

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF IDAHO POWER</b>	)	
<b>COMPANY'S ANNUAL UPDATE TO LOAD</b>	)	<b>CASE NO. IPC-E-13-18</b>
<b>AND GAS FORECASTS AND LONG-TERM</b>	)	
<b>CONTRACTS FOR ITS INTEGRATED</b>	)	
<b>RESOURCE PLAN AVOIDED COST</b>	)	<b>ORDER NO. 32941</b>
<b>METHODOLOGY.</b>	)	

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Pursuant to the Public Utility Regulatory Policies Act of 1978 (PURPA) and the implementing regulations of the Federal Energy Regulatory Commission (FERC), the Idaho Public Utilities Commission (Commission) has approved an Integrated Resource Plan (IRP) methodology for calculation of avoided cost rates paid to certain PURPA qualifying facilities (QFs). Avoided cost rates are the purchase price paid to QFs for purchases of QF energy and capacity.

In Order Nos. 32697 and 32802, the Commission determined that the load forecast and natural gas forecast inputs to the IRP avoided cost methodology should be updated annually by October 15 of each year. The Commission stated

We find that, in order to maintain the most accurate and up-to-date reflection of a utility's true avoided cost, utilities must update fuel price forecasts and load forecasts annually – between IRP filings. . . . In addition, it is appropriate to consider long-term contract commitments because of the potential effect that such commitments have on a utility's load and resource balance. We find it reasonable to include long-term contract considerations in an IRP Methodology calculation at such time as the QF and utility have entered into a signed contract for the sale and purchase of QF power. We further find it appropriate to consider PURPA contracts that have terminated or expired in each utility's load and resource balance.

Order No. 32697 at 22.

On October 15, 2013, in compliance with Order Nos. 32697 and 32802, Idaho Power submitted its annual updates for fuel prices and load forecasts. The Company also submitted information regarding new and expiring QF contracts, as well as changes to its long-term contracts for purchases or sales.

## **LOAD FORECAST**

Idaho Power states that its most recent load forecast is dated October 7, 2013, and is the same load forecast that will be used to prepare the IRP update required by the Public Utility Commission of Oregon. The Company maintains that the methodology used for the October 7, 2013, load forecast is the same as that used for Idaho Power's IRPs. The load forecast submitted by Idaho Power shows, on average, a slight increase in customer loads when compared to the April 2012 load forecast that was used in the incremental cost IRP avoided cost model presented to the Commission in Case No. GNR-E-11-03.

## **GAS FORECAST**

As of October 15, 2013, Idaho Power has updated the natural gas forecast within the IRP avoided cost model to reflect the most recent U.S. Energy Information Administration ("EIA") natural gas forecast. The natural gas forecast is consistent with that utilized for Idaho Power's IRP and is a combination of the EIA Henry Hub and Sumas natural gas forecasts. The natural gas forecast submitted by Idaho Power indicates, on average, a slight increase in the average annual natural gas forecast prices over the next 20 years in comparison to the EIA 2012 natural gas forecast that was used in the incremental cost IRP avoided cost model presented to the Commission in Case No. GNR-E-11-03.

## **CONTRACT TERMINATIONS, EXPIRATIONS AND ADDITIONS**

Idaho Power currently has 103 QF projects under contract with a nameplate capacity of 778 megawatts (MW). Idaho Power also currently has three non-PURPA, long-term power purchase agreements – Elkhorn Valley Wind (101 MW), Raft River Geothermal (18 MW) and Neal Hot Springs Geothermal (30 MW). Order No. 32697 directed utilities to incorporate new contracts into the IRP avoided cost methodology at the time the QF and utility have entered into a signed contract. The Order further stated that terminated or expired contracts should be included in the utility's load and resource balance. Idaho Power reported that it has included new contracts and removed terminated/expired agreements. With its filing, Idaho Power included an updated list of all current QF projects currently under contract with Idaho Power.

## **COMPLIANCE WITH ORDER NOS. 32697 AND 32802**

Staff reviewed the Company's forecast and contract updates. Staff reported that the load and gas price forecasts submitted by Idaho Power reflect the Company's most current estimates and were prepared consistent with the methods used in the IRP. Staff maintained that

the load and gas price forecasts and the long-term contract changes submitted by the Company comply with the requirements of Order Nos. 32697 and 32802. Staff recommended that the Commission accept the forecasts and contract changes without further process.

### **DISCUSSION AND CONCLUSIONS**

The Commission has jurisdiction over Idaho Power pursuant to the authority and power granted it under Title 61 of the Idaho Code and Public Utility Regulatory Policies Act of 1978 (PURPA). The Commission has authority under PURPA and the implementing regulations of the Federal Energy Regulatory Commission (FERC) to set avoided costs, to order electric utilities to enter into fixed-term obligations for the purchase of energy from qualified facilities and to implement FERC rules.

Pursuant to its authority, the Commission has reviewed and considered the filings of record. We find that Idaho Power's filing complies with the directives issued by this Commission in Order Nos. 32697 and 32802. Based upon our review of the totality of the updates, we accept the updated inputs to Idaho Power's IRP avoided cost calculation for filing.

### **ORDER**

IT IS HEREBY ORDERED that Idaho Power's annual update to its load and gas price forecast and long-term contract status for purposes of its IRP avoided cost methodology are accepted, effective October 15, 2013.

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. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

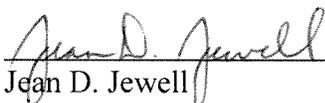
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 5<sup>th</sup>  
day of December 2013.

  
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PAUL KJELLANDER, PRESIDENT

  
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MACK A. REDFORD, COMMISSIONER

  
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MARSHA H. SMITH, COMMISSIONER

ATTEST:

  
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Jean D. Jewell  
Commission Secretary

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