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IDAHO PUBLIC
UTILITIES COMMISSION

MEGAN GOICOECHEA ALLEN
Corporate Counsel
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May 18, 2023

Jan Noriyuki, Secretary
Idaho Public Utilities Commission
11331 W. Chinden Boulevard
Building 8, Suite 201-A
Boise, Idaho 83714

Re: Case No. IPC-E-23-12
Application of Idaho Power Company for Authority to Implement Power Cost
Adjustment ("PCA") Rates for Electric Service from June 1, 2023, through May
31, 2024

Dear Ms. Noriyuki:

Attached for electronic filing is Idaho Power Company's Reply Comments in the above-entitled matter.

The confidential attachment will be provided separately to the parties who sign the Protective Agreement.

If you have any questions about the attached documents, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Megan Goicoechea Allen".

Megan Goicoechea Allen

MGA:sg
Enclosures

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Attorneys for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR)	CASE NO. IPC-E-23-12
AUTHORITY TO IMPLEMENT POWER)	
COST ADJUSTMENT (“PCA”) RATES)	IDAHO POWER COMPANY’S
FOR ELECTRIC SERVICE FROM JUNE)	REPLY COMMENTS
1, 2023, THROUGH MAY 31, 2024.)	
)	
)	
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)	

COMES NOW, Idaho Power Company (“Idaho Power” or “Company”), and, pursuant to Idaho Public Utilities Commission’s (“Commission”) Rule of Procedure¹ 203 and the Notice of Modified Procedure, Order No. 35756, hereby respectfully submits the following Reply Comments in response to Comments filed by Commission Staff (“Staff”) and the Industrial Customers of Idaho Power (“ICIP”) in the matter of the Company’s

¹ Hereinafter cited as RP.

application for authority to implement Power Cost Adjustment (“PCA”) rates for electric service from June 1, 2023, through May 31, 2024.

I. **BACKGROUND**

On April 14, 2023, Idaho Power applied to the Commission for an order approving an update to Schedule 55 based on the quantification of the 2023-2024 PCA to become effective June 1, 2023, for the period June 1, 2023, through May 31, 2024. As filed, the 2023-2024 PCA would result in an overall revenue increase of approximately \$200.2 million, or a 14.68 percent increase over the current billed revenue.

On May 11, 2023, Staff and ICIP filed comments in this case. Staff’s comments recommended approval of the PCA amount of \$200.2 million, but recommended that the Commission withhold its decision on determining the prudence of the filed net power supply expense (“NPSE”) until Idaho Power, with Staff’s review, fully investigates the circumstances that led to the lack of coal supply. In addition, Staff recommended that the Commission should reserve the right to adjust recovery of NPSE until next year’s PCA filing, if the Commission finds that the Company was not prudent in its management of coal supply.

Staff also recommended that the Company keep the Commission and Staff apprised of any adjustments to the forecast that may warrant an out-of-cycle PCA adjustment. Lastly, Staff recommended that the Company notify the Commission of the outcome of the liquidated damages claim for Hells Canyon Unit 3. ICIP’s comments largely centered around rate mitigation, proposing to spread the requested PCA increase over a two- or three-year period.

II. REPLY COMMENTS

Idaho Power appreciates and acknowledges Staff's review of the Company's filing and agrees with Staff's conclusion that the filed PCA components appropriately calculate the 2023-2024 PCA rates under the currently approved methodology. In addition, Idaho Power supports Staff's recommendations related to continued communication regarding material changes to the PCA forecast and the outcome of the liquidated damages claim for Hells Canyon Unit 3.

Idaho Power recognizes the limited amount of time available to Staff to fully investigate the circumstances that led to the Company's limited coal supply, and is not opposed to Staff's recommendation to continue this investigation, which would include Idaho Power preparing a report of its findings for the Commission. However, Idaho Power believes that the information provided to Staff in this case sufficiently demonstrates that the Company's actions were prudent, and the April 2022 through March 2023 NPSE were prudently incurred.

Lastly, while Idaho Power is not necessarily opposed to rate mitigation measures as discussed in its initial Application, the Company remains concerned with the risk of future compounding effects that may result from the ICIP's proposal to spread the PCA rate increase over a two- or three-year period. Each of these issues is discussed in more detail below.

