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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER COMPANY'S PARTICIPATION IN THE WESTERN RESOURCE ADEQUACY PROGRAM.	)	CASE NO. IPC-E-23-08

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

ALISON WILLIAMS

Q. Please state your name, address, and present occupation.

A. My name is Alison Williams. My business address is 1221 West Idaho Street, Boise, Idaho 83702. I am employed by Idaho Power as the Regulatory Policy and Strategy Advisor.

Q. Please describe your educational background.

A. In June 2003, I received a Bachelor of Arts degree in Political Science from the University of California at Davis. In May 2009, I earned a Master of Public Policy degree with a concentration in energy and natural resource economics from the American University's School of Public Affairs in Washington, DC. In addition, I have attended the electric ratemaking courses "Basics: Practical Regulatory Training for the Electric Industry," offered through New Mexico State University's Center for Public Utilities and the Edison Electric Institute's ("EEI") "Electric Rates Advanced Course," hosted by the University of Wisconsin - Madison's Wisconsin Public Utility Institute.

Q. Please describe your work experience with Idaho Power Company.

A. I joined Idaho Power in December 2019. As the Regulatory Policy and Strategy Leader, my primary

responsibilities include providing regulatory support and strategic guidance to business units on a variety of regulatory policy topics, including resource adequacy, integrated resource planning, distribution system planning, and large customer pricing.

Prior to joining Idaho Power, I served as the Senior Director of State Energy and Regulatory Policy at EEI, the trade association for the nation's investor-owned electric utilities. Prior to EEI, I was the Vice President of Energy Services at Garten Rothkopf consulting, where I provided business strategy and economic consulting to electric utilities and international corporations in energy-intensive industries.

Additionally, I previously served as an analyst at the U.S. Department of Energy, conducting energy system modeling to advise on Department policy and budget decisions. Other work experience includes energy market financial analysis for Bloomberg Government, and energy and environmental research at the World Resources Institute and the Woodrow Wilson International Center for Scholars, both located in Washington, DC.

Q. What does the Company request in this case?

A. Idaho Power makes this filing with the Idaho Public Utilities Commission ("Commission") to ensure a

public opportunity for review and comment about the Company's participation in the Western Resource Adequacy Program ("WRAP"). Specifically, the Company requests that the Commission acknowledge the potential long-term operational and cost saving benefits associated with Idaho Power's participation in the WRAP and authorize the Company to recover costs associated with joining WRAP in a future rate proceeding.

Q. What is the purpose of your testimony?

A. My testimony in this case describes the function and value of participating in a regional resource adequacy program. Specifically, my testimony explores Idaho Power's involvement to date in WRAP, and the anticipated benefits associated with the Company's participation. My testimony is organized into five (5) sections: 1) Introduction to resource adequacy and WRAP; 2) Current status of the WRAP and Idaho Power's involvement; 3) Costs and benefits of WRAP participation specific to Idaho Power; 4) WRAP's governance structure; and 5) Next steps.

I. INTRODUCTION TO RESOURCE ADEQUACY & WRAP

Q. What is resource adequacy?

A. Resource adequacy refers to having sufficient resources available to reliably meet system load under a range of conditions. The North America Electric Reliability Corporation ("NERC") defines resource adequacy as "the

ability of the electric system to supply the aggregate electric power and energy requirements of the electricity consumers at all times, considering scheduled and reasonably expected unscheduled outages of system components."[1]

Resource adequacy can refer to an individual utility's resource sufficiency to meet load, or it can refer to the broader resource sufficiency of an entire region working in partnership. In this testimony, resource adequacy is discussed in the broader context.

Q. What is WRAP?

A. Overseen by the Western Power Pool ("WPP"), WRAP is the first regional reliability planning and compliance program in the western United States ("US"). At its simplest, WRAP is like an insurance policy that allows for available resources to be shared among participants during short-term periods of resource deficiency.

Q. How is WRAP structured?

A. WRAP is organized into two parts and two seasons (summer and winter): an advanced viewing of resources—called the forward showing—and an operations phase during which resources can be shared in times of need. Each season has its own forward showing and

[1] North American Electric Reliability Corporation, "Reliability Terminology," August 2013.

operations program. The Direct Testimony of Nicole Blackwell discusses the forward showing and operations programs in detail.

