

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF PACIFICORP DBA ROCKY) **CASE NO. PAC-E-13-12**
MOUNTAIN POWER FOR APPROVAL OF)
ITS CAPACITY DEFICIENCY PERIOD TO)
BE UTILIZED IN THE COMPANY’S SAR) **ORDER NO. 33015**
METHODOLOGY.)
)

In Order No. 32697, the Commission directed that a case be initiated outside of each utility’s Integrated Resource Plan (IRP) filing for the establishment of the capacity deficiency period to be utilized in the utility’s SAR methodology. On October 15, 2013, PacifiCorp dba Rocky Mountain Power (Rocky Mountain Power) filed an Application requesting that the Commission approve its updated capacity deficiency periods to be utilized in its SAR avoided cost methodology.

On November 27, 2013, the Commission issued a Notice of Application and set a deadline for intervention. Order No. 32934. No person or party petitioned to intervene in this matter. On January 24, 2014, the Commission issued a Notice of Modified Procedure setting a comment deadline of February 28, 2014, and a reply deadline of March 7, 2014. Order No. 32970. Staff was the only party to file comments.

By this Order, we approve Rocky Mountain Power’s proposed capacity and energy deficit determinations to be utilized in the Company’s SAR methodology.

THE APPLICATION

On April 30, 2013, Rocky Mountain Power filed its 2013 IRP with the Commission. The 2013 IRP includes the results of the Company’s capacity balance. Rocky Mountain Power states that the capacity balance is calculated for summer peak loads only. The Company reports that the capacity balance is developed by determining firm resource capacity available at the annual system peak load hour, plus a 13% planning reserve margin. The study reports that the Company is capacity deficient in 2013. The capacity deficit is 824 MW starting in 2013 and increases to 2,308 MW by 2022.

The Company reports in its IRP that, “during on-peak periods, the first energy shortfall appears in July 2018 and by 2022 available system energy falls short of monthly loads in January, July, August, and October.” 2013 IRP, Figure 5.5; Application at 5. Rocky

Mountain Power maintains that updating the peak and energy balances to reflect the Company's most recent load forecast and recent changes in long-term contracts would not alter the identified deficit years.

COMMENTS

Staff reviewed the capacity and energy deficits proposed by Rocky Mountain Power. Staff agreed with the Company's proposal for purposes of SAR methodology avoided cost computations. Therefore, Staff recommended the Commission approve a first deficit year assumption of 2013 for capacity and a first deficit year assumption of 2018 for energy.

No other person or party filed comments.

FINDINGS AND CONCLUSIONS

The Idaho Public Utilities Commission has jurisdiction over Rocky Mountain Power, an electric utility, and the issues raised in this matter pursuant to the authority and power granted it under Title 61 of the Idaho Code and the 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 (QFs) and to implement FERC rules.

The Commission has reviewed the record in this case, including Order No. 32697, Rocky Mountain Power's Application and the comments of Commission Staff. In Case No. GNR-E-11-03, the Commission found it fair and reasonable to subject each utility's IRP determination of capacity deficiency to further scrutiny for purposes of use within the SAR methodology. Order No. 32697 at 23. The Company's 2013 IRP was filed with the Commission on April 30, 2013. The Commission accepted Rocky Mountain Power's 2013 IRP on September 11, 2013.¹

The Company's 2013 IRP identifies capacity deficits beginning in 2013 and energy deficits beginning in 2018. No additional modifications were made by the Company based on its most recent forecasts and/or long-term contract status. Staff agreed with Rocky Mountain Power's deficiency calculations as they relate to avoided cost calculations within the SAR methodology.

¹ On March 31, 2014, Rocky Mountain Power filed a "2013 IRP Update" with the Commission. However, the Company has not filed a corresponding update for this case. Consequently, the Commission's findings and conclusions in the present proceeding are based solely on the record before it.

The Company's assessment of its capacity and energy deficiencies are unchallenged. In utilizing the capacity deficiency identified in the Company's IRP planning process as a starting point, we previously stated that the IRP determinations "will be presumed to be correct" subject to the outcome of the present proceeding. *Id.* Based on the foregoing, we find it fair and reasonable to approve Rocky Mountain Power's capacity deficiency and energy deficiency proposal to be used in the Company's SAR methodology. Consistent with these findings, we approve the SAR methodology avoided cost rates as computed by Staff and included as Attachment A to this Order.

