

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER) CASE NO. IPC-E-21-09
COMPANY’S APPLICATION FOR)
APPROVAL OF THE CAPACITY) NOTICE OF AMENDED
DEFICIENCY TO BE UTILIZED FOR) APPLICATION
AVOIDED COST CALCULATIONS)
) AMENDED NOTICE OF
) MODIFIED PROCEDURE
)
) ORDER NO. 35346

On April 9, 2021, Idaho Power Company (“Company”) applied for Commission approval of its capacity deficiency period determination for avoided cost calculations under the Public Utility Regulatory Policies Act of 1978 (“PURPA”) and Order Nos. 32697, 33084, 33159, and 34659. Based on its second amended 2019 Integrated Resource Plan (“IRP”) the Company asked for Commission approval of the capacity deficiency period with a first deficit occurring in August 2028.

On April 28, 2021, the Commission issued its Notice of Application and Notice of Modified Procedure setting comment deadlines. Order No. 35023.

On June 10, 2021, the Industrial Customers of Idaho Power (“ICIP”) intervened. On June 14, 2021, Idaho Hydroelectric Power Producers Trust dba IdaHydro (“IdaHydro”) intervened. The Commission granted intervention to the ICIP and IdaHydro. *See* Order No. 35084.

On June 25, 2021, the Commission issued Notice of Modified Procedural Schedule setting new comment deadlines. *See* Order No. 35091.

This matter appeared on the Commission’s Decision meeting agenda on October 12, 2021, as a fully submitted matter.

On December 10, 2021, IdaHydro filed a motion for an order setting a capacity deficiency date in summer 2023. On December 27, 2021, the Company responded to IdaHydro’s motion requesting the Commission deny IdaHydro’s motion.

On February 4, 2022, the Company filed a motion and amended application (“Amended Application”). On February 15, 2022, IdaHydro filed supplemental information to support its position that no additional process was necessary.

This matter appeared on the agenda for the Commission’s March 9, 2022, decision meeting under Matters in Progress. At the decision meeting, a motion was made and seconded to move the matter to fully submitted since the matter was technically closed when the various motions and Amended Application were filed.

The Commission now issues this Notice of Application and establishes deadlines for interested persons to comment on the Amended Application and for the Company to reply.

BACKGROUND

Under PURPA, the Commission has established a surrogate avoided resource (“SAR”) method and an IRP method to calculate avoided cost rates for qualifying facilities (“QFs”). Under both methods, a QF receives capacity payments only after the applicable capacity deficit date is reached. Order Nos. 33377, 33159, and 33898. The first deficit date under the IRP method will float (change) to reflect the changes in the QF queue, while the first deficit date under the SAR method will not float to reflect the changes in the QF queue. Order No. 33933.

The capacity deficiency period is determined through the IRP planning process and is submitted to the Commission in a proceeding separate from the IRP docket. The capacity deficit date determined in the IRP process is presumed to be correct as a starting point but will be subject to the outcome of the capacity deficiency case. Order No. 32697.

COMMENTS

Consistent with the comment deadlines established in Order No. 35091 the parties filed timely comments on the Application.

IdaHydro requested the Commission set the capacity deficit date in mid-summer 2023 which it offered was congruent with the Company’s notice of intent to seek requests for proposals to fill a projected capacity need as early as summer 2023.

Staff believed the Company should update the first capacity deficit date from the second amended 2019 IRP which was the basis of the Company’s Application. Staff recommended the Company:

- Utilize the most recent load forecast developed by the Company;
- Reduce the amount of Market Purchases from southern pathways by 310 MW and only include 50 MW starting in 2021;
- Allow non-PURPA PPAs to expire on their actual expiration dates;

- Reflect contract changes since the preparation of the Load and Resource, which include PURPA contract updates identified in Response to Staffs Production Request No. 7 and approval of the Jackpot Solar contract; and
- Correct the capacity value of Valmy Unit 2 and Bridger.

Staff Comments at 10.

Staff also recommended that the Commission open a generic docket to determine the timing of the deficiency date filing in relation to the timing of the IRP.

The Company replied to Staff and IdaHydro, acknowledging, “an apparent difference between the first capacity deficit date that appears in the acknowledged 2019 Amended IRP (2028) and that which is referenced in the Company’s Notice of Intent to seek requests for proposals and the Request for Proposals itself seeking generation to meet an identified capacity deficit in 2023.” Idaho Power Reply Comments at 2.

