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Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IDAHO POWER COMPANY'S ANNUAL	)	
COMPLIANCE FILING TO UPDATE THE	)	CASE NO. IPC-E-21-35
LOAD AND GAS FORECASTS IN THE	)	
INCREMENTAL COST INTEGRATED	)	IDAHO POWER COMPANY'S
RESOURCE PLAN AVOIDED COST	)	ANNUAL COMPLIANCE FILING
MODEL.	)	
_____	)	

Idaho Power Company ("Idaho Power") hereby respectfully submits to the Idaho Public Utilities Commission ("Commission") this filing in compliance with Order Nos. 32697 and 32802 to update the load forecast and natural gas forecast components of the Incremental Cost Integrated Resource Plan ("ICIRP") avoided cost methodology.

**I. INTRODUCTION**

In its final Order No. 32697, the Commission determined that the inputs to the ICIRP avoided cost methodology, utilized for all proposed Public Utility Regulatory Policies Act of 1978 ("PURPA") Qualifying Facility ("QF") projects that exceed the published rate eligibility cap, will be updated every two years upon acknowledgement of

the utility's Integrated Resource Plan ("IRP") filing, with the exception of the load forecast and the natural gas forecast—which is to be updated annually by October 15 of each year. The Commission stated:

We find that, in order to maintain the most accurate and up-to-date reflection of a utility's true avoided cost, utilities must update fuel price forecasts and load forecasts annually – between IRP filings. For the sake of consistency, these annual updates should occur simultaneously with SAR updates – on June 1 of each year. In addition, it is appropriate to consider long-term contract commitments because of the potential effect that such commitments have on a utility's load and resource balance. We find it reasonable to include long-term contract considerations in an IRP Methodology calculation at such time as the QF and utility have entered into a signed contract for the sale and purchase of QF power. We further find it appropriate to consider PURPA contracts that have terminated or expired in each utility's load and resource balance. We find it reasonable that all other variables and assumptions utilized within the IRP Methodology remain fixed between IRP filings (every two years).

Order No. 32697, p. 22. The date for the annual update was later changed from June 1 to October 15 of each year. Order No. 32802.

The load forecast, natural gas forecast, and contract information presented below in compliance with the Commission's Orders have been incorporated into Idaho Power's ICIRP avoided cost methodology. Consistent with the Commission's prior Orders, this methodology will be utilized by Idaho Power as the starting point for the negotiation of its contractual avoided cost rates as of October 15, 2021.

## **II. LOAD FORECAST**

Idaho Power's most recent load forecast from October 2021 shows, on average over the remaining period of the 2019 IRP, a slight increase in its customer loads when compared to the October 2020 load forecast that was provided to the Commission for the

2020 update in Case No. IPC-E-20-35 and approved by the Commission in Order No. 34881.

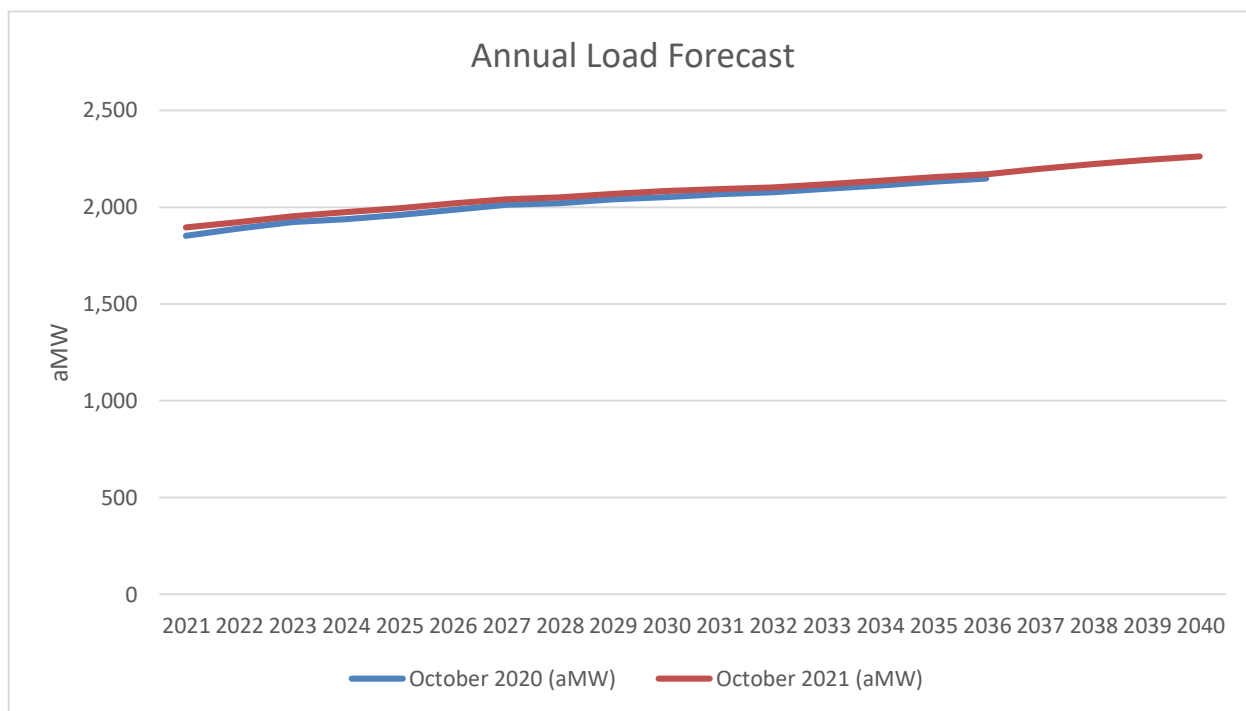
Table 1 and Graph 1 below show the average annual load forecast for both the previously approved October 2020 load forecast and the most recent October 2021 load forecast through 2040.

**TABLE 1**

**Average Annual Load Forecast**

<b>Year</b>	<b>October 2020 (aMW)</b>	<b>October 2021 (aMW)</b>
2021	1,852	1,895
2022	1,890	1,924
2023	1,923	1,953
2024	1,938	1,975
2025	1,960	1,995
2026	1,987	2,019
2027	2,012	2,040
2028	2,021	2,050
2029	2,041	2,069
2030	2,053	2,084
2031	2,067	2,094
2032	2,077	2,102
2033	2,095	2,118
2034	2,112	2,136
2035	2,132	2,155
2036	2,148	2,169
2037		2,197
2038		2,222
2039		2,244
2040		2,262

### **GRAPH 1**



### **III. NATURAL GAS PRICE FORECAST**

As of October 15, 2021, Idaho Power will update the natural gas price forecast within the ICIRP avoided cost model to reflect the most recent Henry Hub and Sumas Basis Annuals from S&P Global Platt's Long-term Forecast, which was published in July 2021. The Commission approved the use of this forecast in Order No. 35158 (Case No. IPC-E-21-15). Use of this forecast indicates an approximately twenty percent decrease in the average annual natural gas forecast prices over the remaining period in comparison to the version of the forecast published in March 2021 and approved in Order No. 35158 for use in the ICIRP avoided cost model. Because the Platts forecast is subscription-based and proprietary, this information has been included herewith as Confidential Attachment No. 1. Confidential Attachment No. 1 contains Table 2 which is a comparison of the yearly (2021-2040) natural gas forecast from the October 2020 update, the Platts

forecast approved in Order No. 35158, and the current 2021 updated gas forecast from Platts. Confidential Attachment No. 1 also contains Graph 2, a graphical representation of the same numbers.

#### **IV. CONTRACT TERMINATIONS, EXPIRATIONS, AND ADDITIONS**

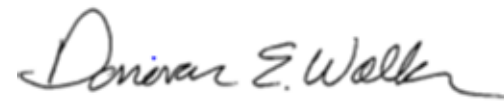
Idaho Power currently has three non-PURPA, long-term power purchase agreements with projects that are online: Elkhorn Valley Wind (101 megawatts (“MW”)), Raft River Geothermal (13 MW), and Neal Hot Springs Geothermal (22 MW). In addition, the long-term power purchase agreement with Jackpot Holdings, LLC (120 MW) is scheduled to be online in December 2022.