A. PCA Forecast

On page 5 of Staff's Comments, Staff recommends that the Company "keep Staff apprised of how the forecast changes during the PCA year and if an adjustment to the forecast rate is warranted, the Company should make an off-cycle filing with the

Commission.” Idaho Power supports Staff’s recommendation, and will communicate with Staff regarding material changes to the PCA forecast.

B. Hells Canyon Unit 3 Downtime

Pages 10 and 11 of Staff’s Comments discuss their analysis of the outage at Hells Canyon Unit 3. Staff notes that the impact to the historical PCA year is minimal, and that the Company acted prudently to bring the unit back online. Staff recommends that the Company notify the Commission of the outcome of its liquidated damages claim. The Company is supportive of Staff’s recommendation, and will notify the Commission of the outcome when the claim is resolved.

C. Lack of Coal Supply

Pages 7-10 of Staff’s Comments discuss their analysis related to the circumstances that led to the lack of coal supply during the 2022-2023 PCA year. Based on their analysis, Staff has recommended that the Company conduct a full investigation into these circumstances and provide a report to the Commission. While the Company is not opposed to further investigation of these issues, Idaho Power believes the information provided to Staff in this case sufficiently demonstrates that the actions of the Company were prudent based on what was known, or should have been known, prior to the costs at issue being incurred. As part of the discovery process in this case, Idaho Power provided to Staff a report that detailed the events and decisions related to limited coal availability and turbulent market conditions before and during the 2022-2023 PCA year. To ensure the Commission is informed as to the Company’s knowledge and actions in this regard, the referenced report is included with these Reply Comments as Confidential Attachment 1.

Further, it appears that Staff may have misinterpreted information in Confidential Attachment 1 and other discovery responses to reach their conclusions. For example, some of the statements made in Staff's Comments incorrectly characterize the actions the Company took in response to the limited coal supply. Staff states that while the Company was aware of the coal shortage in April 2022, leadership was not made aware until September, and actions were not taken to remedy the situation until later in the calendar year, which Staff describe as "mostly unsuccessful." Staff's assertion is not supported by the facts presented in discovery. When the Company and its management became aware of the limited supply of coal in April 2022, it immediately initiated efforts to procure additional coal. Ultimately, these efforts did not result in an adequate supply of coal, driving the need to optimize available coal to ensure the most cost-effective operation of the coal plants under these constrained circumstances. This optimization method resulted in additional hedge transactions in the fall of 2022. It would not have been prudent, as implied by Staff, to initiate this optimization strategy any earlier until all reasonable efforts to procure additional coal had been exhausted.

Sustained price escalation and volatility in the natural gas and energy markets, stemming from global natural gas supply and demand disruptions, combined with poor hydrological conditions, led to the increased economic dispatch of coal-fired resources during the winter and spring months of 2022. In addition, coal production in the U.S. has been ramping down, limiting the supply of third-party coal available to Idaho Power, and production capabilities at Bridger Coal Company ("BCC") decreased due to the closing of the underground mine at the end of 2021. In its responses to Staff's First Production Request, filed May 4, 2023, the Company provided a timeline of monthly changes to its

Bridger and Valmy fueling plans as a result of the decrease in coal supply. In addition, the Company provided a summary of Request for Proposal (“RFP”) and procurement activities for Valmy. These have been included with these Reply Comments as Attachments 2-5.

The Company took action to secure additional coal at Bridger beginning April 2022, when coal inventory began to decline as a result of actual coal generation being 44 percent higher than forecast. At that time, the Company allocated 133,000 additional tons of coal from BCC. In May 2022, Idaho Power and PacifiCorp began negotiations for a new 18-month coal contract from Black Butte Coal Company, which was secured in July 2022.

At the end of May 2022, published Mid-Columbia (“Mid-C”) forward market prices for the remainder of the PCA year had increased 36 percent from forecast prices two months prior. The actions Idaho Power took to secure additional coal allowed the Company to continue operating Bridger unconstrained through the summer peak season and avoid some of the increased prices. In September 2022, the Company began exploring options to secure coal from the Powder River Basin, and in October 2022, Idaho Power began optimizing its coal generation in order to reduce coal burn due to the limited coal supply remaining.

