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IDAHO PUBLIC
UTILITIES COMMISSION

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December 22, 2021

VIA ELECTRONIC FILING

Jan Noriyuki, Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd., Bldg 8,
Suite 201-A (83714)
PO Box 83720
Boise, Idaho 83720-0074

Re: Case No. IPC-E-21-42
In the Matter of the Application of Idaho Power Company's Application for
Approval of Special Contract and Tariff Schedule 33 to Provide Electric
Service to Brisbie, LLC's Data Center Facility

Dear Ms. Noriyuki:

Attached for electronic filing, please find Idaho Power Company's Application for Approval of Special Contract and the redacted version of Tariff Schedule 33 to Provide Electric Service to Brisbie, LLC's Data Center Facility in the above matter.

Also please find attached a protective agreement, the redacted version of the Direct Testimony of Timothy E. Tatum, and the redacted version of the Direct Testimony of Pawel P. Goralski, filed in support of the Application. The unredacted documents will be transmitted separately via encrypted email.

Word versions of the testimonies will also be sent in a separate email for the convenience of the Reporter.

Please feel free to contact me directly with any questions you might have about this filing.

Very truly yours,



Donovan E. Walker

DEW:sg
Enclosures

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Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)
COMPANY'S APPLICATION FOR) CASE NO. IPC-E-21-42
APPROVAL OF SPECIAL CONTRACT AND)
TARIFF SCHEDULE 33 TO PROVIDE) APPLICATION
ELECTRIC SERVICE TO BRISBIE, LLC'S)
DATA CENTER FACILITY.)
_____)

Idaho Power Company ("Idaho Power" or "Company"), in accordance with RP 52 and *Idaho Code* §§ 61-502 and 61-503, hereby requests that the Idaho Public Utilities Commission ("Commission") issue an order approving the Special Contract for electric service between Idaho Power and Brisbie LLC ("Brisbie") for Brisbie's new enterprise data center, and rates proposed in tariff Schedule 33, included as Attachment 1 to this Application. Idaho Power's Application is based on the following:

I. BACKGROUND

1. The Commission has broad authority to regulate and fix the rates and charges assessed by Idaho Power. *Idaho Code* §§ 61-502, 61-503. Large Power Service customers that receive service in excess of 20,000 kW are required to make special

contract arrangements with the Company. Idaho Power's Schedule 19.¹ Large Power Service customers between 10,000 kw and 20,000 kW may optionally take service under a special contract. *Id.* For rate setting purposes, "each special contract customer is considered a separate class with different conditions and contract terms affecting their rates..." Order No. 33038 at 11. Differentiation between classes of customers is permissible when it is based on cost of service, quantity of electricity used, differences in conditions of service, or the time, nature, and pattern of the customers' use.²

2. Brisbie is a Large Power Service customer that will exceed electric service at a single facility of 20,000 kW, and thus Idaho Power and Brisbie have negotiated a Special Contract for the provision of electric service to Brisbie by Idaho Power. The Special Contract between Brisbie and Idaho Power is also referred to herein and in testimony as the Energy Services Agreement ("ESA"). The ESA is provided as Confidential Exhibit No. 1 to the Direct Testimony of Timothy E. Tatum ("Tatum Direct") filed contemporaneously with this Application and incorporated herein by this reference.

3. Brisbie, in addition to its large load service requirements in excess of 20 MW, has a sustainability objective to support 100 percent of its operations with new renewable resources. Accomplishing this renewables target based on Brisbie's expected load will require new renewable resources to be added to Idaho Power's system. Brisbie's Special Contract encompasses the pricing associated with retail electric service from Idaho Power, cost and credit components associated with new renewable resources to

¹ See I.P.U.C. No. 29, Tariff No. 101, Schedule 19.

