BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER COMPANY'S APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO ACQUIRE RESOURCES TO BE ONLINE BY 2023 TO SECURE ADEQUATE AND RELIABLE SERVICE TO ITS CUSTOMERS.	)	CASE NO. IPC-E-22-13

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

TIMOTHY E. TATUM

Q. Please state your name, business address, and present position with Idaho Power Company ("Idaho Power" or "Company").

A. My name is Timothy E. Tatum. My business address is 1221 West Idaho Street, Boise, Idaho 83702. I am employed by Idaho Power as the Vice President of Regulatory Affairs.

Q. Please describe your educational background.

A. I received a Bachelor of Business Administration degree in Economics and a Master of Busines Administration from Boise State University. I have also attended electric utility ratemaking courses, including "Practical Skills for the Changing Electrical Industry," a course offered through New Mexico State University's Center for Public Utilities, "Introduction to Rate Design and Cost of Service Concepts and Techniques" presented by Electric Utilities Consultants, Inc., and Edison Electric Institute's "Electric Rates Advanced Course". In 2012, I attended the Utility Executive Course ("UEC") at the University of Idaho, and subsequently served as a member of the UEC faculty from 2015 through 2019.

Q. Please describe your work experience with Idaho Power.

A. I began my employment with Idaho Power in 1996 in the Company's Customer Service Center where I handled

customer phone calls and other customer-related transactions. In 1999, I began working in the Customer Account Management Center where I was responsible for customer account maintenance in the areas of billing and metering.

In June of 2003, I began working as an Economic Analyst on the Energy Efficiency Team. As an Economic Analyst, I was responsible for ensuring that the demand side management ("DSM") expenses were accounted for properly, preparing and reporting DSM program costs and activities to management and various external stakeholders, conducting cost-benefit analyses of DSM programs, and providing DSM analysis support for the Company's Integrated Resource Plan.

In August of 2004, I accepted a position as a Regulatory Analyst in the Regulatory Affairs Department. As a Regulatory Ana1yst, I provided support for the Company's various regulatory activities, including tariff administration, regulatory ratemaking and compliance filings, and the development of various pricing strategies and policies.

In August of 2006, I was promoted to Senior Regulatory Analyst. As a Senior Regulatory Analyst, my responsibilities expanded to include the development of complex financial studies to determine revenue recovery and

pricing strategies, including the preparation of the Company's cost-of-service studies.

In September of 2008, I was promoted to Manager of Cost of Service and, in April of 2011, I was promoted to Senior Manager of Cost of Service and oversaw the Company's cost-of-service activities, such as power supply modeling, jurisdictional separation studies, class cost-of-service studies, and marginal cost studies.

In March 2016, I was promoted to Vice President of Regulatory Affairs. As Vice President of Regulatory Affairs, I am responsible for the overall coordination and direction of the Regulatory Affairs Department, including development of jurisdictional- revenue requirements and class cost-of-service studies, preparation of rate design analyses, and administration of tariffs and customer contracts.

I. OVERVIEW

Q. What is the Company requesting in this case?

A. The Company is requesting the Idaho Public Utilities Commission ("Commission") issue an order granting the Company a Certificate of Public Convenience and Necessity ("CPCN") to acquire 120 megawatts ("MW") of dispatchable energy storage necessary to meet the next identified capacity deficit beginning in 2023. Approval of this request is necessary to position the Company to meet

its obligation to provide safe, reliable service to its customers.

Q. How is the Company's case organized?

A. My testimony begins with an overview of the regulatory and operational considerations that guided the Company's time-limited resource procurement actions presented in this case. I will provide a brief discussion of the proposed 120 MW of Idaho Power-owned battery storage facilities for which the Company is requesting a CPCN, detail how Idaho Power has met the requirements of *Idaho Code* § 61-526 to obtain a CPCN and present why the Company's request is in the public interest.

The direct testimony of Company witness Jared L. Ellsworth presents the load and resource balance that identifies Idaho Power's 2023 capacity deficit. In addition, Mr. Ellsworth describes the evaluation of potential solutions for meeting the capacity deficiency and identifies additional near-term peak capacity needs which led to the solicitation through a Request for Proposals ("RFP") seeking to acquire up to 80 MW of peak-capacity resources.

Mr. Eric Hackett's direct testimony provides an overview of the procurement process used to evaluate the various resources that competed to provide a capacity resource to help meet Idaho Power's peak electric energy

needs in 2023, and the resulting least-cost, least-risk capacity resources selected through the fair and competitive RFP process.