IDAHYDRO’S MOTION

IdaHydro’s motion asks the Commission to set the Company’s capacity deficiency date in summer 2023. IdaHydro cited the Company’s concurrence that summer 2023 was the correct capacity deficiency date. IdaHydro’s motion was based on the Company’s subsequent Case No. IPC-E-21-41 filed on December 3, 2021, which seeks Commission approval to begin resource procurements to meet a summer 2023 capacity deficit identified in the second amended 2019 IRP. On February 15, 2022, IdaHydro filed a supplement to its motion—a copy of the Company response to IdaHydro’s production request where the Company responded, “Idaho Power’s 2021 [IRP] filed on December 30, 2021, indicates a first capacity deficit in July 2023.” Second Declaration of C. Tom Arkoosh Exhibit A. Based on this statement, IdaHydro believed this matter requires “no additional elaboration as to the appropriateness of setting the power company’s first deficit date in the Summer of 2023.” IdaHydro Supplemental Information at 1.

NOTICE OF AMENDED APPLICATION

YOU ARE HEREBY NOTIFIED that the Company proposes that the Commission allow it to amend its Application to seek a first capacity deficit of July 2023, based upon the 2021 IRP and consistent with the request for proposals issued to meet deficits starting in 2023. The Company states “the 2019 IRP was amended twice, and the Commission’s consideration and eventual acknowledgement of the Second Amended 2019 IRP was considerably delayed.”

Amended Application at 5. Additionally, the Company notes the second amended 2019 IRP was the first avoided cost first deficit update since “the Commission changed filing requirements from the time at which the IRP is filed to the time after which the IRP is acknowledged,” which it states resulted in a delay of the Commission considering and setting its first capacity deficit. *Id.*

YOU ARE FURTHER NOTIFIED that the Company’s Amended Application includes the Load and Resource Balance Data from the 2021 IRP which shows capacity deficits of 101 MW in July of 2023, 186 MW in July of 2024, and 311 MW in July of 2025.

YOU ARE FURTHER NOTIFIED that the Company requests a first capacity deficit date of July 2023 for SAR and IRP avoided cost calculation. The Company also requests that the Commission direct that future capacity deficiency filings for avoided cost rates be made when the IRP is filed, rather than at the time the IRP is acknowledged.

YOU ARE FURTHER NOTIFIED that the Amended Application and Attachment 1 are available for public inspection during regular business hours at the Commission’s office. These documents are also available on the Commission’s web site at www.puc.idaho.gov. Click on the “ELECTRIC” icon, select “Open Cases,” and click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission’s jurisdiction under Title 61 of the Idaho Code.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission’s Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

AMENDED NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission’s Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that persons desiring to state a position on the Amended Application may file a written comment explaining why the person supports or opposes the Amended Application. Persons who would like a hearing must specifically request a hearing in their written comments. **Persons shall have until March 31, 2022 to file written comments.**

Comments must be filed through the Commission’s website or by e-mail unless computer access is unavailable. To comment by electronically, please access the Commission’s website at www.puc.idaho.gov. Click the “Case Comment Form” and complete the form using the case number as it appears on the front of this document. To file by e-mail, the customer must e-mail the comments to the Commission Secretary and the Company at the e-mail addresses listed below. If computer access is unavailable, then comments may be mailed to the Commission and Company at these addresses:

**For the Idaho Public Utilities
Commission:**

Commission Secretary
Idaho Public Utilities Commission
P.O. Box 83720
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secretary@puc.idaho.gov

Street Address for Express Mail:

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For Idaho Power Company:

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energycontracts@idahopower.com

YOU ARE FURTHER NOTIFIED that the Company must file any reply comments **by April 7, 2022.**

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

ORDER

IT IS HEREBY ORDERED that IdaHydro’s Motion to Dismiss is denied. This case is reopened and will be processed to allow the public an opportunity to review and comment on the Company’s Amended Application.

IT IS FURTHER ORDERED that the Company's Amended Application be processed by Modified Procedure, Rules 201-204 (IDAPA 31.01.01.201-.204). Persons interested in submitting written comments on the Amended Application must do so by March 31, 2022. The Company must file any reply comments by April 7, 2022.

IT IS FURTHER ORDERED that Parties should continue to comply with Order No. 35058, issued June 3, 2021. All pleadings should be filed with the Commission electronically and shall be deemed timely filed when received by the Commission Secretary. See Rule 14.02. Service between Parties should also be accomplished electronically. Voluminous discovery-related documents may be filed and served on CD-ROM or a USB flash drive.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 15th day of March 2022.



ERIC ANDERSON, PRESIDENT

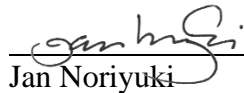


JOHN CHATBURN, COMMISSIONER

//ABSTAIN TO AVOID CONFLICT//

JOHN R HAMMOND JR, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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