

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)
COMPANY'S APPLICATION FOR A) CASE NO. IPC-E-23-20
CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY TO ACQUIRE)
RESOURCES TO BE ONLINE IN BOTH)
2024 AND 2025 AND FOR APPROVAL OF)
AN ENERGY STORAGE AGREEMENT WITH)
KUNA BESS LLC.)

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

JARED L. ELLSWORTH

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

4 A. My name is Jared L. Ellsworth and my business
5 address is 1221 West Idaho Street, Boise, Idaho 83702. I
6 am employed by Idaho Power as the Transmission,
7 Distribution & Resource Planning Director for the Planning,
8 Engineering & Construction Department.

9 Q. Please describe your educational background.

10 A. I graduated in 2004 and 2010 from the
11 University of Idaho in Moscow, Idaho, receiving a Bachelor
12 of Science Degree and Master of Engineering Degree in
13 Electrical Engineering, respectively. I am a licensed
14 professional engineer in the State of Idaho.

15 Q. Please describe your work experience with
16 Idaho Power.

17 A. In 2004, I was hired as a Distribution
18 Planning engineer in the Company's Delivery Planning
19 department. In 2007, I moved into the System Planning
20 department, where my principal responsibilities included
21 planning for bulk high-voltage transmission and substation
22 projects, generation interconnection projects, and North
23 American Electric Reliability Corporation's ("NERC")
24 reliability compliance standards. I transitioned into the
25 Transmission Policy & Development group with a similar

1 role, and in 2013, I spent a year cross-training with the
2 Company's Load Serving Operations group. In 2014, I was
3 promoted to Engineering Leader of the Transmission Policy &
4 Development department and assumed leadership of the System
5 Planning group in 2018. In early 2020, I was promoted into
6 my current role as the Transmission, Distribution and
7 Resource Planning Director. I am currently responsible for
8 the planning of the Company's wires and resources to
9 continue to provide customers with cost-effective and
10 reliable electrical service.

11 Q. What is the purpose of your testimony in this
12 case?

13 A. The purpose of my testimony is to inform the
14 Idaho Public Utilities Commission ("Commission") of the
15 Company's need for new generation capacity based upon the
16 load and resource balance utilized in the 2021 Integrated
17 Resource Plan ("IRP") and subsequently further enhanced
18 through a system resource adequacy reliability evaluation.
19 I will describe the most recent assessment of system
20 reliability and its impact to the capacity deficit
21 identified in the load and resource balance. Finally, I
22 will provide support for the acquisition of new resources
23 to address the identified near-term peak capacity needs.

24 **I. BACKGROUND**

25 Q. What is the goal of the IRP?

1 A. The goal of the IRP is to ensure: (1) Idaho
2 Power's system has sufficient resources to reliably serve
3 customer demand and flexible capacity needs over a 20-year
4 planning period, (2) the selected resource portfolio
5 balances cost, risk, and environmental concerns, (3)
6 balanced treatment is given to both supply-side resources
7 and demand-side measures, and (4) the public is involved in
8 the planning process in a meaningful way. To verify the
9 portfolios produced through the planning process meet the
10 Company's reliability requirements, Idaho Power utilizes a
11 Loss of Load Expectation ("LOLE") methodology.

12 Q. Please explain the Loss of Load Expectation.

13 A. The LOLE is a statistical measure of a
14 system's resource adequacy, describing the expected number
15 of event-days per year that a system would be unable to
16 meet demand. As utilities continue to add more renewable
17 energy to the electric grid, analyzing the effect variable
18 energy resources have on system reliability has become more
19 critical. To assess system reliability, the Company uses an
20 internally developed reliability and capacity assessment
21 tool, which ensures that portfolios include a recognition
22 that the output of variable energy resources, such as wind
23 and solar, change with time (with their hourly output being
24 dependent on a multitude of factors like weather and
25 environmental conditions); it is essential to capture and

1 value that variability. The results of the LOLE analysis
2 are used to determine various modeling outputs, such as the
3 Company's capacity position in a given year, the capacity
4 contribution of variable and energy limited resources and
5 an overall quantification of Idaho Power's system
6 reliability.

7 Q. Please explain the "load and resource
8 balance."

9 A. The load and resource balance is the Company's
10 tabulated plan that identifies resource deficiencies during
11 the 20-year IRP planning horizon. It helps visually ensure
12 Idaho Power has sufficient resources to meet projected
13 customer demand including a margin to account for extreme
14 conditions, reserves, and resource outages. It is critical
15 when comparing future resource portfolios that each plan
16 achieves at least a base reliability threshold, which is
17 why Idaho Power considers the LOLE methodology when
18 creating a load and resource balance.

19 Q. How is the resulting resource sufficiency or
20 deficiency determined through the load and resource
21 balance?

22 A. At a high level, the load and resource balance
23 incorporates the expected availability of Idaho Power's
24 existing resources, comparing the total output to the
25 Company's forecasted load, and illustrates the resulting

1 capacity length or deficit. This will identify the timing
2 of the Company's first resource need, or the point at which
3 Idaho Power's reliability requirements may not be met.

4 Q. How is the expected availability of the
5 Company's existing resources determined?

6 A. The availability of existing resources,
7 including Public Utility Regulatory Policies Act ("PURPA")
8 projects, Power Purchase Agreements ("PPA"), hydro, coal,
9 gas, demand response, and market purchases, is determined
10 using a number of factors such as expected stream flows,
11 plant run times, forced outages, historical performance,
12 and transmission import capability, among other
13 considerations.

14 Q. How is the load forecast determined?

15 A. Throughout the year, the Company prepares a
16 forecast of sales and demand of electricity based on a
17 combination of historical system data and trends in
18 electricity usage along with numerous external economic and
19 demographic factors. The anticipated load and anticipated
20 peak-hour demand forecast represent Idaho Power's most
21 probable outcome for load requirements during the planning
22 period.

23 Q. What have previous load and resource balance
24 results indicated with respect to Idaho Power's resource
25 sufficiency?

1 A. The Company has been generally resource-
2 sufficient since the addition of the Langley Gulch natural-
3 gas fired power plant almost a decade ago until recently.
4 The load and resource balance from the Second Amended 2019
5 IRP did not show a capacity deficiency occurring until the
6 summer of 2028. However, several converging factors,
7 including limited third-party transmission capacity, load
8 growth, and a decline in the peak serving effectiveness of
9 certain supply-side and demand-side resources caused Idaho
10 Power to rapidly move to a near-term capacity deficiency
11 starting in 2023. These dynamic circumstances led the
12 Company to immediately file a request for a Certificate of
13 Public Convenience and Necessity ("CPCN") to acquire
14 resources to be online in 2023¹ as well as a CPCN to acquire
15 resources to be online in 2024², and Idaho Power expects to
16 acquire additional resources each year thereafter through
17 (at least) through 2027, as discussed in the Company's
18 request in this case.

19 **II. 2021 IRP LOAD AND RESOURCE BALANCE**

20 Q. When did Idaho Power identify that there was a
21 resource deficiency starting in 2023?

22 A. The Company first identified a resource
23 deficiency beginning in 2023 in the spring of 2021 while

¹ Case No. IPC-E-22-13

² Case No. IPC-E-23-05

1 refreshing the load and resource balance during the
2 development of a Valmy Unit 2 exit analysis, as directed by
3 the Commission in Order No. 34349, Idaho Power's request to
4 update rates to reflect the accelerated depreciation
5 associated with an early exit from coal-fired operations at
6 Valmy, Case No. IPC-E-19-08. Following the filing of the
7 Second Amended 2019 IRP, in the first quarter of 2021,
8 Idaho Power began preparing the required Valmy Unit 2 exit
9 analysis, which included an evaluation of system
10 reliability. This analysis was performed simultaneously
11 with preparation of the 2021 IRP, and the refreshed load
12 and resource balance was further refined through the
13 remainder of the development of the 2021 IRP.

14 Q. What drove the rapid shift from resource
15 sufficiency to a resource deficiency at this time?

16 A. Several factors contributed to the change in
17 the load and resource balance at this time, including
18 significant third-party transmission constraints limiting
19 wholesale market import purchases at peak, the ability of
20 demand response programs to meet load during the highest
21 risk hours, planning reserve margin determinations and
22 methodology modernization, and load growth exceeding
23 previously forecasted expectations. The net change between
24 the Second Amended 2019 IRP and the updated load and
25 resource balance utilized for the Valmy Unit 2 exit

1 analysis was a reduction in over 500 megawatts ("MW") in
2 available capacity each July during the 2022 through 2025
3 period.

4 Q. What enhancements were made to the capacity
5 contribution of variable energy resources utilized to meet
6 reliability requirements for the 2021 IRP?

7 A. For reliability purposes, in the 2021 IRP the
8 Company planned its resource portfolio to have a LOLE of
9 0.05 event-days per year or better (i.e. less than one
10 resource adequacy related outage event-day in 20 years).
11 Aside from taking a more granular hourly approach, the LOLE
12 methodology can also be used to evaluate the capability of
13 existing resources to meet capacity need through the
14 determination of Effective Load Carrying Capability
15 ("ELCC").

16 Q. Did the application of ELCC values result in
17 any significant changes to the contributing capacity of
18 Idaho Power's existing resources?

19 A. Yes. When analyzing Idaho Power's system on a
20 probabilistic hour-by-hour basis, existing variable
21 resource capacity contributions fluctuated. As an example,
22 the results showed that the ELCC of the demand response
23 programs under the changing dynamics of Idaho Power's
24 system was significantly lower than previously assumed.
25 This is primarily the result of increased solar resources

1 on the Company's system pushing high-risk (i.e. net peak
2 load) hours outside the longstanding demand response
3 program dispatch window of 1 PM to 9 PM. As a result, Idaho
4 Power filed a request for modifications to its demand
5 response programs that are designed to make the programs
6 more effective at meeting system needs. On March 4, 2022,
7 the Commission issued Order No. 35336, approving Idaho
8 Power's proposed modifications to the demand response
9 programs, effective for the 2022 demand response season.

10 Q. What was the resulting capacity deficiency
11 identified in the load and resource balance prepared for
12 the 2021 IRP?

13 A. The resulting capacity deficiency was
14 approximately 101 MW in 2023, 186 MW in 2024, and 311 MW in
15 2025, which led to Idaho Power's request for a CPCN in Case
16 No. IPC-E-22-13 for the 2023 resource procurement.

17 **III. LOAD AND RESOURCE UPDATE**

18 Q. Since the completion of the 2021 IRP, has the
19 Company continued to monitor other factors that could
20 influence the load and resource balance, and by extension,
21 Idaho Power's resource need?

22 A. Yes. While the load and resource balance
23 prepared for an IRP is the primary source of information
24 used to inform resource procurement decisions, the Company
25 also recognizes that during the near-term resource

1 decision-making phase, the capacity deficit period can be
2 very fluid. As a result, Idaho Power continually assesses
3 system reliability, monitoring near-term known changes,
4 operational enhancements, limitations, or constraints on
5 the existing system, if any, that would impact the resource
6 needs. In the face of growing loads, Idaho Power is also
7 keenly focused on current supply chain challenges, which
8 requires the Company to constantly monitor resource needs
9 and respond with added urgency. This is evidenced by Idaho
10 Power's consecutive requests for CPCNs to acquire resources
11 to be online in both 2023 and 2024.³

12 Q. Has the capacity deficiency changed since
13 Idaho Power's request in Case No. IPC-E-23-05 was filed?

14 A. Yes. As preparation of the 2023 IRP began,
15 Idaho Power incorporated modeling input updates and made
16 additional enhancements to the Company's reliability
17 evaluation which impact the need for new resources.

18 Q. What input updates and enhancements have been
19 made to the Company's reliability evaluation?

20 A. First, in Case No. IPC-E-21-43, Commission
21 Staff requested that Idaho Power address the
22 appropriateness of the LOLE threshold utilized in the 2021
23 IRP; the Company has since changed the reliability target
24 from 0.05 event-days per year to 0.1 event-days per year as

³ Case Nos. IPC-E-22-13 and IPC-E-23-05.

1 well as utilizing a 70th percentile peak load forecast as
2 opposed to the 50th percentile peak load forecast utilized
3 in the 2021 IRP. In addition, the Company adjusted Idaho
4 Power's resource capacities to account for Equivalent
5 Forced Outage Rates during Demand ("EFORD") using a 5-year
6 rolling average from the North American Electric
7 Reliability Corporation ("NERC") Generation Availability
8 Data System ("GADS"). The updated 5-year rolling average
9 EFORD values will better reflect industry average
10 generation resource performance data and resulting outage
11 rates. Finally, the Company reduced the resource
12 availability associated with the capacity benefit margin
13 ("CBM") from 330 MW to 200 MW from March through October
14 and to 0 MW from November to February for resource adequacy
15 purposes.

16 Q. What is CBM?

17 A. The NERC defines CBM as:

18 "The amount of firm transmission transfer
19 capability preserved by the transmission
20 provider for Load-Serving Entities ("LSEs"),
21 whose loads are located on that Transmission
22 Service Provider's system, to enable access by
23 the LSEs to generation from interconnected
24 systems to meet generation reliability
25 requirements. Preservation of CBM for an LSE
26 allows that entity to reduce its installed
27 generating capacity below that which may
28 otherwise have been necessary without
29 interconnections to meet its generation
30 reliability requirements."

1 Including CBM within the load and resource balance
2 recognizes this held transmission capacity allows Idaho
3 Power to reduce its installed generation capacity to meet
4 reliability requirements under emergency conditions. As an
5 example, if an energy emergency is declared following the
6 loss of multiple Idaho Power network resources, CBM
7 transmission capacity could be utilized to fill the
8 resource capacity need via market purchases. Effectively,
9 Idaho Power considers CBM a reserve resource and applies
10 credit in the load and resource balance.

11 Q. When applying input updates and enhancements
12 to the Company's reliability evaluation, what changes were
13 made to the CBM modeling assumptions?

14 A. As explained in Idaho Power's request in Case
15 No. IPC-E-22-05, following an evaluation of the ability to
16 acquire transmission to the market during emergency
17 conditions, the Company determined that it may not be
18 possible with current transmission constraints, especially
19 during regional extreme weather events, which was evidenced
20 during recent energy emergency events due to extreme
21 weather in the region. Increased demand could not be met
22 with local generation, resulting in strain on the
23 interconnected transmission system. Last minute
24 transmission acquisition under these emergency conditions

1 between the market and Idaho Power's border have not been
2 consistently available.

3 Put another way, in the event of an energy
4 emergency, the Company will be able to utilize available
5 transmission within its borders; however, there may not be
6 available transmission between Idaho Power's border and the
7 Mid-C market given the new transmission constraints. The
8 transmission constraints, however, may be short term
9 because the Boardman to Hemingway project will create
10 incremental transmission capacity between Idaho Power and
11 the Mid-C market. The results of the evaluation of the
12 ability to acquire transmission to the market during
13 emergency conditions indicate that an adjustment to CBM is
14 appropriate.

15 Q. Were there any other factors that impacted the
16 Company decision to reduce the capacity availability of CBM
17 as part of the enhancements to Idaho Power's reliability
18 evaluation?

19 A. Yes. In addition to the evaluation of the
20 acquisition of transmission during emergency conditions, as
21 the Company began preparing for its future non-binding
22 participation in the Western Resource Adequacy Program
23 ("WRAP"), it was determined that CBM will not have similar
24 value in that program.

25 Q. What is the WRAP?

1 A. The WRAP will deliver a region-wide approach
2 for assessing and addressing resource adequacy and is an
3 important step forward for reliability in the region. It
4 started at the request of many in the industry who were
5 concerned about the issue of resource adequacy in the west.

6 Q. How does the WRAP affect the Company's
7 transmission assumption associated with CBM?

8 A. When evaluating resource adequacy planning
9 requirements under the WRAP, quantification of firm
10 resources will not allow for the inclusion of CBM to
11 demonstrate adequacy. For Idaho Power to meet the WRAP
12 forward showing requirements, have access to the program,
13 and avoid penalties, the Company must acquire firm
14 resources on firm transmission well in advance of each
15 season. CBM, by definition, is only available as firm
16 transmission when the Company is in an energy emergency,
17 and therefore cannot be utilized for WRAP forward showing
18 purposes. However, the Company believes participation in
19 the WRAP will benefit Idaho Power and its customers, as
20 outlined in the Company's request for Commission
21 acknowledgement of participation in WRAP in Case No. IPC-E-
22 23-08.

23 Q. If CBM cannot be used in the WRAP, why is
24 Idaho Power reducing CBM from 330 MW to 200 MW for a

1 portion of the year instead of reducing CBM from 330 MW to
2 0 MW for the entire year?

3 A. The Company is taking an incremental approach
4 to changing assumptions associated with the reliability
5 benefits provided by CBM. As discussed earlier, the WRAP is
6 only one of two major considerations. The WRAP program will
7 not be binding until approximately the summer of 2027, and
8 there remains uncertainty related to the load obligations
9 Idaho Power will be required to meet in the WRAP, and the
10 credit the Company will receive for its resources in the
11 WRAP program. Idaho Power will continue to consider the
12 transmission assumptions associated with CBM in the
13 assessment of system reliability as the WRAP matures.

14 The second major consideration to CBM is whether it
15 enhances the Company's ability to recover from a major
16 unplanned disturbance. Following such a disturbance, the
17 Company can utilize its CBM capacity to bring in reserves
18 for one hour, and in that hour, Idaho Power must acquire
19 capacity from the market, and the transmission between the
20 capacity resource or market hub and the Company's
21 transmission system, to continue to utilize CBM.

22 Given Idaho Power's movement towards WRAP, the
23 certainty that the WRAP program will assign no resource
24 adequacy value to CBM, and the uncertainty of being able to
25 access emergency capacity resources when the Company is in

1 an energy emergency (the purpose of CBM), especially at
2 times when other utilities in the Pacific Northwest region
3 experience peak loads, Idaho Power has decided to reduce
4 the inclusion of CBM from 330 MW to 200 MW during the March
5 through October time frame for resource adequacy planning
6 purposes. The Company will continue to evaluate CBM's
7 reliability benefits and effectiveness in future system
8 reliability evaluations and IRPs.

9 Q. Were there any other updates made to the
10 system reliability evaluation that impacted the capacity
11 deficiency and Idaho Power's need for new resources?

12 A. Yes. Any time the system reliability
13 evaluation is performed, Idaho Power includes the most up-
14 to-date load and resource inputs. The Company's service
15 area continues to experience very high load growth; in
16 response, the load forecast was updated and implemented as
17 soon as it became readily available. Current transmission
18 reservations were included. Resource inputs were updated to
19 include new resource additions anticipated since
20 development of the 2021 IRP, including: (1) the Black Mesa
21 project, a 40 MW solar photovoltaic ("PV") PPA in
22 combination with a 40 MW four-hour duration battery storage
23 facility, (2) the Hemingway 80 MW four-hour duration
24 battery storage facility project in 2023 and an additional
25 12 MW of four-hour duration battery storage in 2024, (3)

1 the 11 MW four-hour duration battery storage at various
2 distribution substations, (4) the Franklin project, a 100
3 MW solar PV PPA in combination with a 60 MW four-hour
4 duration battery storage facility, and the (5) 200 MW
5 Pleasant Valley solar project in 2025.

6 Q. Are there any changes to the resource inputs,
7 aside from the cycle-to-cycle data updates, that have
8 increased the capacity deficiency since preparation of the
9 load and resource balance for the 2021 IRP?

10 A. Yes. There are two adjustments to the resource
11 inputs that increased the capacity deficiency beginning in
12 2023: (1) a planned refurbishment of one hydro unit per
13 year, for three years, at the American Falls facility will
14 reduce the overall resource availability by approximately
15 30 MW through 2025, and (2) the Langley Gulch facility has
16 recently been derated by 20 MW through the fall of 2025 due
17 to parts failure and supply chain issues of those higher
18 capacity parts. In addition, due to uncertainty associated
19 with the two solar PURPA projects located in eastern
20 Oregon, totaling 72 MW of nameplate capacity, that were
21 expected to be online by the summer of 2025, the Company
22 has removed these projects from the system reliability
23 analysis, resulting in an increase to the capacity
24 deficiency beginning in 2025.

1 Q. Based on your most recent evaluation of system
2 reliability, how has the capacity deficiency changed since
3 Idaho Power's request in Case No. IPC-E-23-05 was filed?

4 A. While continued procurement of additional
5 resources have contributed to a reduction in the capacity
6 deficiencies, following enhancements to the system
7 reliability calculations and continued load growth since
8 completion of the load and resource balance used for the
9 2021 IRP, Idaho Power estimates a capacity deficiency of 8
10 MW still exists in 2024 while the capacity deficiency in
11 2025 is 178 MW, with both of these deficiencies assuming
12 the Company can compress the American Falls outages into
13 nine-months, and maintain full American Falls capacity
14 through the summer-months.