² *Building Contractors Association of Southwestern Idaho, Inc. v. Idaho Public Utilities Comm'n*, 128 Idaho 534, 539, 916 P.2d 1259, 1264 (1996); *Agricultural Products Corp. v. Utah Power & Light Co.*, 98 Idaho 23, 557 P.2d 617 (1976); and *Idaho State Homebuilders v. Washington Water Power*, 107 Idaho 415, 420, 690 P.2d 350, 355 (1984).

support Brisbie's load, and terms and conditions governing the structure of this new arrangement, including provisions that will hold other Idaho Power customers harmless.

4. The Brisbie Special Contract is consistent with and mirrors the regulatory framework set forth in the Clean Energy Your Way - Construction offering, as outlined in Idaho Power's recent Application with the Commission (Case No. IPC-E-21-40) to establish new clean energy offerings for customers under the Clean Energy Your Way Program. In that Application, Idaho Power states its belief that it can work with existing or future Special Contract customers to integrate renewables into their service agreement with the Company. To that end, the Brisbie Special Contract is the first representation of the Clean Energy Your Way – Construction offering. Under the Clean Energy Your Way – Construction offering, Idaho Power will work with customers to develop a Renewable Construction Agreement — the document that governs all pricing for Company electric service and the customer's accompanying renewables. For Brisbie, the Renewable Construction Agreement doubles as the customer's Special Contract, or ESA.

5. In addition to the ESA and tariff schedule 33, Idaho Power respectfully requests explicit approval of several specific components of a regulatory framework designed to implement and administer Brisbie's Special Contract with its accompanying renewables: (1) authority to procure renewable resources for the purpose of supporting Brisbie's energy use under a standard procurement agreement, (2) the cost basis and pricing structure for the supply of retail electric service by Idaho Power, (3) the compensation structure for excess renewable energy generation and capacity contribution of the renewable resources, (4) authorization to treat bill credits provided to Brisbie under the proposed compensation structure as prudently incurred expenses for ratemaking purposes, and (5) the cost recovery mechanisms necessary to protect

existing Idaho Power customers from unreasonable cost shifting and ensure Idaho Power has an opportunity to recovery its cost of service.

6. Accompanying this Application is the Direct Testimony of Timothy E. Tatum, which provides an overview of the ESA and a description of the renewable resource arrangements under the ESA to support Brisbie's energy and renewables requirements. Also accompanying this Application, and incorporated herein by this reference, is the Direct Testimony of Pawel P. Goralski, ("Goralski Direct"), which details the pricing structure of the ESA and the no-harm analysis conducted to demonstrate that the Brisbie special contract does not negatively impact Idaho Power's other retail customers.

II. SPECIAL CONTRACT TERMS AND PROVISIONS

7. ESA Overview. The Brisbie ESA is provided as Confidential Exhibit No. 1 to Tatum's Direct Testimony. The ESA becomes effective on the date of the order issued in this case. It includes a contract demand schedule that allows Brisbie to ramp load service up to its maximum size and provides for a two-block rate structure that incorporates cost-based pricing for a 20 MW block of power based upon Schedule 19 base rates and then pricing as described in Goralski Direct, p 5-8 for capacity amounts above 20 MW. Under the proposed Special Contact, Idaho Power would procure enough renewable resources to provide Brisbie with 100 percent renewable support on an annual basis for Brisbie's facility. See, Tatum Direct, p 7-8. Brisbie is in turn required to pay Idaho Power the costs associated with these resources. Because Brisbie will pay the costs associated with new renewable resources under the ESA, and provide security as described in Tatum Direct, p 10-11, Idaho Power requests authority to procure the necessary resources contemplated within the ESA without seeking Commission approval of each such procurement. Further, Idaho Power requests assurance from the

Commission that each such resource procurement would receive the same ratemaking treatment outlined in this case, unless otherwise modified in a subsequent proceeding. Tatum Direct, p 16. A draft power purchase agreement (“PPA”) for procurement of renewable energy on behalf of Brisbie is attached as an exhibit to the ESA and incorporated herein by this reference.

