

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	CASE NO. IPC-E-25-07
COMPANY’S 2024 VARIABLE ENERGY)	
RESOURCE STUDY AND PROPOSED)	
UPDATE TO SCHEDULE 87)	ORDER NO. 36661
)	

On February 27, 2024, Idaho Power Company (“Company”) petitioned the Idaho Public Utilities Commission (“Commission”) requesting authority to modify a compliance requirement from Order No. 36048, issued in Case No. IPC-E-23-14, regarding updating the Company’s Schedule 87, Intermittent Generation Integration Charges (“Schedule 87”). Case No. IPC-E-24-08.

The Company requested 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. Case No. IPC-E-24-08.

On June 10, 2024, the Commission issued Order No. 36219, granting the Company’s request to modify the compliance requirement in Order No. 36048, and directed the Company to file both the 2024 VER study and updated Schedule 87 proposed rates no later than December 31, 2024. Order No. 36219 at 2. On December 31, 2024, the Company submitted a compliance filing with its 2024 VER study and updated Schedule 87 proposed rates.

On February 18, 2025, the Commission issued Order No. 36466 in Case No. IPC-E-24-08 ordering a new docket be opened to consider the Company’s proposed update to Schedule 87 rates.

On March 14, 2025, the Commission issued a Notice of Filing and Notice of Intervention Deadline. Order No. 36510. No petitions to intervene were filed.

On April 22, 2025, the Commission issued a Notice of Modified Procedure, establishing a May 14, 2025, deadline for public and Commission Staff (“Staff”) comments, and a May 21, 2025, deadline for the Company to file reply comments. Order No. 36544. No public comments were received.

Based on our review of the record, the Commission now issues this Final Order approving Schedule 87 with Staff's proposed modifications and directing the Company to work with Staff on several issues when conducting future VER studies.

STAFF COMMENTS

Staff's review of the Company's proposed Schedule 87 focused on the overall methodology, capital and fixed operation and maintenance ("O&M") cost of incremental resources, the portfolio choice, the lack of an inter-hour analysis, the regulation reserve requirements, the analysis of on-site generation, the penetration levels, the portfolio results, the integration charges, the filing time, and the effective date. Staff Comments at 2.

Staff stated that after the Company ran the AURORA model, the Company calculated average integration costs in 2024 dollars. *Id.* at 8. Staff believed there was a mismatch between the cost data and energy data. *Id.* Staff stated that the cost data was based on a 20-year model run that started in 2024, whereas the incremental energy was based on a 19-year calculation that started in 2025. *Id.* Because 2024 has passed, Staff believed the cost and energy data should be aligned based on 19 years. *Id.* Staff recommended that the Commission approve the non-levelized integration charges for Schedule 87 in Attachment No. 1 to Staff comments. *Id.* at 9.

Staff noted that the Company only proposed levelized integration charges for contracts with a term of 20 years. *Id.* at 9. Staff developed and proposed integration charges for contracts ranging from one year to 20 years in Attachment No. 1 to its comments, using a discount rate of 7.247%, which Staff stated was approved for the Company's Surrogate Avoided Resource Model. *Id.* at 10. Staff recommended the levelized integration charges in Attachment No. 1 to Staff comments for Schedule 87. *Id.*

Based on its review of the 2024 VER study, Staff recommended that the Commission order the Company to work with Staff and resolve the following issues prior to the next VER study:

- 1) How to determine capital and fixed O&M cost of incremental resources;
- 2) Whether it is reasonable to include an analysis of inter-hour integration costs in the next study and whether inter-hour integration costs should be incorporated into the integration charges;
- 3) Whether Regulation Reserve Requirements should be updated;
- 4) How to reconcile differences in wind and solar integration cost for Export Credit Rates ("ECR");

- 5) How to address the under-allocation issue for the ECR; and
- 6) Whether on-site generation can be incorporated in the analysis through developing a proxy to overcome the issue of data granularity.

Id. at 2-3.

For future VER studies, Staff recommended that the Commission order the Company to file a new VER study within six months after the filing of each Integrated Resource Plan (“IRP”), using the information from the IRP as a starting point but updating it with the latest information where possible. *Id.* at 3. Staff also recommended that, if the Company believes a new VER study is not necessary, the Commission order the Company to formally seek a waiver for the study, with evidence supporting the Company’s position, within two months after the filing of the IRP. *Id.*

COMPANY REPLY

The Company believed Staff’s proposed integration charges for Schedule 87 were reasonable. Company Reply at 3. The Company represented that if the Commission adopted Staff’s proposal, the Company would file a compliance filing to revise Schedule 87 to incorporate the updated integration charges shown in Attachment No. 1 to Staff’s comments, with an effective date of June 1, 2025. *Id.* The Company also agreed to work with Staff before its next VER study on the items laid out in Staff’s comments. *Id.* Finally, the Company agreed with Staff’s recommendation for updating its VER study and the process for requesting a waiver if it is determined an updated VER study is not required. *Id.*

COMMISSION FINDINGS AND DISCUSSION

The Commission has jurisdiction over the Company’s Filing and the issues in this case under Title 61 of the Idaho Code including, *Idaho Code* §§ 61-501, -502, and -503. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of all public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provisions of law, and to fix the same by order. *Idaho Code* §§ 61-501, -502, and -503.

The Commission has reviewed the Company’s Filing including all submitted materials, Staff comments, and the Company’s Reply Comments. Based on our review of the record, we find it fair, just, and reasonable to approve Schedule 87 with Staff’s proposed changes in Attachment No. 1 of Staff’s Comments. The Company shall submit the updated Schedule 87 as a compliance filing in this case.

We also find it reasonable to order the Company to work with Staff prior to the next VER study and attempt to resolve Staff's listed outstanding issues. Accordingly, we direct the Company to file a new VER study within six months after the filing of each IRP. Should the Company believe a new VER study is not necessary, the Company shall formally seek a waiver with evidence supporting the Company's position within two months after the filing of the IRP.

ORDER

IT IS HEREBY ORDERED that Schedule 87 is approved with Staff's proposed modifications in Attachment No. 1 to Staff's Comments.

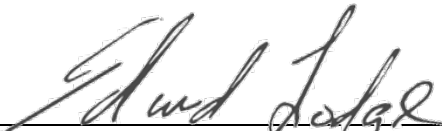
IT IS HEREBY ORDERED that the Company shall submit the updated Schedule 87 as a compliance filing in this case.

IT IS HEREBY ORDERED that the Company shall work with Staff prior to the next VER study and attempt to resolve issues cited in Staff's comments.

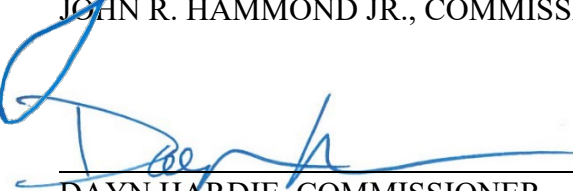
IT IS HEREBY ORDERED that the Company shall file a new VER study within six months after the filing of each IRP. Alternatively, should the Company believe that a new VER study is unnecessary, the Company shall file for a waiver of the VER study with evidence supporting the Company's position within two months after the filing of the IRP.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order regarding any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 1st day of July 2025.


EDWARD LODGE, PRESIDENT


JOHN R. HAMMOND JR., COMMISSIONER


DAYN HARDIE, COMMISSIONER

ATTEST:


Monica Barrios-Sanchez
Commission Secretary

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