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IDAHO PUBLIC  
UTILITIES COMMISSION

Attorneys for the Industrial Customers of Idaho Power

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE INDUSTRIAL	)	<b>CASE NO. IPC-E-21-19</b>
CUSTOMERS OF IDAHO POWER'S PETITION	)	
FOR AN ORDER TO SHOW CAUSE	)	THE INDUSTRIAL CUSTOMERS OF IDAHO
	)	POWER – REPLY TO IDAHO POWER'S
	)	ANSWER
	)	
	)	
	)	

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**COMES NOW**, the Industrial Customers of Idaho Power (“ICIP”) and hereby lodges its Reply to Idaho Power Company’s (“Idaho Power” or “Company) Answer concerning the Company’s apparent failure to comply with the Idaho Public Utility Commission’s (“Commission”) competitive procurement requirements.<sup>1</sup> Idaho Power’s Answer has not mitigated the legitimate concerns raised by the ICIP, to wit: the Company appears to be, in fact, seeking to acquire new resources in violation of this Commission’s competitive procurement

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<sup>1</sup> Idaho Power correctly noted that the ICIP’s Petition initiating this matter incorrectly stated that it was filed under Idaho Rule of Civil Procedure 33: the ICIP’s petition was actually filed pursuant to Rule 33 of the Idaho Public Utility Commission’s Rules of Procedure. The ICIP apologizes for any confusion caused by this typographical error.

requirements which require competitive bidding for new resources that exceed an 80 MW threshold.<sup>2</sup>

In its Answer at page 3, Idaho Power Company (“Idaho Power”) clarified that:

The NOI [Notice of Intent All-Source Request for Proposals] states, “The need for additional capacity resources has been identified as early as Summer 2023 at approximately 80 MW, with peak deficits that grow to approximately 400 MW by Summer 2025.” NOI, p. 1. The 2021 RFP seeks proposals to acquire up to 80 MW of capacity to be online by Summer 2023.

[Emphasis provided.]

In Section 3 of the Utility’s Request for Proposals (“RFP”), attached as Attachment 1 to its answer, Idaho Power identifies the following five “Key Product Specifications:”

1. Energy Storage Project
2. Solar PV plus Storage Project
3. Wind plus Storage Project
4. Energy Storage Component of a Solar PV plus Storage Project
5. Energy Storage Component of a Wind plus Storage Project

Energy and/or capacity that are not from a specific source (e.g. a system sale) are not eligible to bid into Idaho Power’s RFP.<sup>3</sup> In addition, projects not already in Idaho Power’s transmission queue will likely not have sufficient time to be considered in the RFP.<sup>4</sup> Thus, Idaho Power has effectively limited the universe of potential projects to just storage and various combinations of wind and solar with storage. As of this writing, there appears to be no stand-alone storage

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<sup>2</sup> See Section 860-089-0100(c) of the Oregon competitive procurement rules, attached as Exhibit No. 1 to the ICIP’s Petition for an Order to Show Cause. And see, Idaho PUC Order No. 32745 which adopts the Oregon competitive procurement requirements.

<sup>3</sup> See Section 3.2 of the RFP.

<sup>4</sup> See Section 4.1 of the RFP.

projects in Idaho Power's interconnection queue and the only pumped storage project in the queue is identified as "pump storage, wind, solar."<sup>5</sup> It is physically impossible to have an electrical storage generating system that is capable of delivering 80 MW of capacity/energy without having an additional source of energy with which to charge the storage system. Thus, if Idaho Power's RFP is to be taken at face value, successful bidders with an energy storage project will have to couple their 80 MW energy storage system with additional energy resources in order to charge the storage system (e.g. a battery, or a kinetic energy storage system such as pumped hydro). If the energy resources providing input to the storage system utilize electrical energy, then the 80 MW storage system is, in fact larger than just 80 MW. If this is the case, then Idaho Power is seeking new resources<sup>6</sup> in excess of 80 MW and the Oregon competitive bidding requirements apply. If, on the other hand, the 80 MW storage system is charged with something other than electrical energy<sup>7</sup> then Idaho Power will have complied with the 80 MW threshold requirement of the Oregon competitive procurement rules.

The Oregon Commission's order adopting its competitive bidding rules specifically address the concept of aggregating generating resources:

We also note that the adopted rules are applicable to aggregate acquisitions that are equal to or greater than 80 MW, not just single resources of 80 MW or greater. This language is intended to capture acquisitions that have a large system impact, but are accomplished on a smaller individual or distributed scale...

We also eliminate the previous references to a separate storage threshold.

Oregon PUC Docket No. AR 600, Order No. 18-324 at p. 5, Aug. 30, 2018, emphasis provided.

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<sup>5</sup> Idaho Power Generator Queue No. 530.

<sup>6</sup> Only unique specific resources may be acquired under the RFP which prohibits using existing system resources – for instance economy purchases during off-peak times from Idaho Power itself to charge the battery system are not eligible.

<sup>7</sup> For example, a natural gas or diesel fueled pump in a pumped storage hydroelectric system.

Thus, if a battery storage system with an output rating of 80 MW is coupled with any other electrical generator for charging the battery, then for purposes of the Oregon competitive bidding rules, the project is larger than 80 MW.

Idaho Power's Answer seeking dismissal of the ICIP's Petition for an Order to Show cause is premature pending resolution of the uncertainties as to the size and configuration of the type of project the Company is seeking. For instance, if the Company intends to limit its acquisition of new resources to 80 MW (e.g. a 40 MW battery coupled with a 40 solar array) the ICIP will withdraw its Petition. Of course, such a configuration would fail to meet the Company's stated need of 80 MW of new capacity by 2023. If, on the other hand, the Company is seeking an 80 MW storage resource that is charged with any electric resource (e.g. wind or solar input of any size), then the Oregon competitive procurement rules must be adhered to pursuant to this Commission's decision in Order No. 32745.

WHEREFORE, the Industrial Customers of Idaho Power respectfully requests the Commission deny Idaho Power's Answer seeking dismissal of its Petition for an Order to Show Cause. The Commission should require Idaho Power to either affirmatively show that it intends to fully comply with the Oregon competitive bidding requirements or that such requirements are not applicable to its currently pending RFP.

Dated: July 7, 2021

By: 

Peter J. Richardson, RICHARDSON ADAMS, PLLC  
Attorneys for the Industrial Customers of Idaho Power

I HEREBY CERTIFY that on the 7th day of July 2021, a true and correct copy of the within and foregoing Industrial Customers of Idaho Power Reply to Idaho Power's Answer in Case No. IPC-E-21-19 by electronic copy only, to:

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By:   
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