II. RESOURCE PROCUREMENT IN A DYNAMIC ENERGY LANDSCAPE

Q. Please describe the Company's current energy landscape.

A. Idaho Power has not added a supply-side, dispatchable resource since 2012, with the construction of the Langley Gulch combined-cycle, natural gas combustion turbine, for which the Commission granted a CPCN with Order No. 30892 in Case No. IPC-E-09-03. Idaho Power's most recently acknowledged[1] Integrated Resource Plan ("IRP"), the Second Amended 2019 IRP, did not show a first capacity deficit until the summer of 2028. However, as described more completely in the direct testimony of Mr. Ellsworth, during the preparation of the 2021 IRP, an updated load and resource balance analysis in May 2021 identified a first capacity deficit of 78 MW in July of 2023, growing each year through 2026, when the Boardman to Hemingway 500-kilovolt transmission line is expected to be operational.

Q. What drove the change in the capacity deficit?

A. The rapid change in deficit position was caused by several dynamic and evolving factors, including third-party transmission constraints, changes to the

[1] Case No. IPC-E-19-19, Order No. 34959.

assumptions in the load and resource balance regarding transmission availability, an increasing population and associated emergent demands on the Company's system, diminishing demand response resource effectiveness, and lower generation effectiveness of variable resources during critical demand hours.

Q. How do these factors and the dynamic energy landscape impact the Company's operations?

A. Under Idaho law, Idaho Power has an obligation to provide adequate, efficient, just, and reasonable service on a nondiscriminatory basis to all those that request it within its service area. Idaho Power has experienced and expects sustained load growth, thereby requiring the addition of new dispatchable resources to meet peak summer demand. To meet its obligation to reliably serve customer load and fill the 2023 capacity deficiency, the Company conducted a competitive solicitation through an RFP seeking to acquire up to 80 MW of Idaho Power-owned resources, to be online by June of 2023.

Q. Has the Company completed the competitive resource procurement process identifying the resource acquisitions?

A. Yes. The procurement process resulted in the acquisition of least-cost, least-risk resources necessary

to fill the 2023 capacity deficiency. The Company performed a qualitative and quantitative evaluation of the project proposals submitted through the RFP process as well as a parallel investigation into different configurations of Company-owned and constructed battery storage systems. The request to acquire 120 MW of dispatchable energy storage is the result of those efforts.

Q. How did the results of the RFP process help to inform the Company's request in this case?

A. The successful RFP bid included a combination solar photovoltaic ("PV") Power Purchase Agreement ("PPA") plus a build-transfer battery storage proposal. However, through subsequent negotiations, the Company was informed by the developer that they were no longer interested in pursuing the build-transfer battery storage component. Instead, the developer offered that if the solar PV PPA was approved and moved forward to implementation, it would be willing to negotiate an agreement with Idaho Power to coordinate with the Company on a battery storage facility that Idaho Power would procure on its own and located adjacent to the developer's solar PV site.

Q. What were the resulting least-cost/least-risk resources selected through the competitive procurement process necessary to meet the 2023 capacity deficiency?

A. The 2023 capacity deficiency will be met with

projects consisting of a total of 120 MW of battery storage. Mr. Hackett will discuss potential configurations of these resources in his testimony.

Q. You indicated the Company is requesting a CPCN for a resource acquisition of a combined battery storage capacity of 120 MW. Is Idaho Power also requesting approval of the referenced solar PV PPA in this case?

A. No. The successful bidder of the 80 MW resource RFP was Black Mesa, Energy, LLC ("Black Mesa"). Black Mesa proposed a 20-year PPA for the output of 40 MW from a solar PV generation facility that will supply energy to the Company's system and is envisioned to be combined with an Idaho Power-owned 40 MW battery storage facility. Because a CPCN is only required for company-owned resources, Idaho Power requested approval of the Black Mesa solar PV PPA in Case No. IPC-E-22-06 filed on March 10, 2022.

Q. Are there any other reasons the Company chose to include the solar PV PPA approval request in Case No. IPC-E-22-06 rather than this case?

A. Yes. At the time Idaho Power was evaluating the RFP project bids, the Company was simultaneously negotiating with a current special contract customer to provide modified special contract provisions to allow the customer to cover up to 100 percent of their annual energy

use with a new renewable resource consistent with the proposed Schedule 62 Clean Energy Your Way – Construction option proposed in Case No. IPC-E-21-40.

