

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER’S) CASE NO. IPC-E-20-02
PETITION TO DETERMINE THE PROJECT)
ELIGIBILITY CAP FOR PUBLISHED)
AVOIDED COST RATES AND THE) ORDER NO. 34993
APPROPRIATE CONTRACT LENGTH FOR)
ENERGY STORAGE QUALIFYING)
FACILITIES)

On January 21, 2020, Idaho Power Company petitioned the Commission to determine avoided cost rates, contract terms, and conditions applicable to energy storage qualifying facilities ("QF" or "QFs") under the Public Utility Regulatory Policies Act of 1978 ("PURPA").

On October 2, 2020, the Commission established a 100 kW project eligibility cap for energy storage QFs. Order No. 34794. The Commission determined that, consistent with its prior implementation of PURPA, energy storage QFs below the project eligibility cap are eligible for 20-year contracts and avoided cost rates calculated using the surrogate avoided resource method ("SAR Method") whereas QFs above the project eligibility cap are eligible for 2-year contracts and avoided cost rates calculated by the incremental cost integrated resource plan method ("IRP Method"). The Commission ordered Idaho Power to file an updated method to calculate the avoided cost of capacity within 30 days. *Id.*

On October 30, 2020, Idaho Power submitted a compliance filing pursuant to Order No. 34794. On November 24, 2020, the Commission issued a Notice of Compliance Filing. Order No. 34844. On February 5, 2021, the Commission approved, with modification, Idaho Power's compliance filing. Order No. 34913.

On March 11, 2021, Commission Staff sent Idaho Power a letter requesting Idaho Power verify that Staff had correctly calculated the SAR Method rates for energy storage QFs pursuant to the Commission-ordered method in Order No. 34974. Idaho Power responded by letter to Commission Staff on March 26, 2021, stating that the model had been updated correctly and the calculations were correct.

Now, the Commission approves the published avoided cost rates for energy storage QFs, as calculated by Staff and verified by Idaho Power.

BACKGROUND

In approving Idaho Power's compliance filing, with modification, the Commission stated, "Staff will calculate and publish the SAR Method rates for energy storage QFs as they do for all other resource types." Order No. 34913 at 7. Each year, the Commission updates the SAR Method to account for new natural gas forecasts. *See* Order No. 32697. This update occurs on June 1, or within 30 days of the final release of the U.S. Energy Information Administration's Annual Energy Outlook, whichever is later. Order No. 32802. Staff believed that waiting until June 1 would be too long of a delay to post the SAR Method energy storage avoided cost rates. So, similar to how Staff has historically updated the SAR Method, Staff sent Idaho Power a letter requesting Idaho Power verify that the method approved by the Commission to calculate published avoided cost rates for energy storage QFs was applied and calculated correctly.

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-501, -502 and -503. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provision of law, and to fix the same by order. *Idaho Code* §§ 61-502 and 61-503. In addition, the Commission has authority under PURPA and FERC regulations to set avoided costs, to order electric utilities to enter fixed-term obligations to buy energy from QFs, and to implement FERC rules. The Commission may enter any final order consistent with its authority under Title 61 and PURPA.

The Commission has consistently stated that annual updates to published avoided cost rates are "a relatively simple arithmetic re-calculation." *E.g.*, Order No. 33538. The same rationale applies here, even though this is the first iteration of published avoided cost rates for energy storage QFs. The Commission approved the method to calculate published avoided cost rates for energy storage QFs in Order No. 34794 and verified the method to calculate the avoided cost of capacity in Order No. 34913. Any person interested in Order Nos. 34794 or 34913 had twenty-one (21) days from the service dates of those Orders to seek reconsideration. No parties did so and the determinations in those Orders became final. Here, Staff applied the previously determined method, made the calculations, and asked Idaho Power to verify the calculations were correct. Idaho Power concurred that the model was updated and the calculations were correct.


Therefore, we approve the published avoided cost rates for energy storage QFs included in Commission Staff's March 11, 2021 letter to Idaho Power.

ORDER

IT IS HEREBY ORDERED that the published avoided cost rates for energy storage QFs, as calculated by Commission Staff and verified by Idaho Power, are approved.

THIS IS A FINAL ORDER. Any person interested in the matters determined in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code § 61-626.*

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 15th day of April 2021.



PAUL KJELLANDER, PRESIDENT

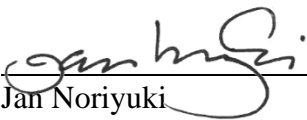


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary