



Idaho Public Utilities Commission

PO Box 83720, Boise, ID 83720-0074

Brad Little, Governor

Paul Kjellander, Commissioner
Kristine Raper, Commissioner
Eric Anderson, Commissioner

April 12, 2021

Emily Wegener
Ted Weston
PacifiCorp dba Rocky Mountain Power
1407 West North Temple, Suite 330
Salt Lake City, UT 84116

Daniel MacNeil
PacifiCorp dba Rocky Mountain Power
825 NE Multnomah Street
Portland, OR 97232

**Re: UPDATES TO CAPACITY DEFICIENCY AND INTEGRATION CHARGES
USED IN DETERMINING AVOIDED COST RATES; ORDER NO. 34918 IN
CASE NO. PAC-E-20-13 AND ORDER NO. 34966 IN CASE NO. PAC-E-20-14**

Dear Ms. Wegener, Mr. Weston, and Mr. MacNeil,

In compliance with Order No. 34918 in Case No. PAC-E-20-13, Staff updated the Surrogate Avoided Resource (SAR) model and re-calculated avoided cost rates¹ using the first capacity deficiency date of July 2029. (Please see the attached SAR model titled “Avoided Cost Model Order No. 34918 ver February 9, 2021 PAC Capacity Deficiency.”)

The capacity deficiency information is updated in the “Input – RMP IRP” tab and the “Input – Load and Resource” tab. As a result, the avoided cost of capacity will reflect the recently approved first capacity deficiency date. For example, as shown in Column AG in the “AVOID NEW” tab, the capacity payment will start in 2029.

On April 5, 2021, the Commission issued Order No. 34966 in Case No. PAC-E-20-14, updating the Company’s wind and solar integration charges and changing the format of the constant single rate for integration costs inside the SAR model to annual rates over the life of contracts. Staff updated the SAR model to reflect these changes. (Please see the attached SAR model titled “Avoided Cost Model Order No. 34966 ver April 5, 2021 PAC Integration Charges.”)

¹ Avoided cost rates in the SAR model became effective on February 9, 2021, when Order No. 34918 was issued.

Because of the changed integration charge format, Staff deactivated the wind integration charge in Cell I95 and Cell G67 and the solar integration charge in Cell I96 and Cell G68 on the "AVOID NEW" tab. Staff also updated the column titles on the "PCp NF HLH LLH Levelized" tab and the "PCp NF HLH LLH Non-Levelized" tab, accordingly. Going forward, integration adjustments will be done outside the SAR model using authorized results from the Company's latest integration charge case. Authorized integration charges will be included in the avoided cost rate sheets and will be published on the Commission's website.

Included are the two SAR models mentioned above. Attachment A shows the latest published avoided cost rates for new contracts. Attachment B shows the latest published avoided cost rates for replacement contracts. Please review these attachments and file a response with the Commission by April 22, 2021, stating whether the updates to the SAR model and the calculations were made correctly.

Thank you for your cooperation. Please contact Yao Yin (yao.yin@puc.idaho.gov) if you have any questions.

Sincerely,



John Hammond
Deputy Attorney General



Matt Hunter
Deputy Attorney General

Email: emily.wegener@pacificorp.com
ted.weston@pacificorp.com
daniel.macneil@pacificorp.com