Idaho Power currently has 129 contracts with PURPA QFs with a total nameplate capacity of 1,137.8 MW. Included in this update for signed Energy Sales Agreements (“ESA”) are two new Oregon solar QF ESAs totaling approximately 71.3 MW that are not yet online, and ten replacement ESAs for existing Idaho QF projects totaling 24.95 MW. Please see Attachment 2 attached hereto for a list of new and terminated contracts since the last update on October 15, 2020. New ESAs, terminated or expired contracts, as well as new complete ESA applications, are all included in the ICIRP model on a continuous basis.

#### **V. CONCLUSION**

Idaho Power hereby respectfully submits this updated load forecast, natural gas forecast, and contract information in compliance with the Commission’s directives in Order Nos. 32697 and 32802 and asks the Commission to accept the same for filing.

Respectfully submitted this 15<sup>th</sup> day October 2021.

A handwritten signature in black ink that reads "Donovan E. Walker". The signature is written in a cursive style with a large initial 'D' and a trailing flourish.

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DONOVAN E. WALKER  
Attorney for Idaho Power Company

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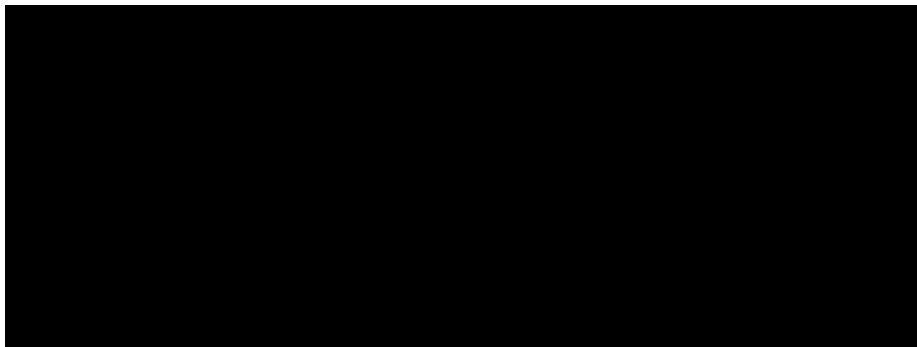
**IDAHO POWER COMPANY**

