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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF IDAHO POWER |) | |
| COMPANY’S PETITION TO MODIFY A |) | CASE NO. IPC-E-24-08 |
| COMPLIANCE REQUIREMENT RELATED |) | |
| TO UPDATING SCHEDULE 87 |) | |
| |) | COMMENTS OF THE |
| |) | COMMISSION STAFF |
| |) | |

COMMISSION STAFF (“STAFF”) OF the Idaho Public Utilities Commission, by and through its Attorney of record, Chris Burdin, Deputy Attorney General, submits the following comments.

BACKGROUND

On February 27, 2024, Idaho Power Company (“Company”) filed a petition (“Petition”) with the Idaho Public Utilities Commission (“Commission”) requesting to modify a compliance requirement in Commission Order No. 36048, issued in Case No. IPC-E-23-14, regarding updating the Company’s Schedule 87, Intermittent Generation Integration Charges (“Schedule 87”).

The Company requests that the Commission modify the Company’s compliance requirement to (1) authorize the Company to update Schedule 87 integration costs based on the forthcoming 2024 Variable Energy Resource (“VER”) Study, instead of the 2020 VER Study,

and (2) authorize the Company to file both the forthcoming 2024 VER Study and updated Schedule 87 no later than December 31, 2024.

STAFF ANALYSIS

Staff believes the Company's rationale to forego updating Schedule 87 rates using the 2020 VER study and updating them based on a new 2024 VER study filed by the end of this year is reasonable, and Staff recommends approval of the Company's proposal. Staff evaluated the Company's proposal from the perspectives of the timing of Schedule 87 updates, the improved accuracy of Schedule 87 rates by using a more up-to-date study, changes in the methods that will be used in the new study, rate stability, and regulatory efficiency. Staff also considered the need and reasons for the compliance items identified in Order No. 36048.

Timing of Updates

The Company's proposal will delay the update of Schedule 87 for existing wind and solar Public Utility Regulatory Policies Act of 1978 ("PURPA") by several months. However, the Company stated that it currently has no pending new wind or solar PURPA contracts. Petition at 3. Staff believes there is no urgency to update the integration rates for new wind or solar PURPA contracts that likely would be signed prior to the new integration rates going into effect.

Result Accuracy

Staff believes the system has changed sufficiently that an update to Schedule 87 using the 2020 VER Study would be questionably accurate and that integration rates using an updated 2024 VER Study will better reflect the Company's current situation and future trends, resulting in more accurate results.

Methodological Changes

The 2024 VER Study will use a new methodology and a different rate structure than the integration rates currently approved. Staff believes processing these changes through a single case will provide a smoother transition to the new method and rate design and will ultimately reduce confusion for PURPA developers.

Rate Stability

Staff believes a change in integration rates twice in less than a year, as a result of complying with Order No. 36048, would impact rate stability. Staff believes changing the rates twice in one year in combination with a change in the Company's methods and rate design, as discussed above, could cause confusion for wind and solar PURPA developers.

Regulatory Efficiency

Staff believes that the Company's proposal would prevent the need to review and update Schedule 87 twice in a year resulting in less cost to the Company and to its customers. As stated by the Company, by the time a review of updated Schedule 87 is completed based on the 2020 VER Study, another review of the schedule based on the 2024 VER Study would be scheduled to commence. Petition at 2.

STAFF RECOMMENDATION

Staff recommends that the Commission:

1. Authorize the Company to update Schedule 87 integration rates based on the forthcoming 2024 VER Study, instead of the 2020 VER Study; and
2. Direct the Company to file both the forthcoming 2024 VER Study and updated Schedule 87 proposed rates no later than December 31, 2024.

Respectfully submitted this 6th day of May 2024.



Chris Burdin
Deputy Attorney General

Technical Staff: Yao Yin
Jason Talford

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 6th DAY OF MAY 2024, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. IPC-E-24-08, BY E-MAILING A COPY THEREOF, TO THE FOLLOWING:

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