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IDAHO PUBLIC
UTILITIES COMMISSION

Attorney for the Idaho Conservation League

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO)	CASE NO. IPC-E-19-19
POWER COMPANY'S 2019)	
INTEGRATED RESOURCE PLAN.)	IDAHO CONSERVATION LEAGUE'S
)	COMMENTS

The Idaho Conservation League (ICL) submits these comments regarding Idaho Power's 2019 Integrated Resource Plan (IRP). ICL has reviewed the Company's IRP and has been an active participant on Idaho Power's IRP Advisory Council since at least the 2013 cycle. Overall, the 2019 IRP evidences a substantial improvement in Idaho Power's portfolio development and assessment process. While ICL agrees with the overall direction of the IRP away from coal and towards clean energy, in the comments below we provide some recommendations to improve the process for the 2021 IRP cycle. In sum, we recommend the Commission:

- Acknowledge Idaho Power has filed an Integrated Resource Plan that largely follows prior Commission orders.
- Direct Idaho Power to use publicly available forecasts for critical inputs such as the natural gas price forecast, or require the Company to disclose all data, methods, and assumptions used for any proprietary forecast.
- Direct Idaho Power to continue to improve the assessment of climate impacts to loads and generation resources.
- Direct Idaho Power to include distribution level planning into future IRP process to reflect the growing penetration of demand-side resources and evaluate least-cost, least risk- alternatives to the ever-growing distribution system.
- Direct Idaho Power to issue a Request for Proposals in order to collect the most up-to-date and location specific information on available energy

resources. The experience in this 2019 IRP with Jackpot Solar shows that resources that could immediately reduce power costs are likely available today.

IRP Process

For the 2019 IRP, Idaho Power adopted one of ICL's longest standing recommendations – to use capacity expansion software to discover the optimal portfolio of resources. While it took a few revisions and substantial deep dive into the modeling software, inputs, and results, ICL believes the Company robustly considered a range of alternatives under plausible planning scenarios. We note that each revision concluded that exiting coal plants is the economic choice for Idaho Power customers, especially when the Company focused on the value to Idaho Power's system instead of the western interconnection more broadly. Because of the lessons learned in 2019 process, ICL recommends the Commission acknowledge Idaho Power's efforts to verify the modeling process, and direct the Company to continue to use this process to develop portfolios optimized for Idaho Power's system and customer needs.

Gas Price Forecast

In the 2019 IRP, Idaho Power used a natural gas price forecast from a third-party vendor, Platt's. While Idaho Power had this vendor present to the IRPAC on their overall method and results, the Company did not allow the IRPAC to fully review the underlying basis for the price forecast. It was clear from the presentations that the vendor applied critical assumptions about future gas supplies, infrastructure projects, and international demand that drove the results. But due to secrecy concerns, the IRPAC was never made privy to these critical assumptions and thus cannot vouch for the accuracy of the gas price forecast. Despite repeatedly asking for Idaho Power to use publicly available forecasts or explain why propriety forecast are more accurate and reliable, Idaho Power declined. Rather than merely list other utilities that use proprietary forecasts as Idaho Power does on page 91-92 of the IRP, we recommend the Company actually analyze which gas price source has a history of accurately predicting future prices.

The Commission should pay careful attention to which gas forecast the Company uses in resource planning because it is a fundamental driver in the IRP process, and the Power Cost Adjustment places 95% of the risk of gas price uncertainty on customers. In other words, selecting an accurate forecast is important, and Idaho Power does not have a strong incentive to be accurate, so the Commission must be vigilant. To assure transparency, ICL recommends the Commission direct Idaho Power to use publicly available forecast in the *U.S. Energy Information Agency Annual Energy Outlook Reference Case*.

Climate Impacts on Loads and Generation

Another area of small improvement is Idaho Power's assessment of the impacts of climate change on energy demands and generation sources. For the 2019 IRP, Idaho Power acknowledged "the need to assess the impacts of a changing climate may have on our resource portfolio". IRP at 89. After reviewing two studies of impacts in the region, Idaho Power made some general observations about the timing and volume of snow runoff. But the Company did not quantify these impacts to changes in the load forecast or incorporate the generation variability into the modeling process. While this effort is a substantial improvement from prior IRPS that merely acknowledged climate change could be occurring, modern science enables Idaho Power to do better in the future. Hydroelectric generation is the backbone of Idaho Power's system with the Hells Canyon Complex alone providing 32% of the Company's total generation capacity. *IRP at 22*. This fact means accurately forecasting the quantity and timing of future river flows is an essential input to the IRP process.