Q. Is WRAP a market?

A. No. Distinct from the function of Regional Transmission Organizations and Independent System Operators that manage wholesale energy markets, WRAP facilitates the seasonal coordination and sharing of resources across a region to help ensure resource adequacy and reliability for participating utilities.

WRAP's goal is to maintain reliability across all participants' systems over the course of an operating season; markets, which exist to facilitate daily and hourly energy transactions, serve an entirely different function. As a result of these distinct functions, the Company considers WRAP a complement to—not antagonistic to or a replacement for—market participation.

Q. Will the Company's Boardman to Hemingway ("B2H") transmission line and other transmission enhance resource adequacy?

A. Yes. Incremental transmission capacity, including B2H, will support resource adequacy by providing direct access to energy markets and incremental pathways on which to import purchases. As discussed in the Direct Testimony of Nicole Blackwell, energy purchases generally

must be paired with firm transmission within WRAP. Firm transmission capacity is therefore a requirement, particularly as the Company's resource mix changes and market purchases become a larger portion of the resource stack. Incremental transmission such as B2H or transmission from strategic locations, such as Four Corners, provides additional capacity to associate with market purchases and diversifies the paths on which the Company can import, which also provides significant benefits to reliability.

Q. Why is Idaho Power interested in WRAP?

A. WRAP will facilitate transparent collaboration and partnership among participating Load Responsible Entities (“LRE”) in the region. The program provides a consistent method of measuring resource adequacy across participants and offers a backstop opportunity to share resources in times of need. With the changing resource landscape across the West, this kind of consistency and collaboration is necessary and timely. WRAP is designed to allow participants to make use of regional diversity in resources and load and enhance reliability for customers across the footprint. With the Company’s own changing resource and load mix, WRAP will provide significant benefits through the evaluation of resource adequacy ahead of peak seasons and opportunities for sharing in times of need.

Q. How will WRAP result in benefits for Idaho Power and its customers?

A. WRAP leverages regional operating efficiencies and geographic diversity through the comprehensive "forward showing" evaluation of each participant's available resources and capacity to meet its needs for the upcoming operating season. Ultimately, this forward showing, combined with the ability within the operations program to rely on others' available capacity in times of need, affords participants, including Idaho Power, an opportunity to plan for and procure fewer incremental resources to reliably meet forecast system load.

Considering the benefits of regional resource and load diversity provided by WRAP participation, Idaho Power can achieve cost savings that exceed the cost of WRAP participation by reducing the planning reserve margin ("PRM") used in long-range planning and thus avoiding the purchase or procurement of some amount of resources needed to serve the Company's highest risk hours. A detailed discussion of the costs and benefits of WRAP participation is provided in Section III of my testimony.

II. STATUS OF WRAP

Q. What is the status of WRAP operations and implementation?

A. On February 10, 2023, the Federal Energy Regulatory Commission ("FERC") approved WRAP's governing tariff ("WRAP Tariff"), which prescribes the general provisions of WRAP, its governance structure, and the details of the forward-showing and operations programs.[2]

With the WRAP Tariff approved, the program can now begin to transition from a non-binding to a fully binding program. This transition will occur in three phases. First, from Winter 2022/2023 to Winter 2024/2025, all participation is non-binding. Second, from Summer 2025 to Winter 2027/2028, participation will be binding with transitional provisions, such as the ability to defer a participant's first binding season to a later date. Finally, Summer 2028 marks the beginning of fully binding WRAP participation.

Starting as early as Summer 2025, participants can sign a WRAP agreement to officially transition to binding participation. While participation is voluntary, binding participants must meet capacity and delivery requirements and pay participation costs. Participation and non-compliance costs are discussed in detail in Section II of my testimony.

Q. What is the difference between binding and non-binding participation?

[2] Exhibit 1 of the Direct Testimony of Nicole Blackwell.

A. The key difference between binding and non-binding participation is the applicability of non-compliance penalties and access to capacity in the operations program. Non-binding participants are exempt from the non-compliance penalties enforced for binding participants but, in the operations program, only have access to capacity that is *voluntarily* offered by participants and in excess of the needs of binding participants. Further, if some participants are binding while others are still non-binding—as allowed in the transition phase of WRAP—the program continues to function as non-binding.

For example, if a binding participant fails to supply generation to a non-binding participant, no delivery failure charge will be incurred because the recipient was a non-binding participant. Essentially, non-compliance penalties can neither serve to penalize nor protect non-binding participants. Stated another way, obligations and requirements are waived for both non-binding participants and any participant they deliver to or receive capacity from, regardless of the other participant's binding status.

In short, the greater the number of binding participants, the greater the volume of resources available for sharing in the operations program. Therefore, the

benefits of WRAP cannot be fully realized until all participants are binding.

As discussed further below, Idaho Power is considering the date at which it will be able to go binding and is planning to do so no later than Summer 2027.

Q. What is Idaho Power's status with respect to WRAP participation?

A. On December 19, 2022, the Company announced its plans to move forward with WRAP.[3] To date, Idaho Power has participated in WRAP's non-binding, forward-showing program. The Company submitted forward-showings for the Winter 2022/2023 and Summer 2023 seasons. These non-binding forward-showings serve as verification that participants are able to meet capacity requirements for the upcoming season.

Next, the Company will work with other participants to test the operations program in the summer of 2023, and then, starting in Winter 2023/2024, will participate in the first non-binding operations program to facilitate the sharing of resources during peak winter conditions.

Q. When will Idaho Power become a binding participant in WRAP?

[3] Idaho Power news release, "Idaho Power Moves Forward with Regional Energy Adequacy Group," December 19, 2022.

A. The Company tentatively plans to begin binding participation in the summer of 2027, giving the Company ample time to adjust to WRAP processes and requirements during the no-penalty phase of WRAP operations.

However, the Company will continue to evaluate the feasibility of an earlier binding date, as WRAP benefits are only fully realized through collective binding participation. In such a circumstance, the Company would not select a binding date that would precede the conclusion of this docket.

Q. How many utilities are participating in WRAP?

A. Currently, 20 utilities, including Idaho Power, have announced their formal participation in the non-binding phase(s) of WRAP.[4] Current participants are from the northwest, parts of the desert southwest, Canada, and northern California. Additional participants may join WRAP at any point as long as they are within WPP's regional footprint. WPP's and WRAP's respective footprints are shown in the image below.

[4] WRAP website, "WRAP FAQs" (https://www.westernpowerpool.org/news/wrap-faqs)