8. Transmission and Interconnection Facilities. Cost recovery for the initial construction for transmission facilities needed to serve Brisbie’s load is provided for in a separate Construction Agreement, provided as Confidential Exhibit No. 2 to Tatum’s Direct Testimony, and incorporated herein by this reference. Consistent with other transmission-level service customers, Idaho Power will retain ownership of the transmission interconnection station and the responsibility for ongoing operating and maintenance costs up to the point of delivery at 230 kilovolts (“kV”), while Brisbie will retain ownership of all facilities downstream from the point of delivery and will be responsible for ongoing operating and maintenance of those facilities. Payment for these facilities is discussed in Tatum Direct, p 8-9, as well as Confidential Exhibit No. 2.

9. Renewables Construct. Given Brisbie’s commitment to support 100 percent of its operations with renewable energy on an annual basis, and its large load size, to accomplish this commitment necessitates a tailored arrangement that provides the right amount of renewable generation while also ensuring reliable electric service to the customer. As an enterprise data center, Brisbie’s energy will remain high and consistent throughout the day. In contrast, renewable resources are intermittent (e.g., solar only generates electricity during daylight hours). To reconcile this mismatch of energy service requirements and renewable generation but still achieve Brisbie’s renewables objective, the renewable resources for Brisbie must be appropriately sized to ensure that the total

renewable generation output over the year matches or slightly exceeds Brisbie's annual energy consumption. The renewable resources will not serve Brisbie directly but will be procured on the customer's behalf by Idaho Power and connected directly to the Company's transmission system. Brisbie will pay for the costs associated with the renewables required to support their load and will also be credited for the value those resources bring to Idaho Power's system. To this end, Brisbie's associated renewable resources are incorporated into the base planning analysis of the 2021 IRP (presumed to be solar resources for purposes of this analysis). See Tatum Direct, p 12-13. Inclusion of the renewables in the IRP modeling allows them to be treated as system resources for modeling purposes and enables Idaho Power to quantify their value to the Company and its broader customer base.

10. Pricing and Billing. Pricing and billing are discussed in detail throughout Goralski's Direct, but, at a high level, rather than simply being charged for retail electric service under its Special Contract, Brisbie will be charged for the services it requires from Idaho Power, pay for the costs of the new renewable resources, and be credited for any system benefits derived from those resources. This treatment is fully consistent with the structure outlined in the Clean Energy Your Way - Construction offering in Idaho Power's Case No. IPC-E-21-40. See, Tatum Direct, p 14-15. Goralski's Direct details Brisbie's load ramp forecast and pricing structure. Goralski Direct, p 5-10. The results from the calculations described in Goralski's Direct are reasonable, consistent with previous cost-of-service determinations, and in the public interest. Further, the use of the 2011 general rate case cost-of-service study as the basis for this analysis is in alignment with the

Commission's direction provided in Case No. IPC-E-13-23.³ The intent of this rate-setting methodology was to develop the customer-specific cost of providing electrical service to the new Brisbie facility utilizing the most current cost-of-service information available.

11. No-Harm Financial Analysis. Confidential Exhibit No. 3 provided with the Direct Testimony of Pawel P. Goralski details the present value revenue requirement analysis demonstrating the Brisbie ESA will not financially harm other retail customers. Idaho Power completed a present-value revenue requirement analysis for two portfolios and evaluated the difference in cost as compared to revenues collected through Brisbie's pricing framework to ensure any unreasonable cost shift to existing Idaho Power customers does not occur. Goralski Direct, p 21-25. This "no-harm" analysis demonstrates that over 10-year and 20-year periods all other Idaho Power retail customers not only are not harmed but benefit with the proposed Brisbie pricing framework. Goralski Direct, p 24.

III. MODIFIED PROCEDURE

12. Idaho Power believes that a hearing is not necessary to consider the issues presented herein and respectfully requests that this Application be processed under Modified Procedure; i.e., by written submissions rather than by hearing. RP 201, *et seq.*

IV. COMMUNICATIONS AND SERVICE OF PLEADINGS

13. Communications and service of pleadings with reference to this Application should be sent to the following:

Donovan E. Walker
Regulatory Dockets
Idaho Power Company
1221 West Idaho Street (83702)

Tim Tatum
Idaho Power Company
1221 West Idaho Street (83702)
P.O. Box 70

³ Case No. IPC-E-13-23, Order No. 33038 at 12 (May 19, 2014), ". . . we find that a rate utilizing cost-of-service as a starting point for negotiation is consistent with prior Commission Orders and is fair, just and reasonable."

