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Attorneys for P4 Production, L.L.C., an affiliate of Bayer Corporation

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION
OF ROCKY MOUNTAIN POWER
REQUESTING APPROVAL OF \$32.5
MILLION ECAM DEFERRAL

CASE NO. PAC-E-23-09

COMMENTS OF BAYER

P4 Production, L.L.C., an affiliate of Bayer Corporation (referred to herein as “Bayer”), through counsel, submits these comments regarding the March 30, 2023, Application of Rocky Mountain Power (the “Company”) seeking approval of approximately \$32.5 million of deferred costs under the Company’s approved energy costs adjustment mechanism (“ECAM”). These comments are submitted pursuant to the Commission’s Order No. 35740 issued April 13, 2023, giving notice of the Application, giving notice that this matter will proceed under Modified Procedure, and inviting written comments by May 10, 2023. Bayer filed a petition to intervene in this matter on April 20, 2023, which was granted by the Commission’s Order No. 35768 issued May 3, 2023.

Introduction

Bayer owns and operates a plant in Soda Springs, Idaho, that utilizes three electric furnaces to produce elemental phosphorus. Bayer’s Soda Springs plant is the largest single user of electricity in Idaho, and the largest single user of electricity on the PacifiCorp system, with a load exceeding 180 megawatts (MW) and a demand of approximately 1.4 million MW-hours per year. Bayer and its predecessor in interest have continuously been a contract customer of the Company since the Soda Spring plant commenced operations in 1951.

The Company provides electric service to Bayer pursuant to an Electric Service Agreement effective January 1, 2022 (“Agreement”). Under the Agreement, Bayer receives both

firm and interruptible power. While Bayer's rates are fixed pursuant to the Agreement, they remain subject to annual ECAM adjustments like all other Idaho customers.

Bayer's Comments

The Application requests a 2.3% overall increase to Electric Service Schedule No. 94. Bayer believes that the ECAM increase may be overstated. A comparison of the 2022 and 2023 ECAM filings reveal certain matters that are not adequately justified. In particular, coal generation decreased by 3.2 million MWh from the prior ECAM period. The testimony of Company witness Jack Painter notes that coal generation during the current ECAM period was 1,484 gigawatts (1,484,000 MWh) less than what was included in the calculation of the base ECAM rate. The Company has provided no explanation why coal generation was significantly less than historic levels.

Mr. Painter's testimony discusses heat waves that affected the RMP service territory in July, August and September. Mr. Painter also testifies that the service territory was affected by a winter cyclone event in December 2022. Given these weather events, one would expect an increase in coal generation from historic levels since customer demand would be higher during such events, yet coal generation for the year was depressed.

It appears the lack of coal generation was replaced to some degree with short-term purchases. The average cost of short-term purchases during the current ECAM was over four times greater than the cost of coal generation. Again, there was no discussion why the short-term purchases increased to the level required in 2022 while less expensive coal generation decreased.

Based on the foregoing, Bayer respectfully requests that the Commission require the Company to provide a detailed explanation why coal generation was significantly depressed during the 2022 ECAM period. The explanation should describe in detail all conditions that restricted the Company's ability to generate electricity from its coal units, such a, but not limited to, forced outages, scheduled maintenance, operating constraints, coal supply constraints, market factors, political factors, etc. For each condition, the Company should be required to assign an estimate of the lost MWh generation. Bayer also requests that the Commission allow all parties the opportunity to conduct discovery and, if warranted, request a hearing, based on the response provided by the Company.

DATED this 9th day of May, 2023.

RACINE OLSON, PLLP

By: 
THOMAS J. BUDGE

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 9th day of May, 2023, I served a true, correct and complete copy of the foregoing document, to each of the following, via the method so indicated:

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