Idaho Power viewed the timing of the customer interest in a new renewable resource and Idaho Power's system capacity needs as a potential "win-win" opportunity. That is, the PPA with Black Mesa will provide for the earliest renewable resource option available to meet the customer's needs, while at the same time allowing Idaho Power to utilize the energy output from Black Mesa's solar PV facility to fuel energy storage, with 100 percent of the solar output costs being paid for by the special contract customer. Because of the relationship of the agreement and the PPA, the Company is requesting approval of both the modified special contract and the solar PV PPA in Case No. IPC-E-22-06.

Q. Why is the Company requesting a CPCN for a resource acquisition of a combined battery storage capacity of 120 MW?

A. The 2021 IRP indicates an expected capacity deficit of 101 MW in 2023. As explained in more detail in the direct testimony of Mr. Hackett, the RFP resulted in a standalone 40 MW solar PV plus 40 MW energy storage project which will not be sufficient to fully meet the 2023 capacity need identified during the 2021 IRP process.

Idaho Power also identified an additional 80 MW energy storage resource through the investigation into different configurations of Company-owned and constructed battery energy storage systems performed in parallel to the RFP process. The combined two projects, the 40 MW solar PV plus 40 MW energy storage and the 80 MW battery storage facility, will provide the resources necessary to fill the 2023 capacity deficiency.

III. REGULATORY CONSIDERATIONS FOR RESOURCE ACQUISITIONS

Q. The Commission, in Case No. IPC-E-10-03, initiated a case seeking to establish competitive bidding guidelines for the RFP process. What was the result of that case?

A. In 2013, the Commission closed Case No. IPC-E-10-03 without establishing Idaho-specific resource procurement guidelines, but rather directing Idaho Power to follow the RFP guidelines applicable to its Oregon service territory. The Oregon RFP guidelines to which the Commission referred were later codified into the administrative rules of the Public Utility Commission of Oregon ("OPUC Resource Procurement Rules").[2]

Q. Was the RFP the Company issued soliciting the acquisition of up to 80 MW of peak capacity resources subject to the Oregon RFP guidelines for competitive

[2] Oregon Administrative Rule ("OAR") 860-089-0010 et. seq.

bidding requirements?

A. No. The OPUC Resource Procurement Rules impose competitive bidding requirements upon an electric utility for the "acquisition of a resource or a contract for more than an aggregate of 80 MWs and five years in length," among other requirements.[3] With a solicitation for the acquisition of dispatchable resources *up to* 80 MW, the competitive bidding guidelines were not applicable to the Company's RFP.

Q. Did the Company consider whether the OPUC Resource Procurement Rules applied once it became aware the 2023 deficiency had increased?

A. Yes, but given the timeframe between the identification of the increased capacity deficit, the need to have resources online to meet that deficit, and given supply chain constraints, it was apparent that there was insufficient time to reissue the RFP under the OPUC Resource Procurement Rules and ensure adequate resources were available to provide reliable service to customers. Additionally, the load and resource balance performed as part of the 2021 IRP that indicated Idaho Power's capacity deficit in 2023 increased to 101 MW, also identified additional capacity deficits in 2024 and 2025.

Q. What regulatory action did Idaho Power take in

[3] OAR 860-089-0100(1)(a)

light of the increased capacity deficits identified for 2023, 2024, and 2025?

A. Because there was insufficient time to complete the procurement process contemplated by the OPUC Resource Procurement Rules, and because the capacity deficits were identified over a three-year period, Idaho Power requested authorization from the OPUC to move forward expeditiously with resource procurements for all three years, 2023, 2024, and 2025, waiving the obligation to comply with the competitive bidding requirements in favor of a competitive, but expedited process.[4]

Q. What was the outcome of this request?

A. At a Public Meeting held March 8, 2022, the OPUC adopted an OPUC Staff Memo recommending denial of the Company's request for a broad waiver. However, in its memo OPUC Staff suggested that Idaho Power consider the OPUC Resource Procurement Rule exception process for the resource acquisitions needed to meet the shortfalls identified in the Company's request.

Q. Please describe the OPUC Resource Procurement Rules exceptions.

A. There are certain exceptions to the applicability of the OPUC Resource Procurement Rules,

[4] *Idaho Power Company's Application for Waiver of Competitive Bidding Rules,* Docket No. UM 2210.

including the exception used for executing the Jackpot Solar power purchase contract[5]: "There is a time-limited opportunity to acquire a resource of unique value to the electric company's customers."[6] The rules also contain exceptions for emergencies, OPUC acknowledgement of an alternative acquisition method in the utility's IRP, and exclusively acquiring transmission assets or rights.[7]

Q. Does the Company plan to proceed with requesting an exception under one or more of the allowable reasons as stated in your previous response?

A. Yes. Idaho Power filed an exception request with the OPUC on March 18, 2022.

Q. You indicated under Idaho law, Idaho Power has an obligation to provide adequate, efficient, just, and reasonable service. Please expand on this regulatory mandate.

A. *Idaho Code* §§ 61-302, 61-315, and 61-507 define Idaho Power's obligation that the Company provide adequate, efficient, just, and reasonable service on a non-discriminatory basis to all those that request it within its service area. As part of the regulatory compact, Idaho Power must serve all customers in the service area, in exchange for its exclusive right to provide retail electric

[5] Case No. IPC-E-19-14
[6] OAR 860-087-0100(3)(b)
[7] OAR 860-089-0100(3)(c)

service within the service area. The compact provides Idaho Power the opportunity to earn a reasonable return on its investment of capital into the resources and systems necessary to perform its service obligation. At the same time, the Commission has oversight of the provision of that service and must assure that the rates Idaho Power charges its customers and that the rules and regulations by which it provides service are just, reasonable, nondiscriminatory, and non-preferential.

In order to comply with its continuing obligations to serve customers, the Company must at times acquire additional resources to meet the identified capacity deficits on its system with whatever urgency arises, and potentially outside of the formalized IRP process. While the IRP provides insight into resource procurement, it is a biennial process, and circumstances can change in the interim, as in 2021, that can make resource procurement for reliable load service more urgent.

Q. How did the urgency of the 2023 capacity deficiency impact the procurement process in this case?

A. Given the short turn-around to construct a resource to meet deficits identified in 2023, coupled with global supply-chain disruptions stemming from the COVID-19 health crisis, it was imperative that the Company move forward quicky on the resource procurement process. It was

also important that Idaho Power consider the risks and benefits of differing ownership structures and operation of resources either as stand-alone projects or in connection with energy storage projects. Given the limited time available to procure resources necessary to meet the 2023 capacity deficit, it quickly became clear that many of potential third-party providers were either unwilling or unable to meet the required timeline. Idaho Power remained mindful of its obligation to provide its customers with reliable service and to the risks of relying on a third-party resource developer to timely meet its obligation. At the same time the Company did not lose sight of its need to maintain its financial health and remain a viable, going-concern, as a regulated entity in the state of Idaho.

IV. IDAHO POWER'S COMPETITIVE RESOURCE PROCUREMENT PROCESS AND THE NEED FOR RELIABILITY AND RISK-REDUCTION

Q. Was Idaho Power's resource acquisition procurement process fair and competitive?

A. Yes. The direct testimony of Mr. Hackett details the evaluation of the respondents' proposals to the RFP, which included a quantitative and qualitative evaluation with an objective scoring methodology to reasonably evaluate the price and non-price attributes of each bid, providing evidence of a fair and competitive procurement process.

Q. Did the RFP process allow for third-party ownership of the needed resources?

A. Yes. The RFP allowed for third-party ownership under a PPA for wind and solar resources, provided the proposals included a build-transfer agreement ("BTA") for any associated storage resources.

Q. Why did Idaho Power require a BTA for storage resources under the RFP?

A. Because of the very short procurement window to satisfy the near-term peak capacity needs, Idaho Power did not believe it could adequately address several important operational and policy concerns with third-party ownership of battery storage resources. One of the primary features of an owned peak capacity resource is the ability to configure, reconfigure, maintain, operate, and economically and operationally dispatch the unit without application of the confines of the terms and conditions of a PPA with a third party. For a utility such as Idaho Power, which is seeking to meet near-term capacity deficits (as opposed to merely energy deficits), as well as maximize customer value via Energy Imbalance Market ("EIM") and other off-system sale opportunities, the Company believes that its ownership and operation of the battery storage resources will reduce the risk of potential operational limitations that could exist under a

PPA and ensure the resource is operational in time to meet identified capacity deficits.

For a utility-scale battery storage facility in particular, PPA arrangements may introduce additional complications and risks, particularly when operating in the EIM where dispatch changes are made real-time within an hour. If the Company were to execute a PPA for a battery storage facility, certain terms such as the dispatchability, curtailment, maintenance, security, mandatory payment, and operational terms, conditions, and limitations, would likely be pre-defined for the term of the PPA, which would eliminate flexibility. While these issues could conceivably be addressed through an agreement with a third-party provider, the Company was not convinced that such contract terms were actually achievable, especially in the limited time available for the resource procurement at issue in this case.