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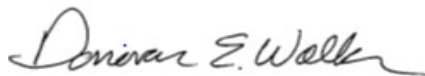
Boise, Idaho 83707
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V. CONCLUSION

14. Approval of the ESA between Brisbie and the Company is in the public interest. Idaho Power and Brisbie have worked together to develop a retail rate structure that addresses the renewable energy requirements of Brisbie and reflects current energy economic realities (i.e., the marginal cost of energy is expected to increase over time). The ESA incorporates these goals in an equitable way that works for both the new customer, for the system, and for existing customers. The rates developed for Brisbie are cost-based and avoid unreasonable shifting of costs to existing Idaho Power customers. The compensation components were developed to properly assign costs and benefits to Brisbie and other retail customers. The overall structure is consistent with the Clean Energy Your Way - Construction offering. The rates are just, reasonable, consistent with past cost-of-service determinations, and in the public interest.

THEREFORE, Idaho Power respectfully requests that the Commission issue its Order: (1) approving the Special Contract (ESA) between Idaho Power and Brisbie; (2) approving the rates and charges set out in Schedule 33; and (3) approving the regulatory framework for the ongoing implementation and administration of the Special Contract without change or condition.

Respectfully submitted this 22nd day of December 2021.



DONOVAN E. WALKER
Attorney for Idaho Power Company

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-21-42**

IDAHO POWER COMPANY

**ATTACHMENT 1
TARIFF SCHEDULE 33**

SCHEDULE 33
IDAHO POWER COMPANY
ELECTRIC SERVICE RATE
FOR
BRISBIE, LLC.

SPECIAL CONTRACT DATED DECEMBER 22, 2021

POWER FACTOR ADJUSTMENT

Where the Customer's Power Factor is less than 95 percent, as determined by measurement under actual load conditions, the Company may adjust the kW measured to determine the Billing Demand by multiplying the measured kW by 95 percent and dividing by the actual Power Factor.

BLOCK 1

BASIC LOAD CAPACITY

The Basic Load Capacity is the average of the two greatest monthly Billing Demands established during the 12-month period which includes and ends with the current Billing Period, but not less than 1,000 kW for Large Power Service.

BILLING DEMAND

The Billing Demand is the average kW supplied during the 15-consecutive-minute period of maximum use during the Billing Period, adjusted for Power Factor.

ON-PEAK BILLING DEMAND

The On-Peak Billing Demand is the average kW supplied during the 15-minute period of maximum use during the Billing Period for the On-Peak time period.

TIME PERIODS

The time periods are defined as follows. All times are stated in Mountain Time.

Summer Season

On-Peak: 1:00 p.m. to 9:00 p.m. Monday through Friday, except holidays
Mid-Peak: 7:00 a.m. to 1:00 p.m. and 9:00 p.m. to 11:00 p.m. Monday through Friday, except holidays, and 7:00 a.m. to 11:00 p.m. Saturday and Sunday, except holidays
Off-Peak: 11:00 p.m. to 7:00 a.m. Monday through Sunday and all hours on holidays

Non-summer Season

Mid-Peak: 7:00 a.m. to 11:00 p.m. Monday through Saturday, except holidays
Off-Peak: 11:00 p.m. to 7:00 a.m. Monday through Saturday and all hours on Sunday and holidays

SCHEDULE 33
IDAHO POWER COMPANY
ELECTRIC SERVICE RATE
FOR
BRISBIE, LLC.
(Continued)

TIME PERIODS (Continued)

The holidays observed by the Company are New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. When New Year's Day, Independence Day, or Christmas Day falls on a Sunday, the Monday immediately following that Sunday will be considered a holiday.

SUMMER AND NON-SUMMER SEASONS

The summer season begins on June 1 of each year and ends on August 31 of each year. The non-summer season begins on September 1 of each year and ends on May 31 of each year.

MONTHLY CHARGE

The Monthly Charge is the sum of the following charges, and may also include charges as set forth in Schedule 55 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider), and Schedule 95 (Adjustment for Municipal Franchise Fees).

	<u>Summer</u>	<u>Non-summer</u>
Service Charge, per month	\$299.00	\$299.00
Basic Charge, per kW of Basic Load Capacity	\$0.70	\$0.70
Demand Charge, per kW of Billing Demand	\$5.83	\$4.33
On-Peak Demand Charge, per kW of On-Peak Billing Demand	\$0.95	n/a
Energy Charge, per kWh		
On-Peak	5.1530¢	n/a
Mid-Peak	4.1156¢	3.8885¢
Off-Peak	3.6740¢	3.4764¢
Embedded Energy Fixed Cost Rate, per kWh		
On-Peak	2.3982¢	n/a
Mid-Peak	1.3608¢	1.1337¢
Off-Peak	0.9192¢	0.7216¢

SCHEDULE 33
IDAHO POWER COMPANY
ELECTRIC SERVICE RATE
FOR
BRISBIE, LLC.
(Continued)

BLOCK 2

Capacity Contribution Factor [REDACTED]

Excess Generation Price [REDACTED]

Metered Output means, for each Project, the electrical output and capacity of the Project delivered to, or generated by, Idaho Power by the applicable Renewable Resource.

Project means a new Renewable Resource or the independently metered portions thereof, the Project Output of which is either: (1) purchased as a simultaneously bundled product by Idaho Power under a Renewable Resource PPA; or (2) provided as a simultaneously bundled product by Idaho Power from an Idaho Power owned resource.

Project Output means for each Project, the Metered Output and Environmental Attributes as a simultaneously bundled product of that Project, either owned by Idaho Power or to be purchased by Idaho Power in accordance with the Renewable Resource PPA.

Renewable Capacity Contribution [REDACTED]

Renewable Capacity Credit [REDACTED]

Renewable Capacity Credit Rate [REDACTED]

Renewable Resource means an electric generating facility utilizing solar photovoltaic (PV), wind, energy storage or other mutually-agreed technology or combination thereof from which Idaho Power either: (1) purchases the bundled Metered Output and Environmental Attributes bundled under a Renewable Resource PPA, and that will be newly constructed and made operational after the Renewable Resource PPA execution date, or (2) provides the bundled Metered Output and Environmental Attributes from an Idaho Power owned resource, that will be newly constructed and made operational for the purpose of acquiring Project Output in connection with the Brisbie Special Contract.

SCHEDULE 33
IDAHO POWER COMPANY
ELECTRIC SERVICE RATE
FOR
BRISBIE, LLC.
(Continued)

Renewable Resource PPA [REDACTED]

Supplemental Energy Cost [REDACTED]

Supplemental Energy [REDACTED]

Supplemental Energy Price [REDACTED]

Total Supply Obligation [REDACTED]

MONTHLY CHARGE

The Monthly Charge is the sum of the following charges, and may also include charges as set forth in Schedule 91 (Energy Efficiency Rider), and Schedule 95 (Adjustment for Municipal Franchise Fees).

Daily Excess Demand Charge
[REDACTED] per each kW over the Contract Demand.

Excess Generation Credit

Monthly Contract Demand Charge
[REDACTED] per kW of Contract Demand.

Monthly Billing Demand Charge
[REDACTED] per kW of Billing Demand but not less than Minimum Monthly Billing Demand.

Minimum Monthly Billing Demand
The Minimum Monthly Billing Demand will be 20,000 kilowatts.

Renewable Capacity Credit

Renewable Resource Cost

Supplemental Energy Cost

SCHEDULE 33
IDAHO POWER COMPANY
ELECTRIC SERVICE RATE
FOR
BRISBIE, LLC.
(Continued)

Renewable Resource Agreements

		(a)	(b)	(c)	(d)	(e)