At Valmy, Idaho Power contacted western coal suppliers in May 2022 seeking additional coal for the balance of 2022. However, no additional coal was available for purchase that met plant coal quality specifications. As a result, in June 2022, NV Energy and Idaho Power issued a joint RFP to procure additional coal supply. However, coal bid into this RFP failed to meet quality specifications for mercury and sulfur content

required for Valmy to comply with its emissions permit. As a result of the knowledge gained regarding the availability and quality of coal for future use at Valmy, an independent engineering firm was commissioned to evaluate the feasibility of enhancing the controls at Valmy to allow the plant to burn higher mercury and sulfur coals. Based on the information obtained from the engineering firm, plant specifications for mercury and sulfur were refined, and NV Energy and Idaho Power issued an RFP in November 2022, seeking coal for 2023. A contract has been negotiated with a new fuel source, which Idaho Power expects to be available by summer 2023.

Next, Staff quantifies the additional expenses associated with the less-than-forecasted coal generation, stating that the increase in NPSE as a result of the decrease in generation is \$114 million. Staff also notes that “the Company may have been able to take more effective action early in the calendar year to increase its quantity of coal or to hedge for additional gas and market energy, thereby avoiding some of the \$114 million in additional cost.”² As stated previously, Idaho Power first acted to increase its quantity of coal for the balance of 2022 in April at Bridger and in May at Valmy. In addition, the Company executed its hedging transactions in accordance with the risk guidelines outlined in the Company’s Energy Risk Management Standards. These guidelines identify both the volumetric and financial exposure limits that dictate the Company’s allowed hedging activity, as well as the timing of when the Company can execute a hedge transaction. While the Company began optimizing its coal generation in October 2022, which resulted in additional hedge transactions in the fall, as previously noted, it would not have been prudent to initiate this optimization strategy any

² Staff’s Comments at 9.

earlier until all reasonable efforts to procure additional coal had been exhausted.

Idaho Power acknowledges the short amount of time available to Staff to analyze this issue. Should the Commission determine additional time to work with Staff on a full investigation is warranted, the Company is confident that it will demonstrate that it acted prudently.

D. Rate Mitigation

ICIP's Comments proposed to spread the requested PCA rate increase over a two- or three-year time period³. While Idaho Power is amenable to rate mitigation if the Commission deems some form of measure to be prudent, after reviewing ICIP's proposal, the Company's concerns with rate pancaking remain.

In requesting the Commission adopt PCA-related rate mitigation measures, ICIP raises the concern that if approved as filed, the PCA "will punish industrial and special contract customers. . .". Discussing the per-kilowatt-hour ("kWh") recovery method of the PCA, ICIP states that "high load factor customers (customers who impose relatively fewer peak demand-related costs on the Company) are disproportionately hurt by the PCA." This statement incorrectly characterizes the PCA mechanism, of which costs are driven by energy consumption. Because costs included in the PCA are driven by energy consumption, they are appropriately assigned based on kWh usage, reflecting the fair assignment of costs rather than a "punishment" of high load factor customers.

In proposing a two- or three-year deferral of recovery of this year's PCA balance, ICIP acknowledges that the Commission has consistently rejected customer requested rate mitigation proposals in the past: "In the thirty-year history of the PCA the

³ ICIP Comments at 7 and 8.

Commission has never adopted an overall rate mitigation measure.”⁴ While the ICIP may disagree with this approach, it does not provide any compelling justification for deviating from the Commission’s longstanding precedent.⁵ While the Company is not opposed to discussing rate mitigation measures if the Commission determines they may be appropriate, the Company believes the oft-cited concerns⁶ remain and the potential longer-term downside risks outweigh the near-term relief of deferring all or a portion of the requested increase.

III. CONCLUSION

Idaho Power appreciates the thorough audit performed by Staff, and the comments filed by both Staff and ICIP. The Company respectfully requests that the Commission approve its filing to implement PCA rates effective June 1, 2023. Idaho Power supports Staff’s recommendations to continue communications regarding the Hells Canyon Unit 3 liquidated damages claim and material changes to the PCA forecast. In addition, while Idaho Power is not opposed to Staff’s recommendation to fully investigate the circumstances that led to the lack of coal supply, the Company believes that the information provided to Staff in this case sufficiently demonstrates that the Company’s actions were prudent.

⁴ ICIP Comments at 5.

⁵ See, e.g., *In the Matter of the Application of Idaho Power Company for Authority to Implement Power Cost Adjustment (PCA) Rates for Electric Service From May 16, 2002 Through May 15, 2003*, Case No. IPC-E-02-03, Order No. 29026, p. 15-16 (May 13, 2002); *In the Matter of the Application of Idaho Power Company for Authority to Implement Power Cost Adjustment (PCA) Rates for Electric Service From June 1, 2008 Through May 31, 2009*, Case No. IPC-E-08-07, Order No. 30563, p. 6-7 (May 30, 2008); *In the Matter of the Application of Idaho Power Company for Authority to Implement Power Cost Adjustment (PCA) Rates for Electric Service From June 1, 2009 Through May 31, 2010*, Case No. IPC-E-09-11, Order No. 30828, p. 10-11 (May 29, 2009); *In the Matter of the Application of Idaho Power Company for Authority to Implement Power Cost Adjustment (PCA) Rates for Electric Service from June 1, 2013 Through May 31, 2014*, Case No. IPC-E-13-10, Order No. 32821, p. 10-11 (May 31, 2013).

⁶ In considering the use of rate mitigation measures in prior PCA cases, the Commission has repeatedly declined to spread recovery of amounts into subsequent years citing concerns surrounding rate pancaking, appropriate matching of costs and recovery, and the overall intent of the PCA mechanism.

DATED at Boise, Idaho, this 18th day of May 2023.

A handwritten signature in black ink that reads "Megan Goicoechea Allen". The signature is written in a cursive style with a large initial 'M' and 'A'.

MEGAN GOICOECHEA ALLEN
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 18th day of May 2023, I served a true and correct copy of Idaho Power Company's Reply Comments upon the following named parties by the method indicated below, and addressed to the following:

<p>Commission Staff Claire Sharp Deputy Attorney General Idaho Public Utilities Commission 11331 W. Chinden Blvd., Bldg No. 8, Suite 201-A (83714) PO Box 83720 Boise, ID 83720-0074</p>	<p><input type="checkbox"/> Hand Delivered <input type="checkbox"/> U.S. Mail <input type="checkbox"/> Overnight Mail <input type="checkbox"/> FAX <input type="checkbox"/> FTP Site <input checked="" type="checkbox"/> Email: Claire.Sharp@puc.idaho.gov</p>
<p>Industrial Customers of Idaho Power Peter J. Richardson 515 N. 27th Street Boise, Idaho 83702</p>	<p><input type="checkbox"/> Hand Delivered <input type="checkbox"/> U.S. Mail <input type="checkbox"/> Overnight Mail <input type="checkbox"/> FAX <input type="checkbox"/> FTP Site <input checked="" type="checkbox"/> Email: peter@richardsonadams.com</p>
<p>Dr. Don Reading 6070 Hill Road Boise, Idaho 83703</p>	<p><input type="checkbox"/> Hand Delivered <input type="checkbox"/> U.S. Mail <input type="checkbox"/> Overnight Mail <input type="checkbox"/> FAX <input type="checkbox"/> FTP Site <input checked="" type="checkbox"/> Email: dreading@mindspring.com</p>

Stacy Gust

 Stacy Gust, Regulatory Administrative
 Assistant

CERTIFICATE OF ATTORNEY

ASSERTION THAT INFORMATION CONTAINED IN AN IDAHO PUBLIC UTILITIES COMMISSION FILING IS PROTECTED FROM PUBLIC INSPECTION

Idaho Power Company's Reply Comments

Case No. IPC-E-23-12

The undersigned attorney, in accordance with Commission Rules of Procedure 67, believes that the Attachment No. 1 to Idaho Power Company's Reply Comments, dated May 18, 2023, may contain information that Idaho Power Company claims is a confidential trade secret as described in *Idaho Code* § 74-101, *et seq.*, and/or § 48-801, *et seq.* As such, it is protected from public disclosure and exempt from public inspection, examination, or copying.

DATED May 18, 2023.



Megan Goicoechea Allen
Counsel for Idaho Power Company

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-23-12**

IDAHO POWER COMPANY

CONFIDENTIAL

**REPLY COMMENT
ATTACHMENT NO. 1**

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-23-12

IDAHO POWER COMPANY

REPLY COMMENT

ATTACHMENT NO. 2

MEGAN GOICOECHEA ALLEN (ISB No. 7623)
LISA D. NORDSTROM (ISB No. 5733)
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lnordstrom@idahopower.com