ICL recognizes that climate change is a complicated subject. Because it has the potential to impact both loads and Idaho Power's core generation assets, we encourage the Commission to direct Idaho Power to do more. We recommend the Commission direct Idaho Power to work with the scientific community and IRPAC to devise methods to include changing customer demands and generation profiles into the IRP assessment process.

Resource Options

The cost and characteristics of the alternative generation resources is among the most important aspects of the IRP process. Without accurately characterizing options, the

Company and stakeholders are unable to determine what portfolio is in fact least cost and least risk for customers. For 2019, Idaho Power primarily used the 2018 Annual Technology Baseline report from the National Renewable Energy Laboratory. *IRP at 46*. While ICL generally supports this publicly available and robust report, we are concerned that the information is stale. It is common knowledge the energy industry is rapidly changing with clean energy costs continuing to decline while performance improves. Data from a 2018 report, presumably gathered in 2017, likely does not reflect prices or performance today. Further, this nationwide report does not drill down to specific costs in Idaho. Meanwhile, other utilities in our region have gathered specific information from developers through Request for Proposals tied to IRP processes. Issuing a request for information about projects specific to Idaho and Idaho Power's needs is the best available method to determine accurate pricing and performance characteristics.

Distributed energy resources have gotten a lot of attention by Idaho Power, stakeholders, and this Commission over the past few years. Idaho Power even claimed near emergency status due to the alleged over-growth of solar in 2019. Curiously though, the IRP does not obviously contain any forecast of continued growth of distributed energy, neither in the load forecast or in the options of generation resources. Idaho Power did a cursory look at distributed solar projects' ability to defer some distribution related needs. *IRP at 47, 50-51*. That analysis found capacity values ranging from \$8.45/kw to \$74.08/kw. Despite this wide range, which shows that specific location matters greatly, IPC used an average value for other solar opportunities. Instead of making crude assumptions, ICL recommends the Commission direct Idaho Power to incorporate a distribution level analysis of needs, constraints, hosting capacity, and options. This Commission and Idaho Power customers will be best served by integrating into the planning process the distributed energy resource concerns and alternatives Idaho Power continues to raise.

The cost and performance attributes of energy storage technology were another source of discussion for the IRP Advisory Council. One of the topics discussed was that storage technologies could provide a host of grid services beyond the traditional IRP concerns of energy and capacity. These grid service attributes are becoming increasingly important because, as Idaho Power explains, "as more intermittent renewable resources like wind and solar continue to be built within the region, the value of energy storage projects

increases". *IRP at 56*. But despite Idaho Power's need for storage and the request of Advisory Council, the Company did not quantify the potential grid services that various storage technologies can provide, as evidenced by only showing the levelized cost of energy and capacity for storage. *IRP at 97, 99*. ICL recommends the Commission direct Idaho Power to work with the IRPAC to adopt methods to quantify the services storage can provide, especially increasingly valuable services like grid balancing, maintaining reliability, and price arbitrage.

A clear positive to come from the 2019 IRP process is the Jackpot solar power purchase agreement. ICL observed through the IRP process that Idaho Power determined customers would benefit from the Jackpot solar project and acted quickly to secure these benefits. In Order 34515, this Commission found that adding Jackpot solar in 2022 would reduce costs by tens of millions of dollars compared to running the system without Jackpot. Idahoans do not "need" existing power plants; rather, Idahoans "need" reliable and affordable energy. ICL recommends the Commission direct Idaho Power to use the IRP process to find more opportunities like Jackpot to reduce operating costs for customers.

Conclusion

Integrated Resource Planning can be a powerful tool to ensure utilities and stakeholders prepare for a constantly changing future. The Idaho Commission reviews the utilities' "ongoing planning process, not the conclusions or the results reached through that process." *Order No. 33441*. ICL recommends the Commission acknowledge the 2019 IRP and provide some direction to continually improve the 2021 IRP process:

- Continue the pivot from coal to clean energy as the least cost path for Idahoans.
- Require utilities to use publicly available methods and inputs, or provide full transparency and access to proprietary inputs.
- Improve utilities' abilities to assess climate related impacts to loads and generation sources.
- Request Idaho Power issue a request for information to collect current cost and performance information on generation options for Idaho.
- Address the need to assess distributed energy resource needs and

opportunities.

- Use the IRP process to evaluate opportunities to reduce operating costs by displacing legacy resources.

Respectfully submitted this 20th day of January 2021,

/s/ Benjamin Otto
Benjamin J Otto
Idaho Conservation League

CERTIFICATE OF SERVICE

I hereby certify that on this 20th day of January 2021, I delivered true and correct copies of the foregoing COMMENTS to the following persons via the method of service noted:

/s/ Benjamin Otto
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Electronic Mail only (See Order 34602):

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