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IDAHO PUBLIC  
UTILITIES COMMISSION

**DONOVAN WALKER**  
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December 21, 2023

**VIA ELECTRONIC MAIL**

Commission Secretary  
Idaho Public Utilities Commission  
11331 West Chinden Blvd., Building 8  
Suite 201-A  
Boise, Idaho 83714

Re: Case No. IPC-E-23-27  
Idaho Power Company's Application for Approval of the Capacity Deficiency  
Period to be Utilized for Avoided Cost Calculations

Dear Commission Secretary:

Attached for electronic filing is Idaho Power Company's Reply Comments in the above-entitled matter. If you have any questions about the attached document, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink that reads "Donovan E. Walker". The signature is written in a cursive, flowing style.

Donovan Walker

DEW:cd  
Enclosures

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Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER	)	
COMPANY'S APPLICATION FOR	)	CASE NO. IPC-E-23-27
APPROVAL OF THE CAPACITY	)	
DEFICIENCY TO BE UTILIZED FOR	)	IDAHO POWER COMPANY'S
AVOIDED COST CALCULATIONS.	)	REPLY COMMENTS
	)	
	)	

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Idaho Power Company ("Idaho Power" or "Company"), in accordance with RP 201, *et seq.*, as well as the Idaho Public Utilities Commission's ("IPUC" or "Commission") Notice of Modified Procedure in this matter, Order No. 35997, hereby respectfully submits the following Reply Comments.

**I. INTRODUCTION**

On October 23, 2023, Idaho Power filed an Application for Approval of the Capacity Deficiency to be Utilized for Avoided Cost Calculation with the Commission. This Application was made after the filing of the Company's 2023 Integrated Resource Plan ("IRP") and pursuant to Order No. 35810, Case No. GNR-E-23-01, in which the Commission found it reasonable that each utility file its application for a new capacity

deficiency date within 30 days of its IRP filing with the Commission. The Idaho Hydroelectric Power Producers Trust ("IdaHydro") was granted intervention on November 29, 2023. Order No. 36013.

During the course of this proceeding, Staff issued several discovery requests and, on December 14, 2023, filed Comments recommending that the Company update its initial capacity deficiency date filing with a compliance filing incorporating certain updates and changes. Staff Comments, p 2, 7. IdaHydro did not file Comments.

## **II. REPLY COMMENTS**

Idaho Power appreciates Staff's Comments, which demonstrate a thorough review and evaluation of significant assumptions contained in the Company's initial capacity deficiency filing. Based on its analysis, Staff made the following recommendations:

Staff recommends that the capacity deficiency period and amounts of deficiency for purposes of determining when capacity payments should begin for new PURPA contracts be based on a compliance filing that reflects the following:

1. The Company file the most recent load forecast and explain the difference between the latest load forecast and the proposed forecast; and
2. The Company exclude the WRAP capacity benefit of 14 Megawatts ("MW") in determining the capacity deficiency period.

Staff also recommends that the Company use the latest load forecast for future capacity deficiency filings as required by Order Nos. 33958, 34918, and 35415, and that the Company provide evidence to substantiate its proposed Capacity Benefit Margin ("CBM") capacity size in the next capacity deficiency case.

Staff Comments, p. 2, 7.

As Staff notes in its Comments, the load forecast used by the Company in its application in this case was created in the second quarter of 2023 and was used in the Company's 2023 IRP. Staff stated that though the capacity deficit date determined in the

IRP process is the starting point, the Company should set its first capacity deficit based on the most up-to date information available. Staff was concerned, however, that the Company did not use the most recent information noting that the Company had developed a load forecast in September 2023 that it used in another regulatory filing (IPC-E-23-25).

Staff also highlighted that the Company's proposed capacity deficiency period in this case incorporated capacity benefits from the Western Resource Adequacy Program ("WRAP") beginning in 2027. However, because the Company has not made a binding commitment to participate in the WRAP, Staff did not believe the WRAP capacity benefit should have been included in the Company's determination of the capacity deficiency date.

With respect to CBM, the Company understands Staff's concern and the resulting request to substantiate the continued inclusion of CBM as a capacity resource. It is worth noting that Idaho Power has seen diminishing reliability of CBM in recent years because of limited to no availability of third-party transmission to facilitate market energy purchases. As a result, the Company does not believe it can continue to rely on CBM as a capacity resource for planning or procurement purposes. That said, Idaho Power is open to making changes in this deficiency filing to align with evolved thinking about CBM for PURPA avoided cost determinations.

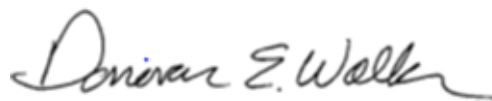
Idaho Power appreciates Staff's thorough review and assessment of the Company's proposed capacity deficiency date. The Company is not opposed to pursuing Staff's recommended adjustments to the assumptions considered in determining the capacity deficiency period and amounts should the Commission direct the same. In the event it does, the Company raises an additional consideration with respect to Staff's

recommendation for the Company to use the load forecast developed in September 2023 to determine the deficiency date rather than the second quarter forecast from the IRP. The Company notes that the load forecast is one of many inputs used to determine the deficiency date and that changing one assumption without considering other factors that impact capacity deficiency determinations may lead to an incomplete or inaccurate result. Subject to that caveat, the Company will conduct Staff's recommended adjustment if the Commission deems it appropriate.

### **III. CONCLUSION AND RECOMENDATIONS**

Idaho Power appreciates Staff's review and Comments and is not opposed to Staff's recommended changes and adjustments to the inputs used in the development of the capacity deficiency date should the Commission direct the same. If the Commission accepts Staff's recommendations, the Company requests the Commission direct Staff and the Company to work together to develop a process and timeline for the Company to implement the recommended adjustments that will provide Staff the opportunity to review and attempt to reconcile any issues with the Company prior to it making the compliance filing in an effort to avoid further iterations of filings in this case. Moving forward, the Company further agrees to use the latest load forecast for future capacity deficiency filings and to provide evidence to substantiate its proposed CBM capacity size in its next capacity deficiency case or an earlier relevant filing such as its next IRP, if appropriate.

Respectfully submitted this 21<sup>st</sup> day of December 2023.



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DONOVAN E. WALKER  
Attorney for Idaho Power Company

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 21<sup>st</sup> day of December 2023, I served a true and correct copy of the within and foregoing IDAHO POWER COMPANY'S REPLY COMMENTS upon the following named parties by the method indicated below, and addressed to the following:

Adam Triplett  
Deputy Attorneys General  
Idaho Public Utilities Commission  
P.O. Box 83720  
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Christy Davenport, Legal Assistant