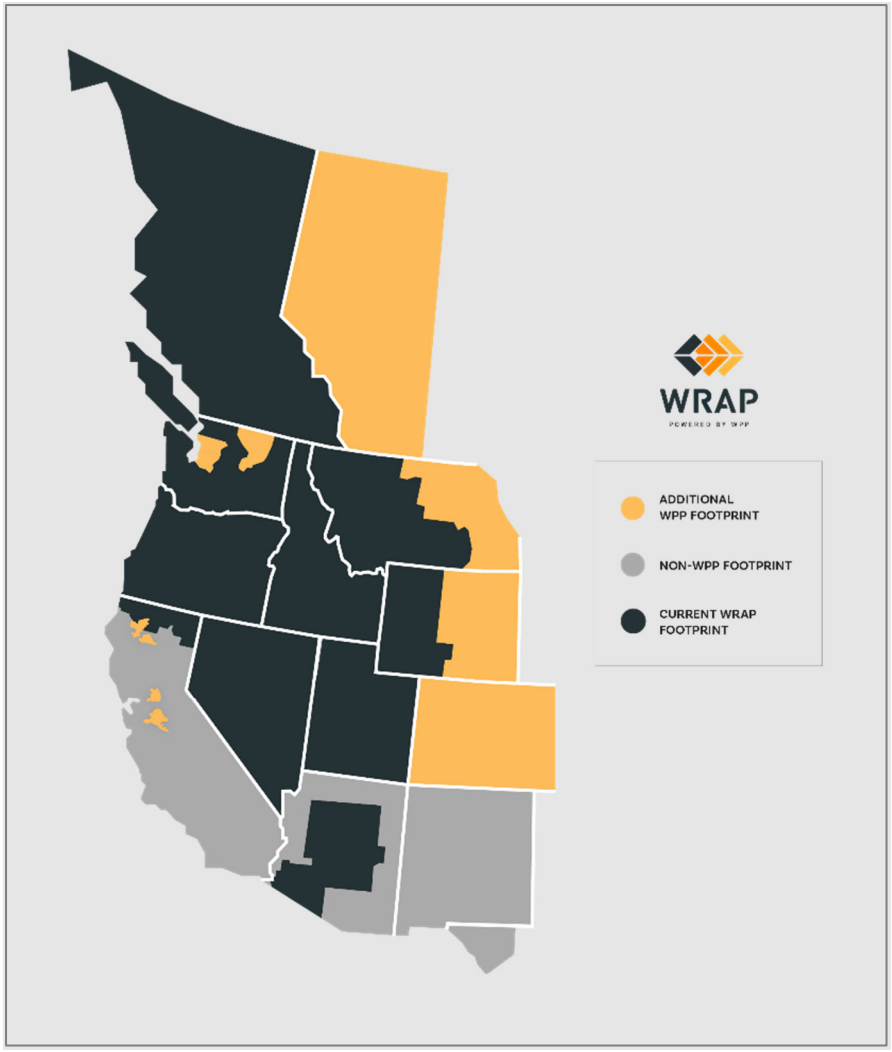

Image 1: Map of WPP and WRAP Footprints (December 2022)

III. COSTS & BENEFITS

Q. What are the costs associated with WRAP participation?

A. To cover the costs of administering and operating WRAP, WPP charges participants a WRAP Administration Charge and a one-time Cash Working Capital Support Charge. These two charges reflect all of WPP's operating expenses, general and administrative expenses,

costs of outside services, taxes, fees, capital costs, depreciation expense, interest expense, working capital expense, and other financing costs.

Q. How is the WRAP Administration Charge derived?

A. Each participant is assessed a monthly WRAP Administration Charge that is equal to the sum of fixed and variable costs. Administration costs, the fixed component, are allocated equally across all participants. Operating costs, the variable component, are allocated based on each participant's percentage of total monthly 50th percentile ("P50") peak load. Therefore, the larger the participating LRE, the larger the total WRAP Administration Charge will be and vice versa.

Q. How is the Cash Working Capital Support Charge derived?

A. Each WRAP participant must pay a Working Capital Charge to support WPP's ability to make payments for the operation and administration of the WRAP on a timely basis. Each participant will pay the Cash Working Capital Support Charge no later than 30 days after signing a WRAP Agreement. Like the Administration Charge, the Working Capital charge is proportional to the size of a participant's P50 peak load relative to the entire program.

So, the larger the load, the larger the Working Capital Charge and vice versa.

Q. What are the Company's estimated costs of WRAP participation?

A. The Company estimates that the annual cost of participation, or the annual sum of WRAP Administration Charges will be between $510,133 and $744,555. Administration Charges are subject to change based on participant count and P50 peak load. Additionally, in 2022, the Company incurred a one-time Cash Working Capital Support Charge of $152,856 after signing the WRAP agreement.

Q. How will WRAP participation result in cost savings?

A. Understanding the financial benefits of WRAP first requires understanding how WRAP will be used. As described in the Direct Testimony of Nicole Blackwell, WRAP is designed to be a program of *last resort*. Considering this, and in the absence of firsthand experience in the operations program, the Company assumes it will leverage WRAP one day per year. As Idaho Power gains operational experience with WRAP, the Company will develop a more refined understanding of how often it is likely to leverage the sharing opportunities in the WRAP operations program.

To assess WRAP's potential cost savings associated with use one day per year, the Company first performed a loss-of-load probability ("LOLP") analysis on six test years of the Company's load and resource data and identified the highest-risk day of each year. Idaho Power then performed an analysis using the Company's Reliability and Capacity Assessment Tool to identify the amount of capacity needed to bring the LOLP of the highest-risk day down to a similar risk profile as other days in the same year.

The Reliability and Capacity Assessment Tool analysis found that WRAP, by providing capacity resources to the Company on that single worst day, resulted in the Company needing 14 megawatts ("MW") *less* of perfect generation to meet an annual Loss of Load Expectation ("LOLE") of 0.1 event-days per year. In other words, leveraging WRAP to significantly reduce the risk of the highest-risk day each year is the equivalent of avoiding 14 MW of perfect generation-and the associated costs-available across all hours of the year.

