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RECEIVED  
Thursday, May 2, 2024 4:11PM  
IDAHO PUBLIC  
UTILITIES COMMISSION

May 2, 2024

**VIA ELECTRONIC MAIL**

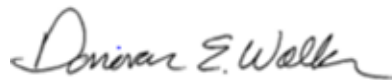
Commission Secretary  
Idaho Public Utilities Commission  
11331 West Chinden Blvd., Building 8  
Suite 201-A  
Boise, Idaho 83714

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 Supplemental Compliance Filing in the above-entitled matter. If you have any questions about the attached document, 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	)	SUPPLEMENTAL COMPLIANCE
FOR AVOIDED COST CALCULATIONS.	)	FILING
	)	
	)	

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Idaho Power Company ("Idaho Power" or "Company") hereby submits to the Idaho Public Utilities Commission ("Commission") this Supplement to its Compliance Filing made on March 27, 2024, pursuant to Final Order No. 36070 in the above-captioned proceeding. As directed by the Commission, that filing updated the capacity deficiency date used for purposes of avoided cost pricing for agreements under the Public Utilities Regulatory Policy Act of 1978 ("PURPA") by using the Company's most recently published load forecast from March 2024. In addition, the Company removed both the determined capacity benefit assumed to occur from participation in the Western Resource

Adequacy Program (“WRAP”) and the capacity associated with Capacity Benefit Margin (“CBM”) from the analysis. The resulting updated capacity deficiency date is June 2026.

Subsequently, Staff requested<sup>1</sup> that the Company provide the following additional information relative to the new capacity deficit date for use in Staff’s update to the Surrogate Avoided Resource (“SAR”) Model:

1. Deficit amounts for each year in the planning horizon; and
2. Monthly deficits, if available, or seasonal deficits if monthly information is not available.

As Staff is aware, Idaho Power has replaced the traditional Load and Resource Balance, which reported monthly capacity deficits, with the annual capacity position analysis as derived through the Loss of Load Expectation (“LOLE”) methodology, which is a better indication of resource adequacy. Attachment 1 Sheet “Capacity Positions” to this Supplemental Compliance Filing provides updated annual capacity positions to be used for purposes of avoided cost pricing for agreements pursuant to Order No. 36070, as well as the annual capacity positions from the Company’s 2023 Integrated Resource Plan (“IRP”).

With respect to Staff’s request for monthly or seasonal deficit information, the Company did not develop monthly or seasonal capacity position information for this case originally or for its 2023 IRP filing (Case No. IPC-E-23-23). The Company currently plans to a 0.1 event-days per year annual LOLE threshold for resource acquisition purposes through the determination of annual capacity positions. The Company’s Compliance Filing in this case, dated March 27, 2024, based on the first year of capacity deficiency

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<sup>1</sup> The request was made in an email from Yao Yin with Commission Staff to Camille Christen with Idaho Power dated April 4, 2024.

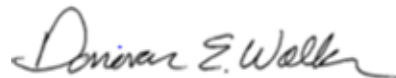
(2026), identified June as the first month of deficiency, which was the first month that exceeded a 0.0083 event-days per year LOLE (or 0.1 divided by 12).

While Idaho Power's method of determining annual capacity positions does not produce monthly (or seasonal) capacity position information, the Company understands that the SAR Model distinguishes summer and winter deficits. As a result, in order to provide the necessary inputs for use in the SAR Model, the Company developed seasonal capacity positions using the LOLE methodology with a 0.05 event-days per season threshold. The results of this analysis are also set forth in Attachment 1 Sheet "Capacity Positions" hereto. This approach is consistent with the 2023 IRP methodology utilized by Idaho Power for developing seasonal Planning Reserve Margin and Effective Load Carrying Capability values, which split the annual 0.1 event-days per year LOLE threshold in half to develop summer and winter results.

The Company has found that splitting the threshold in half (from 0.1 to 0.05 event-days per year) for the seasonal analysis allows for a better reflection of the seasonal variation due to differing load forecasts and resource availability in each season. It applies the same threshold to both the summer and winter to ensure both seasons plan for the same level of reliability. The Company did investigate performing this calculation with different thresholds, but the results of that exercise verified the reasonableness of splitting the annual 0.1 event-days per year LOLE threshold in half. For example, setting the seasonal LOLE thresholds equal to the seasonal LOLE percentage contribution from the annual capacity position calculation resulted in the seasonal capacity positions both being in close approximation to the annual capacity position; this approach would show similar seasonal capacity position values even in a case where one season is contributing to

over 80% of the risk, which is a non-intuitive result. The Company has provided this example analysis in Attachment 1 Sheet "Testing LOLE Thresholds" for comparison purposes, in which the results affirm that the seasonal capacity positions do not deviate more than 25 MW from the annual capacity position. It should be noted that in assessing the summer and winter seasons, spring and fall months were optimized to have insignificant risk (if required). Idaho Power finds this approach reasonable since the spring and fall months do not typically show significant risk in the LOLE calculations and are not as challenging to serve operationally as the summer and winter seasons.

Respectfully submitted this 2<sup>nd</sup> day of May 2024.



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DONOVAN WALKER  
Attorney for Idaho Power Company

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 2nd day of May 2024, I served a true and correct copy of the within and foregoing SUPPLEMENTAL COMPLIANCE FILING 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  
Boise, ID 83720-0074

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Christy Davenport, Legal Assistant

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION  
CASE NO. IPC-E-23-27**

**IDAHO POWER COMPANY**

**ATTACHMENT 1**

**SEE EXCEL SPREADSHEET**