

Thursday, March 27, 2024 4:30 PM

IDAHO PUBLIC

UTILITIES COMMISSION

**DONOVAN WALKER**  
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March 27, 2024

**VIA ELECTRONIC MAIL**

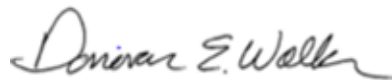
Commission Secretary  
Idaho Public Utilities Commission  
11331 West Chinden Blvd., Building 8  
Suite 201-A  
Boise, Idaho 83714

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 Compliance Filing in the above-entitled matter. If you have any questions about the attached documents, please do not hesitate to contact me.

Very truly yours,



Donovan Walker

DEW:cd  
Enclosures

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Attorneys 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 PERIOD TO BE UTILIZED	)	COMPLIANCE FILING
FOR AVOIDED COST CALCULATIONS.	)	
	)	
	)	

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Idaho Power Company ("Idaho Power" or "Company") hereby submits to the Idaho Public Utilities Commission ("Commission") this filing in compliance with Final Order No. 36070 in the above-captioned proceeding. This filing makes the adjustments to the capacity deficiency date determination ordered by the Commission in Order No. 36070 for purposes of avoided cost pricing for agreements under the Public Utilities Regulatory Policy Act of 1978 ("PURPA"). Specifically, with this filing the Company updates capacity deficiency date analysis by using the Company's most recently published load forecast, from March 2024, rather than the April 2023 load forecast utilized in Case No. IPC-E-23-23, the 2023 Integrated Resource Plan ("IRP"). In addition, the Company removes from

the determination the capacity benefit assumed to occur from participation in the Western Resource Adequacy Program (“WRAP”). Finally, the Company removes the capacity associated with Capacity Benefit Margin (“CBM”) from the analysis. The capacity deficiency date based on these updates is June 2026.

## 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 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 Application identified a capacity deficiency date of July 2026, based on the 2023 IRP, which had been filed on September 29, 2023. Staff filed Comments in this case on December 14, 2023, and the Company filed Reply Comments on December 21, 2023.

Staff’s comments addressed various aspects of the capacity deficiency date determination, and ultimately recommended that the analysis be updated with the Company’s most-recent load forecast. Staff also recommended the Company remove the capacity benefit assumed to occur from WRAP, and that the Company provide evidence to substantiate its proposed assumptions regarding CBM in the next capacity deficiency case. Idaho Power did not object to these recommendations but asked that 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.

On January 29, 2024, the Commission issued Final Order No. 36070, directing Idaho Power to submit a compliance filing reflecting the Company's most recent load forecast along with an explanation of any differences between that forecast and its initially filed load forecast, and excluding the WRAP capacity benefit. The Commission also found it reasonable to require the Company to provide evidence substantiating its proposed CBM, and directed that Staff and the Company cooperate in developing a timeline and process that will facilitate review and reconciliation of any issues prior to submission to the Commission.

## **II. COMPLIANCE FILING**

In developing this compliance filing, the Company met and discussed its proposed approach with Staff. Idaho Power and Staff agreed that the Company would update the capacity deficiency date analysis using the most recent (March 2024) load forecast, and that it would remove the 14 MW of WRAP capacity benefit. While the Company did not interpret Order No. 36070 as requiring it to make a change to CBM *in this case*, the Company believes it is appropriate to do so, as discussed further below. The Company discussed this approach with Staff as well, of which Staff was supportive. The Company and Staff also agreed that all other inputs to the capacity deficiency date analysis would remain unchanged, i.e., the same as in the 2023 IRP. The Company thanks Staff for the thoughtful and productive discussions on developing this compliance filing.

The Company has updated these three components of the analysis and the result is that the capacity deficiency date shifts from July 2026 to June 2026. The primary drivers of this change are the updated load forecast, specifically the changes in the industrial customer load ramp, and the removal of CBM, which are both discussed further below.

### ***Load Forecast***

As noted above, the load forecast used in the initial filing of this case was from the Company's April 2023 load forecast. That was the most recent forecast available in the preparation of the 2023 IRP, and as such it was used in this filing for consistency with the 2023 IRP. Since then, the Company has internally published two load forecasts: one in September 2023 (which was used in Case No. IPC-E-23-25, the Company's annual update to the load forecast and natural gas forecast) and another most recently in March 2024. Consistent with the Commission's directive in Order No. 36070, the Company has updated the capacity deficiency date analysis to use the "most recent" load forecast – from March 2024. The Company is providing below a table comparing the April 2023, originally used load forecast, to the September 2023, and now March 2024, versions.

The primary difference between the load forecasts is variability in the expected ramp of load growth for some industrial customers. While the steady-state level of industrial customer load has remained consistent, the individual load ramp (that is, the increasing load in the years preceding a customer's steady state load) has been pushed back by several months for some industrial customers. Idaho Power is provided customer load updates throughout the load forecast development process and incorporates those updates into the load forecast.

The changes in the monthly 70<sup>th</sup> percentile peak load forecast across the forecast vintages for 2026-2028 are provided in the table below.

	Month	70 <sup>th</sup> Percentile Peak Load Forecast Developed	70 <sup>th</sup> Percentile Peak Load Forecast Developed	70 <sup>th</sup> Percentile Peak Load Forecast Developed	Differences September 2023 - April 2023	Differences March 2024 - April 2023	Differences March 2024 - September 2023
		Apr-23	Sep-23	Mar-24			
2026	26-Jan	2,741	2,621	2,622	(120)	(119)	1
	26-Feb	2,568	2,509	2,518	(59)	(50)	9
	26-Mar	2,460	2,479	2,473	19	13	(6)
	26-Apr	2,847	2,703	2,695	(144)	(152)	(8)
	26-May	2,942	2,773	2,775	(169)	(167)	2
	26-Jun	4,041	4,109	4,090	68	49	(19)
	26-Jul	4,256	4,163	4,147	(93)	(109)	(16)
	26-Aug	3,981	3,826	3,813	(155)	(168)	(13)
	26-Sep	3,515	3,261	3,281	(254)	(234)	20
	26-Oct	2,707	2,459	2,456	(248)	(251)	(3)
	26-Nov	2,700	2,554	2,556	(146)	(144)	2
	26-Dec	2,880	2,808	2,813	(72)	(67)	5
2027	27-Jan	2,949	2,854	2,864	(95)	(85)	10
	27-Feb	2,765	2,738	2,759	(27)	(6)	21
	27-Mar	2,633	2,696	2,705	63	72	9
	27-Apr	3,000	2,908	2,918	(92)	(82)	10
	27-May	3,061	2,980	3,001	(81)	(60)	21
	27-Jun	4,185	4,335	4,332	150	147	(3)
	27-Jul	4,406	4,389	4,386	(17)	(20)	(3)
	27-Aug	4,116	4,045	4,047	(71)	(69)	2
	27-Sep	3,625	3,452	3,487	(173)	(138)	35
	27-Oct	2,795	2,615	2,633	(180)	(162)	18
	27-Nov	2,792	2,699	2,721	(93)	(71)	22
	27-Dec	2,972	2,935	2,962	(37)	(10)	27
2028	28-Jan	3,038	2,977	3,014	(61)	(24)	37
	28-Feb	2,853	2,846	2,895	(7)	42	49
	28-Mar	2,714	2,804	2,839	90	125	35
	28-Apr	3,074	3,014	3,044	(60)	(30)	30
	28-May	3,121	3,085	3,127	(36)	6	42
	28-Jun	4,269	4,457	4,485	188	216	28
	28-Jul	4,501	4,512	4,546	11	45	34
	28-Aug	4,204	4,171	4,213	(33)	9	42
	28-Sep	3,695	3,559	3,636	(136)	(59)	77
	28-Oct	2,845	2,712	2,765	(133)	(80)	53
	28-Nov	2,840	2,793	2,853	(47)	13	60
	28-Dec	3,011	3,025	3,088	14	77	63

## ***Removal of CBM***

After having reviewed the filings in this case and its ongoing analyses regarding reliability needs, the Company believes it is appropriate to remove CBM from the capacity deficiency date determination analysis for the time being. Removing CBM will ensure consistency between the Company's assumptions in this case and in other critical efforts; and particularly in ongoing reliability analyses to determine capacity needs in 2026 and beyond. As Idaho Power recently stated in the testimony of Jared Ellsworth accompanying the Company's request for approval of a market purchase contract beginning in 2026, Case No. IPC-E-24-12:

CBM is transmission capacity Idaho Power sets aside on the Company's transmission system, as unavailable for firm use, for the purposes of accessing reserve energy to recover from severe conditions such as unplanned transmission and generation outages or energy emergencies. An energy emergency must be declared by Idaho Power before the CBM transmission capacity becomes firm. The Company holds 330 MW of import transmission capacity aside on the Idaho to Northwest path for CBM. CBM does not, however, have corresponding third-party transmission reservations to the Mid-C market.

Because of continued transmission market limitations beyond the Idaho Power border, in the 2023 IRP the Company reduced the contribution of CBM toward the annual capacity position, from 330 MW for all seasons to 200 MW for March through October and 0 MW in the winter for planning purposes. Idaho Power's continued evaluation of CBM has indicated that, similar to the winter months, last minute transmission acquisition between the market and Idaho Power's border under emergency conditions in the summer months has not been consistently available. The Company still believes CBM is valuable for customers from a reliability perspective and believes that transmission availability may change in the future. However, for the time-being, for resource planning purposes, the Company believes it is appropriate to adjust CBM to 0 MW year-round given the recent challenges ensuring a connection to the Mid-C market in emergency conditions.<sup>1</sup>

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<sup>1</sup> In the Matter of Idaho Power Company's Application for Approval of a Market Purchase Agreement, Case No. IPC-E-24-12, Testimony of Jared Ellsworth, at p. 14-16 (March 19, 2024).

The Company has removed CBM from the analysis to determine the capacity deficiency date in this proceeding to ensure consistency between the date used for PURPA pricing and the analysis used for other long-term resource planning and procurement.

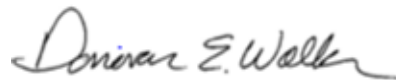
***Summary***

Based on the updated load forecast, the exclusion of the WRAP capacity benefit, and the removal of CBM, and leaving all other inputs the same as in the 2023 IRP, the capacity deficiency date shifts to June 2026. Idaho Power appreciates Staff's time and input on this filing.

**III. CONCLUSION**

Idaho Power respectfully requests that the Commission issue an order approving the first capacity deficiency date of June 2026 to be utilized in the Company's avoided cost determinations under the Surrogate Avoided Resource and Incremental Cost IRP methodologies.

Respectfully submitted this 27<sup>th</sup> day of March 2024.



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DONOVAN WALKER  
Attorney for Idaho Power Company



**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 27<sup>th</sup> day of March 2024, I served a true and correct copy of the within and foregoing COMPLIANCE FILING upon the following named parties by the method indicated below, and addressed to the following:

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Idaho Public Utilities Commission  
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