Q. How much cost savings does Idaho Power anticipate from WRAP?

A. Using the analysis above, Idaho Power valued the 14 MW of avoided perfect generation by converting it to an equivalent amount — 15.58 MW — of natural gas capacity

from a simple cycle combustion turbine ("SCCT"). The 15.58 MW of natural gas capacity reflects 14 MW of perfect generation "grossed up" by an Equivalent Forced Outage Rate on demand ("EFORd") of 10.15 percent (14 MW/(1-0.1015) = 15.85 MW).[5] Using 2021 IRP resource cost information, the annual value of 15.58 MW of natural gas capacity is $2,145,678.[6]

Stated another way, the 14 MW that WRAP represents is equivalent to 15.58 MW of SCCT capacity, resulting in an estimated $2.1 million of annual avoided resource investment.

Q. What is Idaho Power's estimated net savings from WRAP participation?

A. Even assuming that Idaho Power would pay the high end of annual WRAP Administration Charges, the Company's annual net savings from WRAP would be $1.4 million.

Q. When does the Company expect to realize these savings?

A. As noted earlier in testimony, the benefits of WRAP are expected to materialize when the program becomes fully binding. If the Company were not able to realize savings from WRAP until 2027 (the Company's anticipated

[5] 10.15% is the EFORd of a smaller simple cycle combustion turbine.
[6] See the 2021 IRP, Appendix C, p. 38. Two years of inflation at 2.3 percent was applied to get 2023 dollars.

fully binding year), participation would result in cumulative net savings by 2028. That is, the cumulative savings for 2027 and 2028 would exceed the cumulative program costs from 2023-2028 by more than $500,000.

Q. How could WRAP result in larger cost savings?

A. The cost savings presented above assumes the Company will rely on the WRAP operations program's resource sharing only once per year. Geographical diversity is expected to be a major benefit of WRAP, especially if the Company's peak needs occur at times that are diverse compared to the other WRAP participants. Leveraging the program more frequently would potentially result in additional avoided cost savings. Operational experience gained this summer, and as the program approaches the binding phase, will help Idaho Power better understand when and how often the Company may be likely to use WRAP.

Q. Are the cost savings associated with WRAP "real"?

A. Yes. The cost savings associated with WRAP participation are real because they represent the costs the Company would have otherwise incurred to procure capacity for times of extreme need.

Q. How will cost savings be realized for customers?

A. Customers will experience cost savings in the same way that Demand Response ("DR") lowers costs for all customers. DR programs, such as the Company's Irrigation Peak Rewards Program, allow the Company to procure fewer resources because some amount of DR is expected to be available.

Similarly, WRAP participation will allow the Company to plan to procure fewer resources.

Also like DR, the expected cost savings associated with WRAP will be real. They will be passed on to customers through avoided investment in new resources and, as a result, not accounted for directly in the Company's Power Cost Adjustment.

Q. How will WRAP be treated in the Company's upcoming 2023 Integrated Resource Plan ("IRP")?

A. To be conservative, the Company's assumption is that it will leverage WRAP only once per year, beginning in 2027, when the Company expects to become a binding WRAP participant.

Considering the last-resort nature of WRAP, the Company will not model WRAP as a typical resource in AURORA. That is, WRAP will not be a selectable resource within AURORA's long-term capacity expansion model.

Instead, the Company will reduce its PRM starting in 2027 in AURORA to account for the 14 MW *reduction* in capacity need that results from leveraging WRAP once per year, consistent with how the Company assessed the cost savings associated with WRAP.

Q. Does this PRM reduction equate to the Company procuring fewer resources?

A. Yes. Through WRAP, the Company believes it can avoid 14 MW of capacity need. WRAP will, therefore, be listed in the Load and Resource Balance as providing 14 MW of capacity beginning in 2027.

