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Commission accepts Rocky Mountain Power long-range planning document

BOISE (April 12, 2018) – Regulators have accepted a long-range planning document outlining how Rocky Mountain Power intends to meet the demand for electricity among its customers over the next 20 years.

Rocky Mountain Power's Integrated Resource Plan (IRP) represents a "cost-conscious plan to transition to a cleaner energy future," according to the company, which serves approximately 75,000 customers in eastern Idaho.

The IRP anticipates significant reductions in coal generation along with investments in renewable resources, transmission infrastructure and energy efficiency programs.

Regulated electric utilities are required to submit an IRP every other year. It serves as a status report outlining the company's ongoing plans for providing adequate and reliable service to its customers at the lowest cost and least risk during the planning period.

The Commission's acknowledgement of an IRP does not necessarily mean the projects highlighted will be completed, but rather that the utility has met its long-range planning requirements.

Rocky Mountain Power's 2017 IRP was developed with input from a diverse group of stakeholders, including customer advocacy groups, regulatory staff and other interested parties.

It identifies "the company's plans to provide reliable and reasonably priced service to its customers."

Those plans call for the retirement of more than 3,500 megawatts of coal-fired generation, anticipating that it will be replaced primarily with renewables such as wind and solar.

Efficiency measures, two new natural gas facilities and wholesale power purchases are also expected to help meet the demand for energy through 2036.

The IRP's action plan, which outlines the company's plans for the first 10 years of the planning horizon, includes what the company refers to as its Energy Vision 2020 projects, which calls for the addition of 1,100 MW of new wind resources and 905 MW of upgraded or "repowered" wind resources, and construction of a transmission line in Wyoming.

The wind projects must be operational by the end of 2020 in order to receive the full benefits of federal tax credits.

The electricity generated at the new wind facilities would be carried via a 140-mile, 500-kilovolt transmission line in Wyoming that is expected to relieve congestion on Rocky Mountain's transmission system.

After 2020, the utility's preferred portfolio calls for 859 MW of new wind generation, including the addition of 774 MW in Idaho in 2036.

The IRP also anticipates 1,040 MW of new solar resources to come online between 2028 and 2036, with the majority installed in Utah beginning in 2031.

The first new natural gas-fired resource is expected to be added in 2029, a year later than anticipated in Rocky Mountain's 2015 IRP.

Demand-side management resources (DSM), which include energy efficiency and conservation, are also expected to play a key role in helping the company meet customers' demand for electricity.

The IRP indicates incremental energy-efficiency resources are expected to provide a 2,077 MW reduction, enough to meet 88 percent of the forecasted load growth through 2026.

Aside from energy efficiency, the company's DSM resources include load control programs capable of shifting energy use away from periods of peak demand for energy. This shift helps the utility avoid or defer the need for new power plants.

Customers enrolled in load control programs allow the utility to remotely curtail their energy use – shutting down irrigation pumps, for example - in exchange for incentives such as reduced rates or a bill credit.

The 2017 IRP calls for load control to be capable of reducing the demand for energy, or load, by 365 MW by the end of the planning period. The company's previous IRP called for load control programs to have a load-shedding capacity of less than 50 MW.

Rocky Mountain does not anticipate upgrades to coal plants in order to meet environmental regulations, a decision that will "save customers hundreds of millions of dollars," according to the company. Instead, the IRP calls for the retirement of those coal-fired units.

Commission staff asserted that more analysis should have been conducted in order to better gage the economics of coal plant retirements, including earlier closure of some units, to ensure that Rocky Mountain identified the least-cost generation resources. The company agreed to conduct additional analysis of its coal units as it prepares its 2019 IRP.

The company expects to offset a portion of the lost coal generation throughout the planning period with market purchases, although Rocky Mountain intends to construct two new natural gas facilities – a 200-MW frame simple cycle combustion turbine in 2029, and a 436-MW combined combustion turbine in 2030.

Over the life of the IRP, the preferred portfolio includes 1,313 MW of new natural-gas capacity. That is a reduction of 1,540 MW relative to the 2015 IRP.

In its analysis of the IRP, Commission staff said there is a high probability that the company underestimated natural gas prices over the 20-year planning period, and criticized the limited public input taken by the company regarding the preferred portfolio outlined in the IRP due to the "late introduction" of the Energy Vision 2020 projects.

The company countered that it took public input on the projects at the "earliest possible point" and recognized "the need to be open and transparent." Rocky Mountain also said concerns about gas prices are misplaced, claiming its assumptions were "reasonable and align with current market fundamentals driven by projections of supply and demand."

In its order acknowledging the IRP, the Commission said it expects the company "to actively consider the concerns raised in this case as it plans, and to continue evaluating all resource options and the best interests of its customers when developing the 2019 IRP."

All documents related to this case, including the Commission's order, are available on the Commission's web site, www.puc.idaho.gov. To review them, click on "Open Cases" under the "Electric" heading and scroll down to the case number, PAC-E-17-03. Or go here.