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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-21-12
POWER COMPANY'S)	
APPLICATION FOR A)	IDAHO CONSERVATION LEAGUE
DETERMINATION)	COMMENTS
ACKNOWLEDGING ITS NORTH)	
VALMY POWER PLANT EXIT)	
DATE)	

The Idaho Conservation League recommends the Commission accept Idaho Power's commitment to exit the North Valmy plant by 2025. Through both the Integrated Resource Plan process as well as three dockets specifically examining the Valmy exit plan, Idaho Power has established that exiting by 2025 appropriately balances the extra costs of fossil fuels against the need to reliably serve load while transitioning to lower cost resources.

ICL has advocated for accelerating Idaho Power's exit from the Valmy plant since the 2015 Integrated Resource Plan showed that rapidly exiting Valmy would save customers money. When acknowledging the 2015 Plan, the Commission encouraged Idaho Power to "more clearly explain" the choice to pursue a 2025 exit rather than earlier dates that could save additional costs. *Order No 33441 at 12*. Building on this analysis, in May 2017 ICL, Idaho Power, PUC Staff, and others entered into a Settlement whereby the Company would negotiate with the plant co-owner, NV Energy, to exit the Valmy Units in 2019 and 2025 respectively. The Commission approved that Settlement, noting the accounting mechanism used for accelerating cost recovery resulted in a mere 1.17% rate increase while avoiding future risks. *Order No. 33771*. In May 2019, the Commission found the Framework Agreement with NV Energy enabling Idaho Power to exit Unit 1 in 2019 and Unit 2 no later than 2025 was "in the public interest" and "prudent and commercially reasonable". *Order No. 34349*. To explore the potential for even more cost savings, the Commission directed Idaho Power to continue to explore earlier exit dates. *Id.*

The 2019 Integrated Resource Plan revealed the potential for additional customer savings from exiting Valmy as soon as 2022. ICL participated in that process which used an improved planning method - capacity expansion software - to examine resource options. While that process was technically challenging, the Commission acknowledged Idaho Power's substantial efforts to refine and validate the analysis and results. *Order No. 34959*. The 2019 Plan showed that exiting Valmy Unit 2 by 2022 instead of 2025 could save customers between \$1.7 million and \$2.9 million, depending whether the preferred portfolio included more gas plants or the Boardman to Hemingway transmission line.¹ The 2019 IRP is the third consecutive resource plan to show that exiting the Valmy plant as soon as practical is a least cost strategy and that Idaho Power has a variety of options to maintain reliability while transitioning to clean energy.

While the overall record supports exiting Valmy earlier, ICL accepts Idaho Power's proposal to exit Valmy Unit 2 no later than 2025. We will continue to work with the Company as they explore options to maintain system reliability while pursuing lower cost clean energy resources. *See Ellsworth Direct at 39*. The clear trend in the industry is continually declining prices for solar paired with storage – a likely option to replace Valmy, which IPC only forecasts needing during the summer. Another emerging option is to refine and expand Demand Response and other customer-facing programs because these more granular resource options may be a better fit for Idaho Power's resource needs that change throughout the year. We look forward to the responses to Idaho Power's outstanding All-Source Request for Proposals that will provide the most relevant information about the cost and timeline for flexible, cost-effective replacement options.

Based on the 2015, 2017, and 2019 Integrated Resource Plans; three dockets focused on the Valmy plant; and Idaho Power's commitment to ongoing optimization, the Commission can be confident that approving Idaho Power's final exit from Valmy by 2025 remains in the public interest, prudent, and commercially reasonable.

ICL respectfully submits these Comments on the 17th day of August, 2021.

/s/ Benjamin J Otto
Idaho Conservation League

¹ See 2019 IRP page 117-119, compare portfolios PGPC(1) and PGPC B2H (1) in Table 9.5 (Manual Portfolios with Valmy exit in 2025) to Table 9.7 (Manual Portfolios with Valmy exit 2022)

CERTIFICATE OF SERVICE

I hereby certify that on this 17th day of August 2021, I delivered true and correct copies of the foregoing COMMENTS to the following persons via the method of service noted:

/s/ Benjamin J Otto
Idaho Conservation League

Electronic mail only (See Order 35058):

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