Q. Will WRAP have any additional impacts on the Load and Resource Balance?

A. Yes. As explained in Case No. IPC-E-23-05,[7] Idaho Power's capacity benefit margin ("CBM") will not have the same value in WRAP. When evaluating resource adequacy planning requirements under WRAP, quantification of firm resources will not allow for the inclusion of CBM to demonstrate adequacy. The Company must acquire firm resources on firm transmission well in advance of each season to meet WRAP forward-showing requirements. CBM, by

[7] In the Matter of Idaho Power Company's Application for a Certificate of Public Convenience and Necessity to Acquire Resources to be Online by 2024 and for Approval of a Power Purchase Agreement with Franklin Solar LLC.

definition, is only available as firm transmission when the Company is in an energy emergency and cannot be utilized for WRAP forward-showing purposes. This, coupled with an evaluation of the difficulties acquiring transmission under emergency conditions, resulted in the reduction of the resource availability associated with CBM in the Load and Resource Balance utilized for acquisition of 2024 resources from 330 MW to 200 MW. Idaho Power will make the same adjustment in the Load and Resource Balance used for the 2023 IRP.

Q. How will WRAP be treated in future IRPs?

A. Idaho Power intends to use operational WRAP knowledge to inform how WRAP will be modeled in future IRPs, beyond the 2023 IRP. The Company may identify a more optimal approach to reflecting WRAP within its long-term planning.

Q. Will participation costs and cost savings change customer rates immediately?

A. No. The Company respectfully requests the Commission approve its request to recover costs associated with WRAP participation in a future rate proceeding or in the next general rate proceeding. As a result, there would be no immediate impact on customer rates.

Q. Would the addition of participants to WRAP reduce the expected cost savings for existing participants?

A. No. Additional participants in WRAP should not reduce expected cost savings. In fact, as more LREs join WRAP, more capacity will be available to share during tight conditions, so program benefits and reliability may increase with wider participation.

Q. Under what scenario would Idaho Power look to withdraw from WRAP?

A. The Company's participation in WRAP is grounded in the expected benefits of cost savings and improved system reliability, as outlined above. However, if these benefits were to be compromised or the expected cost savings did not materialize, the Company would evaluate withdrawing from WRAP.

Withdrawing, however, would require the Company to maintain system reliability without the regional support provided by the program. Such a "go-it-alone" approach would isolate Idaho Power from many of its partners in the region that have opted into WRAP. As such, the Company would need to conduct a robust cost-benefit analysis before making the decision to withdraw from the program.

Q. What kinds of penalties could Idaho Power be exposed to through participation in WRAP?

A. As mentioned in the Direct Testimony of Nicole Blackwell, WRAP participants must pay non-compliance charges if they fail to meet the requirements of the forward-showing and operations programs. These non-compliance charges include Deficiency Charges and Delivery Failure Charges, and they are designed to result in compliance from all participants. Penalties are set at a high enough price to ensure that participants are not tempted to default on their requirements.

Q. Is the Company confident in its ability to remain compliant and not incur any penalties?

A. Yes. To be clear, Idaho Power does not intend to operate in a manner that would ever result in non-compliance penalties.

IV. WRAP GOVERNANCE

Q. How is WRAP governed?

A. WRAP is governed by several supervisory and advisory entities: WPP, WPP's independent Board of Directors ("Board"), an Independent Evaluator, and a series of committees.

Upon FERC's approval of the WRAP Tariff, the governance structure is now finalized, allowing WPP to move forward with establishing—or approving—the various

governing bodies. The purpose and status of each is described below.

Q. What is the relationship between WPP and WRAP?

A. WPP serves as WRAP's program administrator and employs a program operator to oversee WRAP's forward-showing and operations programs. WPP also provides legal, regulatory, and accounting support for WRAP.

Additionally, WPP, working under the Board, has the authority to submit to FERC amendments to the rates, terms, and conditions in the WRAP Tariff.

Q. What is WPP's independent Board and what is its role?

A. WPP existed prior to WRAP and, as such, had its own existing Board of Directors. Under the FERC-approved WRAP Tariff, WPP is required to have an independent Board of Directors. To prevent conflicts of interest, Board members must maintain financial independence from all WRAP participants.

The Board has ultimate authority over all aspects of WRAP, including the exclusive authority to direct WPP to file amendments to the WRAP Tariff and approve the Business Practice Manuals.[8] The Business Practice Manuals compile details, guidance, and information about the

[8] WRAP Tariff, Section 2.

implementation of the rules, requirements, and procedures stated in the WRAP Tariff.