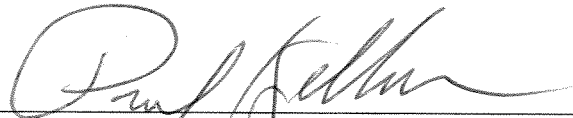
ORDER

IT IS HEREBY ORDERED that Rocky Mountain Power's capacity and energy deficiency periods to be used in the Company's SAR methodology be approved, as more fully described herein.

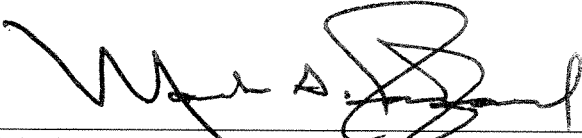
IT IS FURTHER ORDERED that the updated SAR avoided cost rates become effective upon issuance of this Order.

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 8th
day of April 2014.



PAUL KJELLANDER, PRESIDENT

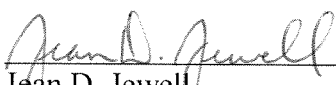


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

O:PAC-E-13-12_ks3

PACIFICORP AVOIDED COST RATES FOR WIND PROJECTS April 8, 2014 \$/MWh New Contracts and Replacement Contracts without Full Capacity Payments								
Eligibility for these rates is limited to projects 100 kW or smaller.								
LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2014	2015	2016	2017	2018	2019		
1	31.88	33.21	38.16	40.79	44.22	46.66	2014	31.88
2	32.52	35.59	39.42	42.44	45.39	47.60	2015	33.21
3	34.26	37.19	40.90	43.74	46.38	48.85	2016	38.16
4	35.71	38.75	42.18	44.82	47.55	50.25	2017	40.79
5	37.16	40.10	43.27	45.99	48.85	51.60	2018	44.22
6	38.45	41.26	44.42	47.24	50.12	52.67	2019	46.66
7	39.59	42.43	45.63	48.46	51.17	53.60	2020	48.61
8	40.73	43.63	46.80	49.50	52.09	54.42	2021	51.66
9	41.89	44.79	47.82	50.41	52.91	55.13	2022	55.18
10	43.01	45.80	48.72	51.23	53.62	55.81	2023	58.13
11	44.00	46.71	49.54	51.96	54.31	56.49	2024	59.48
12	44.89	47.54	50.26	52.65	54.98	57.15	2025	60.92
13	45.70	48.27	50.95	53.32	55.63	57.82	2026	62.30
14	46.43	48.96	51.62	53.97	56.29	58.50	2027	63.28
15	47.12	49.63	52.26	54.61	56.96	59.20	2028	65.05
16	47.77	50.27	52.89	55.27	57.63	59.93	2029	67.01
17	48.40	50.90	53.53	55.92	58.34	60.72	2030	69.02
18	49.02	51.53	54.17	56.61	59.09	61.54	2031	71.50
19	49.64	52.15	54.83	57.33	59.88	62.40	2032	74.37
20	50.24	52.79	55.52	58.08	60.69	63.30	2033	77.39
							2034	81.39
							2035	86.41
							2036	91.67
							2037	97.11
							2038	103.33
							2039	107.02

Note: These rates will be further adjusted with the applicable integration charge.

Note: The rates shown in this table have been computed using the U.S. Energy Information Administration (EIA)'s Annual Energy Outlook 2013 released May 2, 2013. See "Annual Energy Outlook 2013, All Tables, Energy Prices by Sector and Source, Mountain, Reference case" at <http://www.eia.gov/oiat/aeo/tablebrowser/>.

PACIFICORP AVOIDED COST RATES FOR SOLAR PROJECTS April 8, 2014 \$/MWh New Contracts and Replacement Contracts without Full Capacity Payments								
Eligibility for these rates is limited to projects 100 kW or smaller.								
LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2014	2015	2016	2017	2018	2019		
1	57.72	59.43	64.76	67.78	71.60	74.44	2014	57.72
2	58.54	61.99	66.21	69.62	72.97	75.58	2015	59.43
3	60.46	63.78	67.87	71.10	74.15	77.02	2016	64.76
4	62.08	65.51	69.33	72.37	75.51	78.61	2017	67.78
5	63.71	67.04	70.60	73.71	76.99	80.14	2018	71.60
6	65.17	68.37	71.92	75.15	78.43	81.40	2019	74.44
7	66.47	69.70	73.30	76.54	79.66	82.50	2020	76.80
8	67.77	71.07	74.64	77.75	80.75	83.50	2021	80.26
9	69.09	72.39	75.82	78.83	81.73	84.38	2022	84.21
10	70.37	73.56	76.89	79.81	82.62	85.23	2023	87.58
11	71.51	74.62	77.86	80.69	83.46	86.07	2024	89.36
12	72.55	75.60	78.74	81.54	84.29	86.89	2025	91.23
13	73.50	76.48	79.57	82.36	85.10	87.71	2026	93.06
14	74.37	77.31	80.38	83.15	85.90	88.55	2027	94.49
15	75.20	78.12	81.17	83.95	86.72	89.39	2028	96.71
16	75.99	78.90	81.94	84.74	87.53	90.27	2029	99.14
17	76.75	79.66	82.71	85.53	88.38	91.20	2030	101.62
18	77.49	80.41	83.48	86.34	89.26	92.16	2031	104.58
19	78.23	81.16	84.27	87.19	90.18	93.15	2032	107.94
20	78.96	81.93	85.08	88.07	91.12	94.18	2033	111.44
							2034	115.94
							2035	121.47
							2036	127.25
							2037	133.21
							2038	139.96
							2039	144.19

Note: These rates will be further adjusted with the applicable integration charge.

Note: The rates shown in this table have been computed using the U.S. Energy Information Administration (EIA)'s Annual Energy Outlook 2013 released May 2, 2013. See "Annual Energy Outlook 2013, All Tables, Energy Prices by Sector and Source, Mountain, Reference case" at <http://www.eia.gov/oiarf/aef/tablebrowser/>.

PACIFICORP
AVOIDED COST RATES FOR NON-SEASONAL HYDRO PROJECTS
April 8, 2014
 \$/MWh
New Contracts and Replacement Contracts without Full Capacity Payments

Eligibility for these rates is limited to projects smaller than 10 aMW.

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2014	2015	2016	2017	2018	2019		
1	55.21	56.89	62.17	65.16	68.94	71.74	2014	55.21
2	56.02	59.43	63.61	66.98	70.29	72.86	2015	56.89
3	57.91	61.19	65.25	68.45	71.45	74.28	2016	62.17
4	59.52	62.92	66.69	69.69	72.79	75.86	2017	65.16
5	61.13	64.42	67.95	71.02	74.26	77.37	2018	68.94
6	62.58	65.74	69.25	72.44	75.68	78.61	2019	71.74
7	63.86	67.05	70.61	73.81	76.89	79.70	2020	74.06
8	65.15	68.40	71.94	75.00	77.97	80.67	2021	77.48
9	66.45	69.71	73.10	76.07	78.94	81.54	2022	81.39
10	67.71	70.87	74.15	77.04	79.80	82.37	2023	84.72
11	68.84	71.91	75.11	77.90	80.63	83.19	2024	86.46
12	69.86	72.87	75.97	78.73	81.45	84.00	2025	88.29
13	70.81	73.74	76.80	79.54	82.24	84.81	2026	90.07
14	71.66	74.56	77.59	80.32	83.03	85.63	2027	91.46
15	72.47	75.35	78.36	81.10	83.83	86.46	2028	93.64
16	73.25	76.12	79.12	81.88	84.63	87.32	2029	96.02
17	74.00	76.87	79.88	82.66	85.46	88.24	2030	98.45
18	74.73	77.61	80.64	83.46	86.33	89.19	2031	101.37
19	75.45	78.35	81.41	84.29	87.24	90.17	2032	104.68
20	76.17	79.10	82.21	85.16	88.17	91.18	2033	108.14
							2034	112.59
							2035	118.07
							2036	123.79
							2037	129.71
							2038	136.40
							2039	140.58

Note: The rates shown in this table have been computed using the U.S. Energy Information Administration (EIA)'s Annual Energy Outlook 2013 released May 2, 2013. See "Annual Energy Outlook 2013, All Tables, Energy Prices by Sector and Source, Mountain, Reference case" at <http://www.eia.gov/oiiaf/aeo/tablebrowser/>.

PACIFICORP AVOIDED COST RATES FOR SEASONAL HYDRO PROJECTS April 8, 2014 \$/MWh New Contracts and Replacement Contracts without Full Capacity Payments								
Eligibility for these rates is limited to projects smaller than 10 aMW.								
LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2014	2015	2016	2017	2018	2019		
1	72.79	74.73	80.27	83.52	87.58	90.65	2014	72.79
2	73.72	77.39	81.84	85.47	89.05	91.90	2015	74.73
3	75.74	79.28	83.60	87.07	90.34	93.45	2016	80.27
4	77.47	81.12	85.17	88.44	91.81	95.16	2017	83.52
5	79.19	82.75	86.55	89.89	93.40	96.79	2018	87.58
6	80.75	84.18	87.96	91.42	94.95	98.16	2019	90.65
7	82.15	85.61	89.44	92.92	96.28	99.36	2020	93.25
8	83.55	87.07	90.88	94.22	97.47	100.46	2021	96.95
9	84.96	88.49	92.16	95.40	98.55	101.44	2022	101.14
10	86.32	89.75	93.31	96.48	99.53	102.39	2023	104.75
11	87.55	90.91	94.38	97.45	100.47	103.32	2024	106.79
12	88.68	91.97	95.34	98.39	101.39	104.23	2025	108.91
13	89.72	92.93	96.27	99.30	102.28	105.15	2026	111.00
14	90.67	93.85	97.16	100.18	103.18	106.07	2027	112.70
15	91.58	94.74	98.03	101.05	104.08	107.00	2028	115.18
16	92.44	95.59	98.88	101.93	104.97	107.97	2029	117.89
17	93.28	96.43	99.73	102.80	105.90	108.97	2030	120.63
18	94.10	97.26	100.58	103.69	106.86	110.02	2031	123.87
19	94.91	98.09	101.44	104.62	107.86	111.09	2032	127.52
20	95.71	98.92	102.32	105.57	108.87	112.19	2033	131.31
							2034	136.10
							2035	141.92
							2036	148.00
							2037	154.27
							2038	161.32
							2039	165.87

Note: A "seasonal hydro project" is defined as a generation facility which produces at least 55% of its annual generation during the months of June, July, and August. Order 32802.

Note: The rates shown in this table have been computed using the U.S. Energy Information Administration (EIA)'s Annual Energy Outlook 2013 released May 2, 2013. See "Annual Energy Outlook 2013, All Tables, Energy Prices by Sector and Source, Mountain, Reference case" at <http://www.eia.gov/oiarf/aef/tablebrowser/>.

PACIFICORP
AVOIDED COST RATES FOR OTHER PROJECTS
April 8, 2014
 \$/MWh

New Contracts and Replacement Contracts without Full Capacity Payments

Eligibility for these rates is limited to projects smaller than 10 aMW.

LEVELIZED							NON-LEVELIZED	
CONTRACT LENGTH (YEARS)	ON-LINE YEAR						CONTRACT YEAR	NON-LEVELIZED RATES
	2014	2015	2016	2017	2018	2019		
1	48.40	49.98	55.17	58.05	61.73	64.42	2014	48.40
2	49.16	52.47	56.55	59.82	63.02	65.49	2015	49.98
3	51.01	54.19	58.15	61.24	64.14	66.86	2016	55.17
4	52.57	55.86	59.54	62.44	65.43	68.39	2017	58.05
5	54.13	57.32	60.75	63.72	66.85	69.85	2018	61.73
6	55.54	58.59	62.00	65.08	68.23	71.04	2019	64.42
7	56.78	59.87	63.32	66.42	69.39	72.08	2020	66.64
8	58.02	61.17	64.60	67.56	70.41	73.01	2021	69.95
9	59.28	62.44	65.73	68.58	71.34	73.83	2022	73.74
10	60.50	63.55	66.73	69.51	72.16	74.62	2023	76.96
11	61.59	64.56	67.65	70.33	72.95	75.40	2024	78.59
12	62.58	65.48	68.47	71.12	73.72	76.16	2025	80.30
13	63.48	66.31	69.26	71.89	74.47	76.93	2026	81.97
14	64.30	67.09	70.01	72.63	75.23	77.71	2027	83.24
15	65.07	67.85	70.74	73.37	75.99	78.51	2028	85.30
16	65.82	68.57	71.47	74.11	76.75	79.33	2029	87.56
17	66.53	69.29	72.19	74.86	77.55	80.21	2030	89.86
18	67.23	70.00	72.91	75.62	78.38	81.12	2031	92.65
19	67.92	70.70	73.65	76.42	79.25	82.07	2032	95.84
20	68.60	71.42	74.42	77.26	80.15	83.04	2033	99.16
							2034	103.48
							2035	108.83
							2036	114.42
							2037	120.20
							2038	126.75
							2039	130.78

Note: "Other projects" refers to projects other than wind, solar, non-seasonal hydro, and seasonal hydro projects. These "Other projects" may include (but are not limited to): cogeneration, biomass, biogas, landfill gas, or geothermal projects.

Note: The rates shown in this table have been computed using the U.S. Energy Information Administration (EIA)'s Annual Energy Outlook 2013 released May 2, 2013. See "Annual Energy Outlook 2013, All Tables, Energy Prices by Sector and Source, Mountain, Reference case" at <http://www.eia.gov/oiat/aeo/tablebrowser/>.