Attorneys for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR)	CASE NO. IPC-E-23-12
AUTHORITY TO IMPLEMENT POWER)	
COST ADJUSTMENT ("PCA") RATES)	IDAHO POWER COMPANY'S
FOR ELECTRIC SERVICE FROM JUNE)	RESPONSE TO THE FIRST
1, 2023, THROUGH MAY 31, 2024.)	PRODUCTION REQUEST OF
)	THE COMMISSION STAFF TO
)	IDAHO POWER COMPANY
_____)	

COMES NOW, Idaho Power Company ("Idaho Power" or "Company"), and in response to the First Production Request of the Commission Staff ("Commission" or "Staff") dated April 20, 2023, herewith submits the following information:

REQUEST FOR PRODUCTION NO. 1: Please provide the *monthly* number of megawatt-hours ("MWh") associated with the system base and with the actual net power costs, for all Net Power Supply Expense ("NPSE") Accounts including Federal Energy Regulatory Commission ("FERC") accounts 501 (Coal), account 536 (Water for power), account 547 (Gas), account 555 (Non-PURPA), account 565 (3rd party transmission), account 447 (Surplus Sales), account 555, (PURPA), and account 555 (Demand Response Incentives).

RESPONSE TO REQUEST FOR PRODUCTION NO. 1: Please see Confidential Attachment 1 for monthly PURPA generation in megawatt-hours ("MWh") associated with the system base net power costs. Please see Attachment 2 for monthly generation associated with system base net power costs for all non-PURPA Federal Energy Regulatory Commission ("FERC") accounts. Docket No. IPC-E-13-20 contains additional detail regarding the Company's base net power supply costs.

Please see Attachment 3 for monthly generation associated with actual net power supply costs for April 2022 – March 2023. There are no MWhs associated with FERC accounts 536 (Water for Power), 565 (3rd Party Transmission) and 555 (Demand Response Incentives).

The response to this Request is sponsored by Jessi Brady, Regulatory Analyst, Idaho Power Company.

REQUEST FOR PRODUCTION NO. 2: In a manipulatable spreadsheet, please provide the *daily* totals for November, December, and January of the deferral period for the following items:

- a. MWh and run hours for each natural gas plant;
- b. MWh and run hours for each coal plant;
- c. MWh and run hours for each major hydro plant;
- d. MWh and price for non-firm power purchases; and
- e. MWh of total native load.

RESPONSE TO REQUEST FOR PRODUCTION NO. 2: Please see Attachments 1-3 for the data requested above. Please note that non-firm power purchases, as requested in Part d, contain many purchased power components, which are summarized in Attachment 1. Details associated with bi-lateral transactions and energy imbalance market (“EIM”) transactions are included separately in Attachments 2 and 3, respectively. Not all of these components have MWh’s and/or daily prices associated with them. In addition, the MWh’s related to the EIM purchases are representative of the net activity that occurred each day, but the dollars are settled on a weekly basis and include adjustments outside of the period associated with the corresponding MWh’s and should not be viewed as dollars associated with the MWh’s reported during this same time period.

The response to this Request is sponsored by Aubrae Sloan, Accounting Manager, and Camille Christen, Resource Acquisition, Planning, and Coordination Manager, Idaho Power Company.

REQUEST FOR PRODUCTION NO. 3: Please confirm if the Company redistributed or smoothed base NPSE in Exhibit No. 2 from the Aurora-generated NPSE that was last authorized by the Commission. If so, please provide workpapers that reflect the calculations/method used to derive the redistributed base. Please include all workpapers in electronic format with calculations intact.

RESPONSE TO REQUEST FOR PRODUCTION NO. 3: Base NPSE in this filing are shaped according to base rate revenues from the Company's last general rate case, in accordance with Commission Order No. 33307 issued in Case No. IPC-E-15-15. The shaping of base NPSE has remained consistent with each PCA filed since the conclusion of that case. Please see Attachment 1, which details the shaping of base NPSE by retail revenues.

The response to this Request is sponsored by Jessi Brady, Regulatory Analyst, Idaho Power Company.

REQUEST FOR PRODUCTION NO. 4: Please provide an electronically sortable list of *forced* downtime (unscheduled) events that Company-owned generation facilities/units experienced each month during the deferral period. For each forced downtime event, please include the facility/unit name, the facility/unit nameplate capacity, the type of generation, the length of downtime, the amount of lost production in MWhs, and the cause and resolution of the event.

RESPONSE TO REQUEST FOR PRODUCTION NO. 4: Please see Attachment 1.

The response to this Request is sponsored by Jessi Brady, Regulatory Analyst, Idaho Power Company.

REQUEST FOR PRODUCTION NO. 5: Please provide an electronically sortable list of all Company-owned facility/unit unforced downtime (scheduled) events during the deferral period. For each event, include the facility/unit name, the facility/unit nameplate capacity, the type of generation, the date range, length of time, and purpose.

RESPONSE TO REQUEST FOR PRODUCTION NO. 5: Please see Attachment 1.

The response to this Request is sponsored by Jessi Brady, Regulatory Analyst, Idaho Power Company.

REQUEST FOR PRODUCTION NO. 6: Please describe when the Company knew that shortages of coal were going to occur for the Bridger Coal Plant. Please provide all coal delivery schedules that were developed for the Bridger Coal Plant starting January 1, 2022, through March 31, 2023. For each schedule, please provide the following information:

- a. Scheduled deliveries for at least each month across the delivery schedule time horizon including both available-to-promise (committed) and forecasted amounts.
- b. For each month, please provide the amount of coal in tons and the approximate amount of MWh the amount should produce; and
- c. For each schedule, please provide the reason, with documentation, for any changes in the monthly amounts from the previous month's schedule.

RESPONSE TO REQUEST FOR PRODUCTION NO. 6: Idaho Power first became aware of the potential for shortages of available coal supply for the Bridger Coal Plant in April 2022. Price escalation and volatility in the gas and power markets drove generation at Bridger higher while at the same time coal supplies were becoming more constrained. The decision was made in April to nominate additional delivery of stockpiled coal at Bridger Coal Company to the plant for the balance of 2022.

a-c.) Coal delivery plans for the Jim Bridger plant prepared during the January 2022 through March 2023 period are provided in Attachment 1. Significant changes in the plans are described in the workbook.

The response to this Request is sponsored by Randy Henderson, Principal Joint Projects Coordinator, Idaho Power Company.

REQUEST FOR PRODUCTION NO. 7: Please provide the actual amount of coal delivered, the amount of coal consumed and the ending inventory in tons for each month from January 1, 2022, through March 31, 2023, for the Bridger Coal Plant.

RESPONSE TO REQUEST FOR PRODUCTION NO. 7: Coal delivered and consumed by month for January 2022 through March 2023, as well as monthly ending inventory balances for the Bridger Plant are provided in Attachment 1.

The response to this Request is sponsored by Randy Henderson, Principal Joint Projects Coordinator, Idaho Power Company.

REQUEST FOR PRODUCTION NO. 8: For the alternative source of coal from Powder River Basin for the Bridger plant, when did the Company begin considering it and actively establishing it? Please provide evidence.

RESPONSE TO REQUEST FOR PRODUCTION NO. 8: Idaho Power and PacifiCorp began taking steps to secure coal supply from Powder River Basin (“PRB”) in early September 2022. The partners issued a joint request for proposal (“RFP”) in late September seeking coal to be delivered to the plant as soon as November 2022. Due to the challenges securing leased coal rail cars and finalizing firm rail transportation service with Union Pacific, coal deliveries from the PRB did not commence until April 2023. Idaho Power and PacifiCorp executed a contract with a PRB supplier in April securing up to 600K tons (200K tons Idaho share) for delivery for the remainder of 2023.

The confidential RFP packet (Confidential Attachment 1) that went to suppliers in September 2022 is provided with this response as evidence of Idaho Power’s efforts to acquire PRB coal.

The response to this Request is sponsored by Randy Henderson, Principal Joint Projects Coordinator, Idaho Power Company.

REQUEST FOR PRODUCTION NO. 9: When did the Company know that shortages of coal were going to occur for the Valmy Coal Plant? Please provide all coal delivery schedules that were developed for the Valmy Coal Plant starting January 1, 2022 through March 31, 2023. For each schedule, please provide the following information:

- a. Scheduled deliveries for at least each month across the delivery schedule time horizon including both available-to-promise (committed) and forecasted amounts;
- b. For each month, please provide the amount of coal in tons and the approximate amount of MWh the amount should produce; and
- c. For each schedule, please provide the reason, with documentation, for any changes in the monthly amounts from the previous month's schedule.

RESPONSE TO REQUEST FOR PRODUCTION NO. 9: Idaho Power became concerned about low inventory balances at Valmy in May 2022, as price escalation and volatility in the gas and power markets began to impact generation. Due to these rapidly changing conditions, Idaho Power contacted western coal suppliers seeking additional coal for the balance of 2022. No additional coal was available for purchase in 2022 that met plant coal quality specifications.

Historically, Valmy coal RFPs for the upcoming year are issued in the fall of the preceding year. For 2023, however, efforts to procure supply were accelerated, and NV Energy and Idaho Power issued a joint RFP in June 2022.

Coal delivery plans for the Valmy plant prepared during the January 2022 through March 2023 period are provided in Attachment 1. Significant changes in the plans are described in the workbook.

The response to this Request is sponsored by Randy Henderson, Principal Joint Projects Coordinator, Idaho Power Company.

REQUEST FOR PRODUCTION NO. 10: Please provide the actual amount of coal delivered, the amount of coal consumed and the ending inventory in tons for each month from January 1, 2022, through March 31, 2023, for the Valmy Coal Plant.

RESPONSE TO REQUEST FOR PRODUCTION NO. 10: Coal delivered and consumed by month for January 2022 through March 2023, as well as monthly ending inventory balances for the Valmy Plant are provided in Attachment 1.

The response to this Request is sponsored by Randy Henderson, Principal Joint Projects Coordinator, Idaho Power Company.

REQUEST FOR PRODUCTION NO. 11: Please provide the order lead time for coal deliveries to the Valmy plant from all established vendors. Please provide evidence of the lead times including how the lead times changed starting January 1, 2022, through March 31, 2023.

RESPONSE TO REQUEST FOR PRODUCTION NO. 11: Power and gas prices during Spring 2022 were higher than typical seasonal prices. As a result, Valmy was operated throughout Q2 2022, depleting plant inventory. In response, Idaho Power took steps to acquire more coal.

Difficulties acquiring additional coal for Valmy during 2022 beyond initially contracted amounts were not driven by typical order lead time issues. Suppliers did not have sufficient uncommitted production capacity and stockpiled coal available for Valmy that met plant quality specifications. Recent coal RFP activities, volumes, and timelines are summarized in Attachment 1.

The response to this Request is sponsored by Randy Henderson, Principal Joint Projects Coordinator, Idaho Power Company.

DATED at Boise, Idaho, this 4th day of May 2023.

Handwritten signature of Megan Goicoechea Allen in black ink.

MEGAN GOICOECHEA ALLEN
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 18th day of May 2023, I served a true and correct copy of Idaho Power Company's Reply Comments upon the following named parties by the method indicated below, and addressed to the following:

<p>Commission Staff Claire Sharp Deputy Attorney General Idaho Public Utilities Commission 11331 W. Chinden Blvd., Bldg No. 8, Suite 201-A (83714) PO Box 83720 Boise, ID 83720-0074</p>	<p><input type="checkbox"/> Hand Delivered <input type="checkbox"/> U.S. Mail <input type="checkbox"/> Overnight Mail <input type="checkbox"/> FAX <input type="checkbox"/> FTP Site <input checked="" type="checkbox"/> Email: Claire.Sharp@puc.idaho.gov</p>
<p>Industrial Customers of Idaho Power Peter J. Richardson 515 N. 27th Street Boise, Idaho 83702</p>	<p><input type="checkbox"/> Hand Delivered <input type="checkbox"/> U.S. Mail <input type="checkbox"/> Overnight Mail <input type="checkbox"/> FAX <input type="checkbox"/> FTP Site <input checked="" type="checkbox"/> Email: peter@richardsonadams.com</p>
<p>Dr. Don Reading 6070 Hill Road Boise, Idaho 83703</p>	<p><input type="checkbox"/> Hand Delivered <input type="checkbox"/> U.S. Mail <input type="checkbox"/> Overnight Mail <input type="checkbox"/> FAX <input type="checkbox"/> FTP Site <input checked="" type="checkbox"/> Email: dreading@mindspring.com</p>

Stacy Gust

Stacy Gust, Regulatory Administrative Assistant

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-23-12**

IDAHO POWER COMPANY

**REPLY COMMENT
ATTACHMENT NO. 3**

SEE ATTACHED SPREADSHEET

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-23-12**

IDAHO POWER COMPANY

**REPLY COMMENT
ATTACHMENT NO. 4**

SEE ATTACHED SPREADSHEET

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-23-12**

IDAHO POWER COMPANY

**REPLY COMMENT
ATTACHMENT NO. 5**

SEE ATTACHED SPREADSHEET