Q. What is the status of the Board?

A. In October 2022, WPP's nominating and search committee, along with a national search firm, approved nominees for the new independent Board. These members include WPP Board Chairperson Bill Drummond, along with four new members: Susan Ackerman, former Public Utility of Oregon Commissioner and former Chief Energy Officer at Eugene Water and Electric Board; Michelle Bertolino, former Executive Utility Director of Roseville Electric Utility; Doug Howe, Consultant for the Western Public Utility Commission Joint Action Framework on Climate Change; and Andrew Ott, former CEO of PJM.[9] Following FERC's approval of the WRAP Tariff, these nominees were officially seated on the Board on February 21, 2023.

Q. How does the Board receive information and recommendations?

A. A series of committees, as well as an appointed Independent Evaluator, provide the Board with stakeholder input and policy guidance. The committees include the Resource Adequacy Participants Committee ("RAPC"), Program Review Committee ("PRC"), and Committee

[9] WPP news release, "Western Power Pool Approves Nominees for New Independent Board of Directors," October 14, 2022.

of State Representatives ("COSR"). Each committee is discussed in turn below.

Q. What is the function and purpose of the RAPC?

A. The RAPC represents the interests of WRAP participants directly to the Board. It is the sole committee that can consider, recommend, and vote that the Board approve or reject amendments to the WRAP Tariff or Business Practice Manuals. Additionally, the RAPC can provide input to the Board on any proposed WRAP rules.

Q. Who are the members of the RAPC?

A. The RAPC includes one representative from each WRAP participant. Each representative is expected to be in senior management of the participating entity and have decision-making authority on behalf of the entity. If the senior management official is unable to attend a meeting, a designated representative of the senior management official can attend the meeting instead, provided the representative has binding decision-making authority and all voting rights have been delegated from the senior management official.

Q. Who is Idaho Power's RAPC representative?

A. Ben Brandt, Director of the Company's Load Serving Operations, serves on RAPC for Idaho Power.

Q. How does RAPC voting work?

A. While each RAPC representative gets one vote, RAPC voting utilizes a "House and Senate" model, like the US Congress.[10] Each participant's "House" vote represents the proportion of the participant's monthly P50 peak load compared to the total monthly P50 peak loads of all WRAP participants. As a result, participants with relatively larger peak loads will have more weight in the House vote. On the "Senate" side, each participant will receive a single, non-weighted vote.

The bicameral-style voting system ensures that all participants have an equal voice, while also recognizing the importance of participant size.

For any action to be approved by the RAPC, the vote must pass both the "House" and "Senate". However, specific percentage thresholds of the entire committee are required for passage of specific actions. For example, approval to amend any of the limitations on Board authority requires an 80 percent affirmative vote in both the House and Senate.[11]

Q. What is the function and purpose of the PRC?

A. The PRC is responsible for receiving, considering, and proposing amendments to the WRAP Tariff

[10] WRAP Tariff, Section I.
[11] WRAP Tariff, Section 3.4.

and Business Practice Manuals.[12] The PRC serves as an advisory group to the RAPC and, when applicable, the Board.

Q. Who are the members of the PRC?

A. The PRC is comprised of 20 representatives from the following ten sectors:[13]

1. Four representatives of the RAPC-participant investor-owned utilities;
2. Four representatives of the RAPC-participant publicly owned utilities, such as consumer or municipal utilities;
3. Two representatives of RAPC-participant retail competition LREs;
4. Two representatives from RAPC-participant Federal Power Marketing Administrations;
5. Two representatives of independent power producers;
6. Two representatives of public interest organizations;
7. One representative of retail consumer advocacy groups;
8. One representative of industrial customer advocacy groups;

[12] WRAP Tariff, Section 4.2.
[13] *Id.*

9. One representative of load-serving entities with loads in the WRAP that are represented by other LREs and are not otherwise eligible for any other sector; and

10. One representative from the COSR.

WRAP participants and other entities are limited to participating in one PRC sector, even if they are eligible to participate in more than one sector.

Q. Does Idaho Power serve on the PRC?

A. Yes. Camille Christen, the Company's Resource Acquisition, Planning, Coordination Manager, sits on the PRC as the representative for WRAP participating investor-owned utilities in the Rockies region (Northwestern Energy, PacifiCorp, and Idaho Power).