**CONFIDENTIAL ATTACHMENT 1**

**TABLE 2**

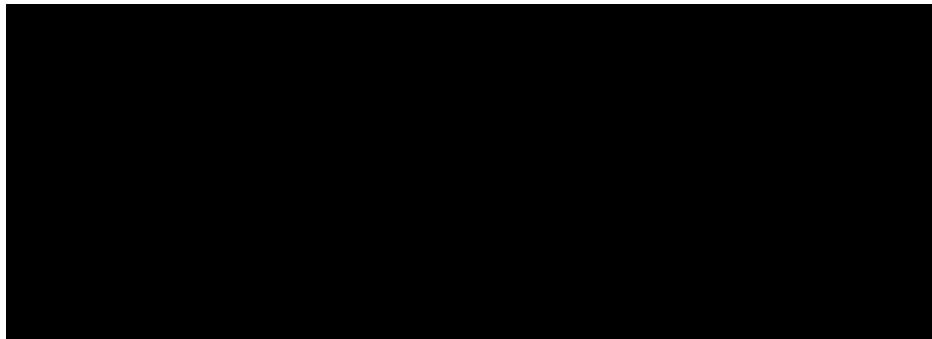
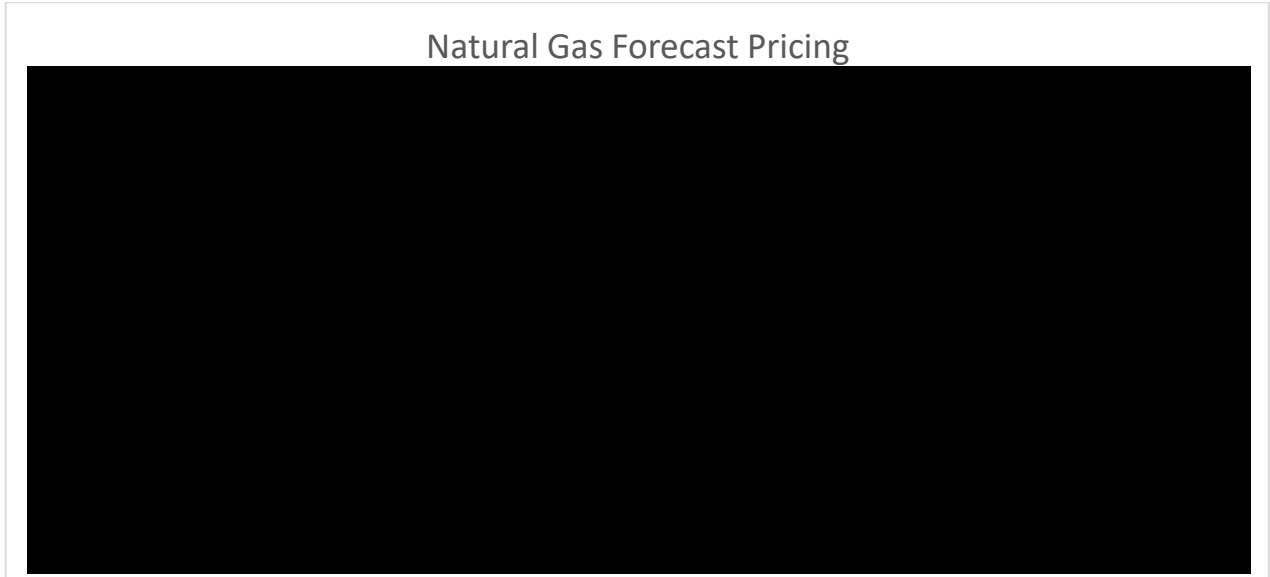
**Natural Gas Forecast Pricing**

<b>Year</b>	<b>October 2020 (nominal \$/MMBtu)[1]</b>	<b>May 2021 (nominal \$/MMBtu) [2]</b>	<b>October 2021 (nominal \$/MMBtu)[3]</b>
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
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2040			





**GRAPH 2**



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**IDAHO POWER COMPANY**

**ATTACHMENT 2**

**Projects Active and Online**

<u>Resource Type</u>	<u>Project Name</u>	<u>State</u>	<u>New or Replacement Contract Date</u>	<u>Project Size (MW)</u>
Hydro	Crystal Springs	ID	1/21/2021	2.55
Hydro	Elk Creek Hydro	ID	4/5/2021	2.35
Hydro	Lemhi Hydro	ID	4/14/2021	0.45
Hydro	Little Wood River Ranch 1	ID	5/14/2021	1.014
Biomass	Pocatello Waste	ID	11/9/2020	0.5
Hydro	Reynolds Irrigation	ID	3/31/2021	0.35
Hydro	Sahko Hydro	ID	10/23/2020	0.5
Hydro	Geo-Bon #2 2021	ID	7/26/2021	1.055
CoGen	Simplot - Pocatello 2022	ID	9/30/2021	15.9
Hydro	Trout-Co 2021	ID	8/12/2021	0.28
<b>TOTAL</b>				<b>24.95</b>

**Projects Not On-Line**

<u>Resource Type</u>	<u>Project Name</u>	<u>State</u>	<u>Replacement Contract Date</u>	<u>Project Size (MW)</u>
Solar	Moore's Hollow Solar	OR	7/26/2021	42
Solar	Prairie City Solar	OR	7/26/2021	29.3
<b>TOTAL</b>				<b>71.30</b>

**Terminated Energy Sales Agreements**

<u>Resource Type</u>	<u>Project Name</u>	<u>State</u>	<u>Contract Termination Date</u>	<u>Project Size (MW)</u>
	Big Sky West Dairy		11/30/2020	
Biomass	Digester (DF-AP #1, LLC)	ID		1.5
Biomass	Rock Creek Dairy	ID	11/3/2020	4
<b>TOTAL</b>				<b>5.50</b>