15 Q. Are you indicating the resource procurements
16 identified in Case No. IPC-E-23-05 will not be sufficient
17 to satisfy the 2024 resource needs?

18 A. Yes. Following updates to the system
19 reliability evaluation, including (1) the reduced winter
20 resource availability associated with CBM, (2)
21 identification of an over-allocation of capacity of a
22 resource in the LOLE calculation, and (3) the unexpected 20
23 MW derate at Langley Gulch, the Company has determined that
24 the combined 100 MW solar PV PPA and 72 MW of four-hour
25 battery storage resources for which Idaho Power is

1 requesting approval and a CPCN in Case No. IPC-E-23-05,
2 will not be sufficient to meet the identified 2024 resource
3 needs. As I discussed previously, during the near-term
4 resource decision-making phase, Idaho Power continually
5 assesses system reliability. However, when the Company is
6 repeatedly matching near-term resource procurements with
7 the capacity need identified at a point in time, it is not
8 possible to specifically align procurement of resources
9 with the fluctuating need. The newly identified additional
10 capacity need in 2024 is the result of trying to target a
11 near-term resource need during a very fluid capacity
12 deficit period.

13 **IV. MEETING THE CAPACITY DEFICIENCY**

14 Q. Did Idaho Power evaluate any alternative
15 solutions for meeting the capacity deficiencies to avoid
16 building a new resource?

17 A. Yes. Prior to filing the request for a CPCN in
18 Case No. IPC-E-22-13, Idaho Power evaluated alternative
19 solutions for meeting the 2023 capacity deficiency to avoid
20 building a new resource, including modifications to
21 existing demand response programs, expansion of the
22 existing pricing programs, and the potential for other
23 short-term market solutions.

24 ***Modifications to Existing Demand Response Programs***

1 As mentioned earlier, Idaho Power modified its
2 demand response programs, which were approved with
3 Commission Order No. 35336, effective for the 2022 demand
4 response season. Although the demand response program
5 modifications resulted in a higher ELCC than previous
6 programs, it alone did not prove to be viable for meeting
7 the 2023 resource deficiency nor have any circumstances
8 changed within the past 12 months that would have indicated
9 demand response could provide a solution for meeting the
10 2024 and 2025 resource needs.

11 ***Evaluation of Existing and Potential Pricing Programs***

12 Idaho Power evaluated the Company's current Time-of-
13 Use ("TOU") offering and the potential for other pricing
14 programs as possible options for meeting the capacity
15 deficiency. The Company has existing TOU offerings in both
16 its Idaho and Oregon jurisdictions, with 1,000 customers
17 enrolled in the Idaho offering and five customers enrolled
18 in the Oregon pilot program. With the level of customer
19 participation data, the sample used to develop a
20 comprehensive and reliable assessment of residential peak
21 shifting would be outside an acceptable margin of error
22 tolerance limit at approximately +/- 60 percent. As such,
23 circumstantial behavioral changes could misrepresent peak
24 shifting impacts when expanded to the full residential

1 customer class. Idaho Power continues to assess the
2 programs and how to encourage customer participation.

3 ***Short-Term Market Solutions***

4 To test the transmission deliverability and resource
5 market availability of a replacement resource for Valmy
6 Unit 2, the Company issued a request for proposals ("RFP")
7 on April 26, 2021, for the delivery of firm capacity and
8 energy during the summer months beginning 2023. Idaho
9 Power received no bids, indicative of the evolving market
10 conditions leading to revised transmission import
11 assumptions in the system reliability evaluation. Idaho
12 Power continually monitors the availability of
13 energy/capacity deliveries to the Company's border as well
14 as transmission availability that would allow for the
15 delivery of energy from a market hub to Idaho Power's
16 system.

17 Q. Has Idaho Power taken any actions to acquire
18 resources to meet the capacity deficits?

19 A. Yes. Under Idaho law, Idaho Power has an
20 obligation to provide adequate, efficient, just, and
21 reasonable service on a nondiscriminatory basis to all
22 those that request it within its certificated service area.⁴
23 In order to meet its obligations to reliably serve customer
24 load, and given the extremely short turn-around to

⁴ Idaho Code §§ 61-302, 61-315, 61-507.

