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IDAHO PUBLIC
UTILITIES COMMISSION

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**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF IDAHO POWER
COMPANY'S APPLICATION FOR A
DETERMINATION ACKNOWLEDGING ITS
NORTH VALMY POWER PLANT EXIT DATE

Case No. IPC-E-21-12

**CITY OF BOISE CITY'S
FORMAL COMMENTS**

COMES NOW, the city of Boise City, herein referred to as "Boise City," and pursuant to Rule 202 of the Rules of Procedure of the Idaho Public Utility Commission (IDAPA 31.01.01.202), and pursuant to that Notice of Modified Procedure, Order No. 35109, filed on July 14, 2021, hereby submits its formal written comments and states as follows:

1. Boise City has an interest in ensuring that the retirement date of the coal-fired North Valmy Power Plant Unit 2 ("Valmy") positively impacts the environmental, health, and economic concerns of Boise City and its citizens. Early retirement of Valmy aligns with Boise City's goals of increasing utility-scale clean energy resources as a part of its community-wide goal of 100% clean, affordable, and reliable electricity by 2035. Additionally, Boise City is a large customer of Idaho Power with an expressed clean energy preference. Boise City believes that rapidly, yet

deliberately, retiring the coal-fired assets from Idaho Power's portfolio, and replacing their output with suitable clean energy alternatives, is critical to reducing system costs, promoting resilience, and mitigating risk.

2. With some reservations, Boise City recommends the Commission acknowledge that, as of August 2021, an exit date of December 31, 2025 for Valmy is appropriate. Boise City's reservations stem from the not-current model inputs the Company relied on to analyze the economic impact of a December 31, 2025, retirement date compared to alternative resource options. Boise City believes the most accurate comparison of options would use results from the Company's recently completed all source request for proposal ("AS-RFP") and inputs used in the 2021 integrated resource plan ("IRP") as cost inputs for the alternative resource options modeled. Instead, the Company relied on unvalidated "most up to date cost information possible" to model alternative resource options to fill the capacity need created by a Valmy exit. Ellsworth, Di at 32.

3. Boise City supports the Commission acknowledging the planned December 31, 2025, Valmy exit date because Boise City asserts the Company complied with the Settlement Stipulation reached in IPC-E-16-24, which required the Company to use prudent and commercially reasonable efforts to end its participation in Valmy Unit 2 by December 31, 2025. Additionally, Boise City regards the information presented in this application as complying with the Commission's direction in Order No. 34349 despite the Company not meeting the timeline in the order, due to delays throughout the 2019 IRP process.

4. Boise City recognizes the December 31, 2022, exit date identified in the Second Amended 2019 IRP is no longer the least-cost, least-risk option for the Company's system. This is due to factors identified in the Company's application that may impact system reliability such

as changing market conditions, additional demands on the regional electrical transmission system, and extreme weather events, the impacts of which are still unfolding.

5. Boise City believes it is at least possible, if not probable, that a retirement date before December 31, 2025, would be economical and not compromise the reliability of the Company's system. Boise City also contends that the analysis to determine whether an earlier retirement date is economical could and should use price inputs determined by the results of the Company's 2021 AS-RFP, completed August 11, 2021, and inputs to the Company's 2021 IRP. The Company could conduct this additional modeling, receive the results, and if an earlier exit is economical, notify NVEnergy of its intent to exit the Framework Agreement on a timeline that would allow an exit prior to December 31, 2025. Then, the Company could issue an AS-RFP to fill the specific capacity need created by the Company's exit from Valmy. Doing so would be a best practice and could result in significant ratepayer savings. Boise City supports the Company's commitment to continuing to evaluate an earlier exit date as it develops a least-cost and least-risk portfolio for its 2021 IRP. Ellsworth, Di at 39.

6. The Company's attempt to supplement the modeled resource cost data in this case with a limited RFP did not provide useful information to evaluate replacement resource costs because of the limited subset of proposals. Additionally, the issued RFP received zero responses, providing no actual cost information to assess operational savings from an earlier exit compared to firm market purchases or new resource costs. The lack of response to the RFP supports the Company's need to reevaluate the outdated firm market transmission assumptions used in the 2019 Second Amended IRP; however, the structure of the issued RFP did not provide the Company the opportunity to assess the most up-to-date resource costs from the market and to fully identify all least-cost feasible resources.

7. If the Commission acknowledges the December 31, 2025, exit date of Valmy Unit 2, or an earlier date, the Company will have a capacity deficit of 134 MWs of firm generation. Application at 5. Boise City recommends the Commission direct the Company to issue an AS-RFP to address this deficiency well in advance of the determined exit date. This would allow the Company, stakeholders, and the Commission ample time to evaluate actual costs submitted by interested bidders and to compare new generation resources, firm market purchases, and aggregated demand side resources, thereby allowing an informed decision regarding the least-cost, least-risk option. The Company's resource decisions must be based on the best, most current, and validated cost data available and not rely on data used in the IRP to forecast least cost, least risk portfolios.

DATED this 17th day of August 2021.



Mary Grant
Deputy City Attorney

CERTIFICATE OF SERVICE

I hereby certify that I have on this 17th day of August 2021, served the foregoing documents on all parties of counsel as follows:

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