Q. Does Idaho Power have other concerns related to third-party ownership of dispatchable capacity resources?

A. Yes, Idaho Power has other concerns regarding third-party ownership of dispatchable capacity resources that are more policy in nature. Idaho Power has been purposefully and thoughtfully designated to serve a unique role to provide an essential service to the public. This

role is guided by the regulatory compact under which a utility has the obligation to provide safe, reliable, affordable energy to customers in its franchise service areas in exchange for recovery of prudently incurred costs and a fair rate of return for investors. This model of regulation has worked well for customers for over 100 years and should not be confused as bias or an unfair advantage that needs correction. Third-party owners do not operate under the regulatory compact and therefore have no obligation to serve other than what can be included in a contract as performance requirements and damages provisions. However, damages payments under a contract do not equate to reliability. These concerns do not suggest that circumstances where third-party ownership may be the best option for customers do not, or will not, exist; however, careful examination of all price and non-price factors must occur.

Going forward, the Company recognizes that a competitive procurement process that appropriately considers the full range of costs and benefits of differing ownership structures may ultimately best serve the public interest. To that end, Idaho Power is committed to working with Commission Staff and other interested parties to explore competitive procurement practices that result in a comprehensive and fair evaluation of price and

non-price attributes of various resource ownership structures, as well as being flexible enough to accommodate short turn-around times, difficult procurement and construction circumstances, and support the reliability of service requirements of the regulated utility.

Q. What specific areas of resource procurement policy does the Company believe warrants further discussion with Staff and other interested parties?

A. The Company believes resource procurement decisions should be informed by evaluating the full range of costs and benefits of utility ownership versus third-party ownership, both quantitative and qualitative. Such an evaluation must certainly focus on price, but also focus on other risks and benefits related to reliability, system operation, long-term operation and maintenance of facilities, financial viability of the utility, long term impacts of imputed debt from PPAs, the efficacy of legal remedies, economic dispatch in changing energy markets, and adaptation for environmental policies.

Q. Are there any examples of states that have reduced regulatory oversight of generation resources with the goal of increasing competition?

A. Yes. Recent system reliability events in Texas offer a cautionary tale regarding the risks associated with

a restructured electric generation sector.[8] In 1996, the Electric Reliability Council of Texas ("ERCOT") was established as the Independent System Operator ("ISO") in the state of Texas (approximately 10 percent of Texas is not served by ERCOT), as provided for in Senate Bill 373. Subsequently in 2002, vertically integrated electric utilities were required to restructure by separating their generation, transmission, and distribution functions into separate entities. One of the goals of this restructuring was to create competition in the wholesale electric energy market.

Ultimately, the state regulator, the Public Utility Commission of Texas ("PUCT"), determined the prudence of those investments. Under a restructured market, independent generation operators do not have the same regulatory oversight or financial incentives, which may have led to underinvestment in the Texas generation fleet, thereby compromising system reliability.

Q. What were the consequences of this policy decision in Texas?

[8] Source information for this section: *The Timeline and Events of the February 2021 Texas Electric Grid Blackouts A report by a committee of faculty and staff at The University of Texas at Austin July 2021*, attached hereto as Attachment 3, and incorporated herein by this reference.

A. In February 2021, much of the ERCOT system was being impacted by extreme cold weather associated with Winter Storm Uri, which resulted in prolonged power outages during the week of February 14. More than 4.5 million homes and business lost power during this event, and at least 210 people died as a direct result of those outages. The outages occurred despite ERCOT's best efforts in the days prior to deploy operating reserves, load shedding, and other conservation measures.

By February 15, 2021, ERCOT experienced generation outages of over 50,000 MW, or approximately 40 percent of total ERCOT nameplate generating capacity. Of those outages, approximately 30,000 MW, representing 167 generating units, experienced weather-related outages. These weather-related issues included, but were not limited to, wind turbine icing, frozen water intakes, and freezing of other general equipment.

The financial fallout from this event was also severe. The financial pain caused by these events impacted all categories of market participants, including wholesale energy suppliers, retail energy suppliers, and retail customers. Wholesale energy prices reached $9,000/MWh. Extremely high prices led to unpaid power payments within ERCOT of nearly $3 billion by May 2021. Retail providers experienced negative financial impacts in the billions of

dollars, with several bankruptcies occurring in the aftermath.