1 construct a resource to meet the first deficit in the
2 summer of 2023, particularly in the midst of supply chain
3 disruption, ongoing COVID-19 impacts, and constraints in
4 the industry and in ancillary industries, on June 30, 2021
5 the Company conducted a competitive solicitation through an
6 RFP seeking to acquire up to 80 MW of peak capacity
7 resources to meet the 2023 capacity deficit - seeking
8 projects to be online by June of 2023 ("2021 RFP"). As
9 presented in Case No. IPC-E-22-13 for which the Commission
10 granted a CPCN with Order No. 35643, the RFP process
11 resulted in the procurement of 120 MW of dispatchable four-
12 hour duration energy storage as well as execution of a 20-
13 year PPA for 40 MW of solar, all of which were necessary to
14 adequately address 2023 capacity deficits.

15 As indicated by Order No. 35643, Idaho Power is
16 responsible for planning and managing its load and resource
17 portfolio and the Commission expects "the Company to
18 closely monitor its projected capacity needs going forward
19 and to act proactively to ensure a robust RFP process can
20 be completed."⁵ Therefore, similar to the RFP issued to
21 address the 2023 deficiency, given the short turn-around to
22 construct a resource to meet the deficit in the summer of
23 2024, on December 30, 2021, the Company conducted a
24 competitive solicitation through an RFP seeking to acquire

⁵ Page 13.

1 energy and capacity to help meet Idaho Power's previously
2 identified capacity needs of 85 MW in 2024 and an
3 incremental 115 MW in 2025 ("2022 RFP").

4 Q. What actions has Idaho Power taken to satisfy
5 the capacity deficiencies?

6 A. As detailed in Company witness Mr. Hackett's
7 testimony, through the Company's robust competitive bidding
8 process, the RFP resulted in the selection of a 150 MW
9 energy storage project, consisting of a 20-year Energy
10 Storage Agreement ("ESA") for a 150 MW battery storage
11 facility and 77 MW of Idaho Power-owned battery storage at
12 Happy Valley station to meet the 2025 capacity deficiency.
13 In addition, for the newly identified capacity need in
14 2024, an additional 24 MW of Idaho Power-owned battery
15 storage at Hemingway was procured to ensure the Company is
16 able to continue to provide safe, reliable service to its
17 customers in 2024 and beyond.

18 Q. You mentioned previously in your testimony
19 that Idaho Power estimates a capacity deficiency of 8 MW in
20 2024 and 178 MW in 2025. Why is the Company requesting a
21 CPCN for a cumulative 251 MW of battery storage additions
22 in 2024 and 2025?

23 A. The 186 MW represents the estimated capacity
24 deficiency, while the 251 MW represents the nameplate
25 capacity of the resource additions. The nameplate capacity

1 must be adjusted to reflect the ELCC of these resource
2 additions.

3 Q. What is the Company's resulting capacity
4 balance position for 2024 and 2025 following the
5 procurement of the ESA and the combined 101 MW of four-hour
6 duration battery storage?

7 A. Assuming the Company and its contractors are
8 successful restoring the American Falls power plant to full
9 capacity prior to the summer of each year, the Company
10 anticipates a 13 MW capacity length in 2024, and a 6 MW
11 capacity length in 2025. If Idaho Power is unable to
12 restore American Falls to full capacity for the summer, the
13 Company estimates 0 MW of capacity length in 2024 and an 8
14 MW capacity deficit in 2025.

15 Q. Do you believe there is sufficient support for
16 the procurement of the ESA and the combined 101 MW of four-
17 hour duration battery storage resources to be online in
18 2024 and 2025?

19 A. Yes, I do. The acquisitions were pursued and
20 procured as a least cost/least risk method of meeting the
21 capacity deficits first identified in the Company's 2021
22 IRP and subsequently with the results of system reliability
23 evaluation. The fluidity of the capacity deficit period and
24 continued high load growth further supports these resource
25 procurements.

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DECLARATION OF JARED L. ELLSWORTH

I, Jared L. Ellsworth, declare under penalty of perjury under the laws of the state of Idaho:

1. My name is Jared L. Ellsworth. I am employed by Idaho Power Company as the Transmission, Distribution & Resource Planning Director for the Planning, Engineering & Construction 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 26th day of May 2023, at Boise, Idaho.



Signed: _____
Jared L. Ellsworth