

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION**     )  
**OF IDAHO POWER COMPANY FOR**         )  
**DEFERRAL AND RECOVERY COSTS**         )  
**ASSOCIATED WITH PARTICIPATION IN**     )  
**AN ENERGY IMBALANCE MARKET**        )  
)     **CASE NO. IPC-E-16-19**  
)     **NOTICE OF APPLICATION**  
)     **NOTICE OF**  
)     **INTERVENTION DEADLINE**  
)     **ORDER NO. 33595**

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On August 19, 2016, Idaho Power Company filed an Application requesting that the Commission: (1) make a finding that Company participation in the proposed Energy Imbalance Market (EIM) could net customers long-term benefits; (2) authorize a deferral account to track incremental costs associated with participating in the EIM; and (3) allow the Company to recover those costs from customers at a future rate proceeding. Application at 1.

**BACKGROUND**

An EIM pools generation of interconnected electricity producers within a region, and dispatches those resources with the goal of more accurately matching actual production with actual demand. The EIM operates on a nearly real-time basis with multiple participants, as opposed to more conventional long-term two-party contracts that deliver energy in hourly blocks.

In November 2014, the California Independent System Operator (CAISO) and PacifiCorp formed the western EIM. *Id.* at 1-2. The western EIM is a five-minute market administered by CAISO. The market utilizes an automatic model to identify the least-cost energy resources to serve real-time customer demand. *Id.* According to Idaho Power, the western EIM “focuses solely on real-time imbalances and allows EIM entities to retain all balancing responsibilities and transmission provider duties.” *Id.* at 2. Participants in the EIM bid resources into the market, and the operator dispatches those resources based on marginal price for energy imbalances factoring in load and available generation. *Id.*

**NOTICE OF APPLICATION**

YOU ARE HEREBY NOTIFIED that the Company states that it intends to begin participating in the western EIM in April 2018. The Company claims that the western EIM will

benefit customers through “economic efficiency . . . , savings due to diversity of loads and variability of resources within the expanded [EIM] footprint, reduced operational risk . . . , and ability to better support the integration of renewable resources.” *Id.* According to the Company, participation in the EIM could result in a net power supply expense savings of \$4.1 to \$5.1 million per year. *Id.* at 4.

YOU ARE FURTHER NOTIFIED that the Company also reports that “in order to participate in the western EIM . . . , Idaho Power must incur EIM-related costs, including upfront and ongoing incremental costs as well as software and metering investments necessary for participation.” *Id.* at 3. The Company proposes deferral of the expenses into a regulatory asset until they can be amortized into rates once the Company begins participating in the market. *Id.* The Company seeks authorization to recover the costs of joining the western EIM in a future rate proceeding. *Id.* The Company estimates that it will incur incremental costs of \$15.77 million. *Id.* The Company puts forward a 10-year amortization schedule that would begin no earlier than April 2018. *Id.* at 5.

YOU ARE FURTHER NOTIFIED that the Company requests that the Application be processed by Modified Procedure, and that the Commission issue a final Order in this matter by January 31, 2017.

YOU ARE FURTHER NOTIFIED that the Application and supporting testimonies have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and testimonies are also available on the Commission’s web site at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on the “File Room” tab at the top of the page, scroll down to “Open Electric Cases,” and then click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission’s jurisdiction under Title 61 of the Idaho Code, including *Idaho Code* § 61-501 and -503. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission’s Rules of Procedure, IDAPA 31.01.01 .000 *et seq.*

**NOTICE OF INTERVENTION DEADLINE**

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this matter must file a Petition to Intervene with the Commission pursuant to this Commission’s Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and -.073. Persons intending to participate in this matter must file a Petition to Intervene no later than twenty-one (21) days from the service date of this Order. Persons desiring to present their views without parties’ rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or the parties.

YOU ARE FURTHER NOTIFIED that the Commission Secretary shall issue a Notice of Parties after the deadline for intervention has passed. The Notice of Parties shall assign exhibit numbers to each party in this proceeding.

YOU ARE FURTHER NOTIFIED that once the Notice of Parties is issued, the Commission Staff will convene an informal prehearing conference for the parties to discuss a schedule to process this case and other issues as may be raised by the parties.

YOU ARE FURTHER NOTIFIED that the following persons are designated as Idaho Power representatives in this matter:

Julia A. Hilton	Matt Larkin
Idaho Power Company	Idaho Power Company
PO Box 70	PO Box 70
Boise, ID 83707	Boise, ID 83707
Email: <a href="mailto:jhilton@idahopower.com">jhilton@idahopower.com</a>	E-mail: <a href="mailto:mlarkin@idahopower.com">mlarkin@idahopower.com</a>
<a href="mailto:dockets@idahopower.com">dockets@idahopower.com</a>	

YOU ARE FURTHER NOTIFIED that all hearings and prehearing conferences in this matter will be held in facilities meeting the accessibility requirements of the Americans with Disabilities Act (ADA). Persons needing the help of a sign language interpreter or other assistance in order to participate in or to understand testimony and argument at a public hearing may ask the Commission to provide a sign language interpreter or other assistance at the hearing. The request for assistance must be received at least five (5) working days before the hearing by contacting the Commission Secretary at:

IDAHO PUBLIC UTILITIES COMMISSION  
PO BOX 83720  
BOISE, IDAHO 83720-0074  
(208) 334-0338 [Telephone]  
(208) 334-3762 [FAX]  
E-mail: [secretary@puc.idaho.gov](mailto:secretary@puc.idaho.gov)

**ORDER**

IT IS HEREBY ORDERED that persons desiring to intervene in this matter shall file a Petition to Intervene with the Commission no later than twenty-one (21) days from the service date of this Order.


IT IS FURTHER ORDERED that once a Notice of Parties is issued Staff shall convene an informal prehearing conference to discuss a schedule to process this case and other issues as may be raised by the parties.

IT IS FURTHER ORDERED that discovery is available pursuant to the Commission's Rules of Procedure 221-234, IDAPA 31.01.01.221-.234.

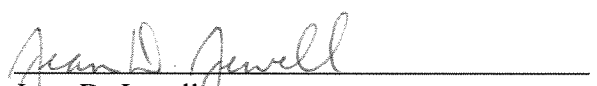
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 13<sup>th</sup>  
day of September 2016.

  
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PAUL KJELLANDER, PRESIDENT

  
\_\_\_\_\_  
KRISTINE RAPER, COMMISSIONER

  
\_\_\_\_\_  
ERIC ANDERSON, COMMISSIONER

ATTEST:

  
\_\_\_\_\_  
Jean D. Jewell  
Commission Secretary

O:IPC-E-16-19\_bk