Q. What was the PUCT's level of involvement and oversight of these events?

A. All of the operational and financial chaos brought on by this extreme weather event occurred with relatively little transparency or oversight by the PUCT, even though Texas law requires the PUCT to analyze and report on the preparedness of generating units to operate during extreme weather events. The last such report was filed with the legislature in 2012. The reduced regulatory oversight and changed business model that exists in Texas is a clear reminder of the risks that exist in deregulated electric markets. Deregulated power generators serving ERCOT did not have the incentive to invest in systems to address extreme weather events, as presumably they were single-mindedly focused on maximizing profits instead of providing reliable service to customers in Texas. Given the magnitude of the reported losses, it is conceivable that the legal remedies available to the utilities against the power generators will be inadequate. These tragic events serve as a cautionary example that the economic signals to unregulated market participants may not sufficiently incent the investments that are necessary to ensure reliability during those events.

V. IDAHO POWER HAS MET THE STANDARD FOR ISSUANCE OF A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

Q. How does the Commission ensure the Company's resource acquisition is in the best interest of its customers?

A. The Commission has oversight of resource procurements to ensure the Company is prudently investing its capital, with express authority to order a utility to build new structures, or upgrade and/or improve existing plant and structures, in order to secure adequate service or facilities.[9] A CPCN represents the exercise by the Commission of this foundational authority and principles that are necessary in Idaho's system of permitting regulated, vertically integrated public utilities to exist and to provide necessary services to the public.

Q. When is a CPCN required?

A. Under *Idaho Code* § 61-526, a CPCN from the Commission is required for the construction or extension of a line, plant, or system by any street, railroad, gas, electrical, telephone, or water corporation. In addition, a CPCN is required to construct a new generation resource or plant but is not required to increase the capacity of existing generating facilities. While it may be questionable whether battery storage should be classified

[9] *Idaho Code* § 61-508.

as a generation resource, the Company recognizes that a CPCN provides a broad mechanism for considerable regulatory oversight into the resource - one that is fundamental to Idaho Power's system of regulation and has historically been exercised for the benefit of both the utility customers and the utility.

Q. Idaho Power's request for a CPCN for the Langley Gulch Power Plant included a request for binding ratemaking treatment. Is the Company requesting binding ratemaking treatment for the investments in the 120 MW battery storage facilities?

A. No. Due to the urgency of the 2023 capacity deficiency and the issuance of the resulting RFP, Idaho Power is still in the process of negotiating a number of agreements necessary for the construction, installation, and maintenance of both projects. As a result, a number of contractual terms have not been executed. Therefore, the Company's request in this case is that the Commission find Idaho Power has met the requirements of *Idaho Code* § 61-526 and issue an order granting a CPCN to acquire 120 MW of energy storage necessary to meet the identified capacity deficiency in 2023. The Company will make a future filing to address the cost recovery associated with these projects.

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VI. CONCLUSION

Q. Please summarize your testimony.

A. Idaho Power has an obligation to reliably serve customer load. During the spring of 2021 while refreshing the load and resource balance during development of the Valmy Unit 2 exit analysis, as directed by the Commission in Order No. 34349, an updated load and resource balance analysis identified a capacity deficiency of 78 MW in July of 2023. To meet its obligations to customers and fill the 2023 capacity deficiency in a very short window of time, the Company conducted a competitive solicitation through an RFP seeking to acquire up to 80 MW of resources to meet peak capacity needs. Resource needs subsequently increased to 101 MW during development of the 2021 IRP. The resulting combined projects will provide for the acquisition of 120 MW of Idaho Power-owned battery storage facilities to meet forecasted peak capacity needs. Idaho Power has met the requirements of *Idaho Code* § 61-526 and is requesting the Commission issue a CPCN.

Q. Does this complete your testimony?

A. Yes, it does.

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DECLARATION OF TIMOTHY E. TATUM

I, Timothy E. Tatum, declare under penalty of perjury under the laws of the state of Idaho:

1. My name is Timothy E. Tatum. I am employed by Idaho Power Company as the Vice President of Regulatory Affairs.

2. On behalf of Idaho Power, I present this pre-filed direct testimony in this matter.

3. To the best of my knowledge, my pre-filed direct testimony is true and accurate.

I hereby declare that the above statement is true to the best of my knowledge and belief, and that I understand it is made for use as evidence before the Idaho Public Utilities Commission and is subject to penalty for perjury.

SIGNED this 29th day of April 2022, at Boise, Idaho.

Signed: