Office of the Secretary
Service Date
December 19, 2024

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF ROCKY MOUNTAIN POWER'S APPLICATION TO UPDATE LOAD AND GAS FORECASTS USED IN THE INTEGRATED RESOURCE PLAN AVOIDED COST MODEL	))))))	**CASE NO. PAC-E-24-12** **ORDER NO. 36423**

On October 15, 2024, Rocky Mountain Power, a division of PacifiCorp ("Company"), applied to the Commission for approval of the updated load forecast, natural gas price forecast, and contracts used as inputs in the Company's Integrated Resource Plan ("IRP") avoided cost calculations—as required by Order Nos. 32697 and 32802 ("Application"). The Application included Appendix A which provided data relevant to the Company's request. The Company requested its Application be processed by Modified Procedure with an effective date of January 1, 2025.

On November 15, 2024, the Commission issued a Notice of Application and Notice of Modified Procedure establishing public comment and Company reply deadlines. Order No. 36388. Commission Staff ("Staff") filed the only comments.

Having reviewed the record, the Commission issues this Order approving the Company's Application as follows.

BACKGROUND

Pursuant to the Public Utility Regulatory Policies Act ("PURPA") and the Federal Energy Regulatory Commission's ("FERC") implementing regulations, this Commission has approved the IRP model to calculate avoided cost rates for qualifying facilities ("QFs") that are above the resource-specific project eligibility cap. QFs that are below the applicable project eligibility cap are eligible to receive published avoided cost rates calculated using the surrogate avoided resource. *See* Order No. 32697 at 7-8. The avoided cost rate is the purchase price paid to QFs for the energy, or the energy and capacity, that the QF provides to the utility. 18 C.F.R. § 292.101(b)(6)(defining "avoided cost"). To ensure that avoided costs most accurately reflect the utility's marginal cost of energy or capacity, the Commission has directed utilities to "update fuel price forecasts and load forecasts annually – between IRP filings," and to update the Commission about its "long-term contract commitments because of [their] potential effect . . . on a utility's load and resource balance." Order No. 32697 at 22.

THE APPLICATION

The Company noted that Order No. 32697 mandates that the Company update its IRP methodology calculation to ensure accurate avoided costs for new, eligible PURPA QFs. The Company stated that these forecasts are to be updated biennially (after the acknowledgement of the IRP), but that load and natural gas forecasts are to be updated annually.

The Company stated that the increase in load forecast between May 2023 and June 2024 (as shown on Table 1 of the Company's Application) is primarily a result of growth with its industrial and commercial customers in Utah and Oregon.

The Company stated its most current Official Forward Price Curve ("OFPC") was completed on September 30, 2024. Table 2 outlines changes from the previous year. The Company noted that generally gas prices in the OFPC remain lower—except for the Henry Hub and Opal forecasts—which projected higher prices starting in 2029 and 2035 respectively.

The Company entered 18 long-term contracts—including ten long-term QF contracts—for a total nameplate capacity of 771.7 megawatts ("MW"). Additionally, five long-term contracts expired that were not renewed—for a total nameplate capacity of 43.9 MW. Currently, the Company is a party to 44 non-PURPA, long-term power purchase agreements (nameplate capacity of 5,094 MW), and 167 PURPA QF projects (nameplate capacity of 2,242 MW).

STAFF COMMENTS

After reviewing the Application, Staff recommended approval of the proposed load forecast and the natural gas forecast for use in the IRP model to determine avoided cost rates—with an effective date of January 1, 2025. Staff also believed the contract changes listed in the Application were reasonable.

1. Load Forecast

Staff evaluated the Company's proposed load forecast through two comparisons. First, Staff compared it to the forecast approved in Case No. PAC-E-23-20; Staff found similar near-term projections but higher values after 2032. The increase reflected greater expected demand from industrial and commercial customers in Utah and Oregon; Staff considered this to be reasonable.

Second, Staff compared the proposal to draft 2025 IRP forecasts presented at recent public meetings. The proposed forecast showed lower values because it incorporated demand-side management impacts—while the draft IRP forecast did not. Staff accepted this explanation as reasonable. Given the two-year limit on IRP-based PURPA contracts, Staff focused particularly on more material near-term projections. Staff concluded the forecast was reasonable and noted its similarity to previously approved figures during this period.

2. Natural Gas Forecast

Staff evaluated the proposed natural gas forecast through two comparisons. First, Staff examined this forecast against Case No. PAC-E-23-20's approved forecast—finding lower prices projected for the (particularly critical) next three years. The Company attributed this to expected market oversupply.

Second, Staff compared the Company's natural gas forecast to Avista Corporation's ("Avista") forecast in Case No. AVU-E-24-10. Staff noted similar projections during the critical period for PURPA contracts. Based on market oversupply expectations and alignment with Avista's outlook, Staff deemed the forecast reasonable.

3. Contract Updates

Although the IRP model incorporates contract updates continuously, the annual load and gas update is an opportunity for Commission review and supervision of contract updates. Staff believed these contract updates were reasonable.

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-501, -502 and -503. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provision of the law, and to fix the same by order. *Idaho Code* §§ 61-502 and -503. Additionally, the Commission has authority under PURPA and FERC regulations to set avoided costs, to order electric utilities to enter fixed-term obligations for purchase of energy from QFs, and to implement FERC rules. The Commission may enter any final order consistent with its authority under Title 61, Idaho Code, and PURPA.

Under this authority, we have reviewed the record, including the Application and Staff's comments. We find that the Application complies with our directives in Order Nos. 32697 and 32802. The load growth and natural gas price forecasts are reasonable as filed given the information available at this time. The Commission finds that all contract changes as filed are reasonable.

ORDER

IT IS HEREBY ORDERED that the Company's annual updates to its energy load and natural gas price forecasts are reasonable and approved, effective as of January 1, 2025.

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 about 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. *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho, this 19th day of December 2024.

ERIC ANDERSON, PRESIDENT

JOHN R. HAMMOND JR., COMMISSIONER

EDWARD LODGE, COMMISSIONER

ATTEST:

Monica Barrios-Sanchez
Commission Secretary

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