only two modifications to the preferred portfolio's near-term 2019-2026 Action

³ See Cover Letter to Amended 2019 IRP, Case No. IPC-E-19-19, at 1-2 (Jan. 31, 2020) (setting out the eight specific changes).

Plan: (1) the removal of the Franklin Solar facility, and (2) the addition of 5 megawatts (MW) of demand response in 2031, rather than in 2026.

9. Subsequently, on May 29, 2020, the Company provided a correction to the IRP related to the costs associated with the Jim Bridger Power Plant (Bridger). The need for this correction was identified while preparing a response to a discovery request in a separate docket before the Idaho Public Utilities Commission. While reviewing the Company's modeling outputs, it became clear that certain Bridger-related costs had inadvertently been excluded from portfolios in which a Bridger unit was exited prior to the existing shutdown date of 2034. This correction required the replacement of seven pages in the Company's Amended IRP but did not impact the Company's recommendation of the Preferred Portfolio—which remained the least-cost, least-risk solution to serve customers.

10. In recent weeks, the Company has identified necessary changes in the Amended IRP. These newly discovered issues have prompted Idaho Power to initiate a comprehensive review of its Amended IRP. The review is being performed by a multidisciplinary team of Company subject matter experts (IRP Review Team) including participants from the Company's internal audit division.

11. This new internal review and audit process is carefully analyzing all aspects of the Company's modeling. This process involves the following general steps:

- **First**, the IRP Review Team is examining how specific inputs—such as forecast data, operational constraints, and financial assumptions—are developed for inclusion in the AURORA model.
- **Second**, the IRP Review Team is investigating how inputs are adjusted or converted for incorporation into the AURORA model and that the inputs were correctly entered. For instance, some inputs must be converted from one type of measurement to another in order to accommodate the AURORA

program, and the review team is checking to ensure that all such conversions were performed correctly.

- **Third**, the IRP Review Team is analyzing how the AURORA model handles the various inputs within the model itself (*i.e.*, the modeling logic), to make sure that the model is using the proper data inputs in the proper processes and that the modeling settings and options are suitably selected.
- **Fourth**, the review team is examining the consistency and accuracy of the AURORA model's outputs, to ensure that the model produces logical and consistent results.

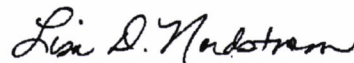
The Company anticipates that this review and audit process will take approximately 2-3 weeks.

12. Once Idaho Power's internal review and audit is complete—and no later than July 31, 2020—the Company will provide a status update to the Commission and will propose a corresponding new procedural schedule. Until the results of this analysis are complete, however, the Company is unable to accurately forecast the time necessary to provide any revised modeling and analysis that may be required. As a result, Idaho Power respectfully requests that the procedural schedule be suspended until the Company has provided a further update by no later than July 31, 2020.

II. CONCLUSION

Idaho Power has commenced a comprehensive review and audit of its Amended 2019 IRP modeling, and asks that the Commission suspend the procedural schedule in this docket until the Company provides a further update by no later than July 31, 2020.

DATED at Boise, Idaho, this 1st day of July 2020.



LISA D. NORDSTROM
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 1st day of July 2020 I served a true and correct copy of IDAHO POWER COMPANY'S MOTION TO SUSPEND SCHEDULE upon the following named parties by the method indicated below, and addressed to the following:

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