Q. How does PRC voting work?

A. The PRC operates under consensus voting, in which each of the ten sectors casts one vote, with an affirmative vote of six sectors constituting approval.[14] For sectors with four representatives, three representatives must agree with the action for the sector to be considered an affirmative vote. Similarly, sectors with two representatives must have both representatives agree with

[14] WRAP Tariff, Section 4.2.5.

the action for the sector to be considered an affirmative vote.

Q. What is the function and purpose of the COSR?

A. The COSR serves as a check-and-balance for proposals submitted to the Board by the RAPC. If the RAPC submits a proposal that is significantly different than a proposal suggested by the PRC, the COSR may engage in public review and comment before the proposal is officially submitted to the Board. Additionally, if the COSR opposes or appeals a proposal submitted by the RAPC, the Board will not consider the proposal until the RAPC engages with the COSR in at least two public discussions.[15]

Q. Who are the members of the COSR?

A. The COSR is comprised of one representative from each state or provincial jurisdiction that regulates at least one WRAP participant. These jurisdictional representatives may come from either a public utility commission or a state or provincial energy office.[16] As of March 2023, the COSR is in the process of being formed.

Q. What is the function and purpose of the Independent Evaluator?

[15] WRAP Tariff, Section 4.3.
[16] WRAP Tariff, Section 4.3.1.

A. The Independent Evaluator, which will report directly to the Board, is responsible for assessing WRAP's performance and recommending potential design modifications. The Independent Evaluator will have no decision-making authority but will present an annual report of its findings to the WRAP committees and the Board. All data in the report will be reported on an aggregated basis, as the evaluator is prohibited from evaluating individual participants.[17]

Q. Who is the Independent Evaluator?

A. As of March 2023, the search for an Independent Evaluator is still underway.

Q. Will WRAP participation impact the Commission's role as Idaho Power's state regulator?

A. No. Idaho Power's participation in WRAP will not change the Commission's regulatory review and approval role. WPP's governance proposal clearly articulates the preservation of jurisdictional authority:

> The WRAP is not intended to pre-empt, supplant, or otherwise circumvent state jurisdiction, including state regulatory process, determinations of resource adequacy planning, resource choice, or resource procurement. Any state agency that has statutory jurisdiction over the rates charged or services provided by a participating utility reserves the right to exercise any and

[17] WRAP Tariff, Section 5.

all lawful means to preserve its state jurisdiction and authority. It is the expectation of the designers of the WRAP that the overall governance structure for the WRAP facilitates state process and outcomes that can operate jointly with a regional resource adequacy program.[18]

V. NEXT STEPS

Q. What are the next steps for current WRAP participants?

A. In mid-December 2022, WPP gathered all commitments from potential WRAP participants for the next phase of implementation. This next phase will largely be a trial period for participants to practice how the fully binding program will operate. Essentially, the non-binding transitional phases serve the purpose of further introducing the program to participants and giving them an opportunity to practice and plan for how they will leverage the full value of WRAP. As noted earlier, Idaho Power is participating in the summer 2023 non-binding operations program for testing.

Q. Please summarize your testimony.

A. Idaho Power currently determines resource adequacy and reliability on its own, within its balancing authority. Participation in WRAP will give Idaho Power insight into regional resource adequacy, along with the

[18] *Western Resource Adequacy Governance Program – Governance Proposal* (January 2022), p. 4.

ability to procure energy and capacity and preserve reliability in times of extreme need.

Idaho Power conservatively estimates that participation in WRAP will result in annual net savings of $1.4 million, based on the amount of resources that can be avoided by using WRAP only one time per year. With potential WRAP savings far exceeding annual participation costs, the Company considers WRAP participation both prudent and necessary to ensure that the Company can continue to deliver low-cost and reliable electricity to customers into the future.

Q. Does this complete your testimony?

A. Yes, it does.

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DECLARATION OF ALISON WILLIAMS

I, Alison Williams, declare under penalty of perjury under the laws of the state of Idaho:

1. My name is Alison Williams. I am employed by Idaho Power Company as the Regulatory Policy and Strategy Leader in the Regulatory Affairs Department.

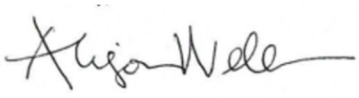
2. On behalf of Idaho Power, I present this pre-filed direct testimony in this matter.

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 14th day of March 2023, at Boise, Idaho.

Signed:



Alison Williams