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IDAHO PUBLIC UTILITIES COMMISSION

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November 9, 2011

**VIA HAND DELIVERY**

Jean D. Jewell, Secretary  
Idaho Public Utilities Commission  
472 West Washington Street  
Boise, Idaho 83702

Re: Case No. IPC-E-11-11  
*IN THE MATTER OF IDAHO POWER COMPANY'S 2011 INTEGRATED  
RESOURCE PLAN ("IRP")*

Dear Ms. Jewell:

By this letter, Idaho Power Company ("Idaho Power" or "Company") hereby corrects errors made in the filed version of its 2011 Integrated Resource Plan ("IRP"). The errors were discovered during the course of responding to data requests submitted to Idaho Power by the Public Utility Commission of Oregon Staff. Specifically, the Company inadvertently included an amount for an allowance for funds used during construction ("AFUDC") twice in the capital cost estimate for the Boardman to Hemingway Project ("B2H"). When calculating the levelized cost of production for the IRP, AFUDC was calculated on the estimated Idaho Power share of 28 percent that already included an estimate for AFUDC. To correct this error, the Company must remove \$31 million of AFUDC from the proposed capital costs of B2H.

This correction impacts three pages of the IRP: page 77 of the main document and pages 82 and 83 of Appendix C – Technical Appendix. On page 77, the change occurs in Figure 6.9, which reduces the line labeled as "Transmission-Boardman to Hemingway (450 MW)" from \$83 to \$81. On page 82 of Appendix C, the change occurs at the line labeled "Boardman to Hemingway" and at the column labeled "Total Investment \$/kW" wherein the amount is reduced from \$580 to \$510. Lastly, the change on page 83 of Appendix C occurs at the line labeled "Transmission-Boardman to Hemingway (450 MW)" and at the column labeled "Cost of Capital," which results in a reduction from \$19 to \$16, and at the column labeled "Total Cost per MWh," which results in a reduction from \$83 to \$81. This correction does not have a material impact on the results of Idaho Power's 2011 IRP. Because portfolio 1-3 Boardman to Hemingway was previously selected as the preferred

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portfolio, the removal of the additional AFUDC from the B2H cost estimate lowers the total cost of the already selected least-cost portfolio.

Idaho Power is attaching hereto the three corrected pages of the IRP. It would be unduly burdensome and expensive to reprint Idaho Power's 2011 IRP for the sole purpose of correcting these three minor errors. That said, Idaho Power will update its website to include these corrected pages so that on a going forward basis, parties or interested persons accessing the IRP on-line at the Company's website will have the most accurate, up-to-date version of the IRP.

Please call me if you have any concerns.

Very truly yours,



Jason B. Williams

JBW:csb  
Enclosures

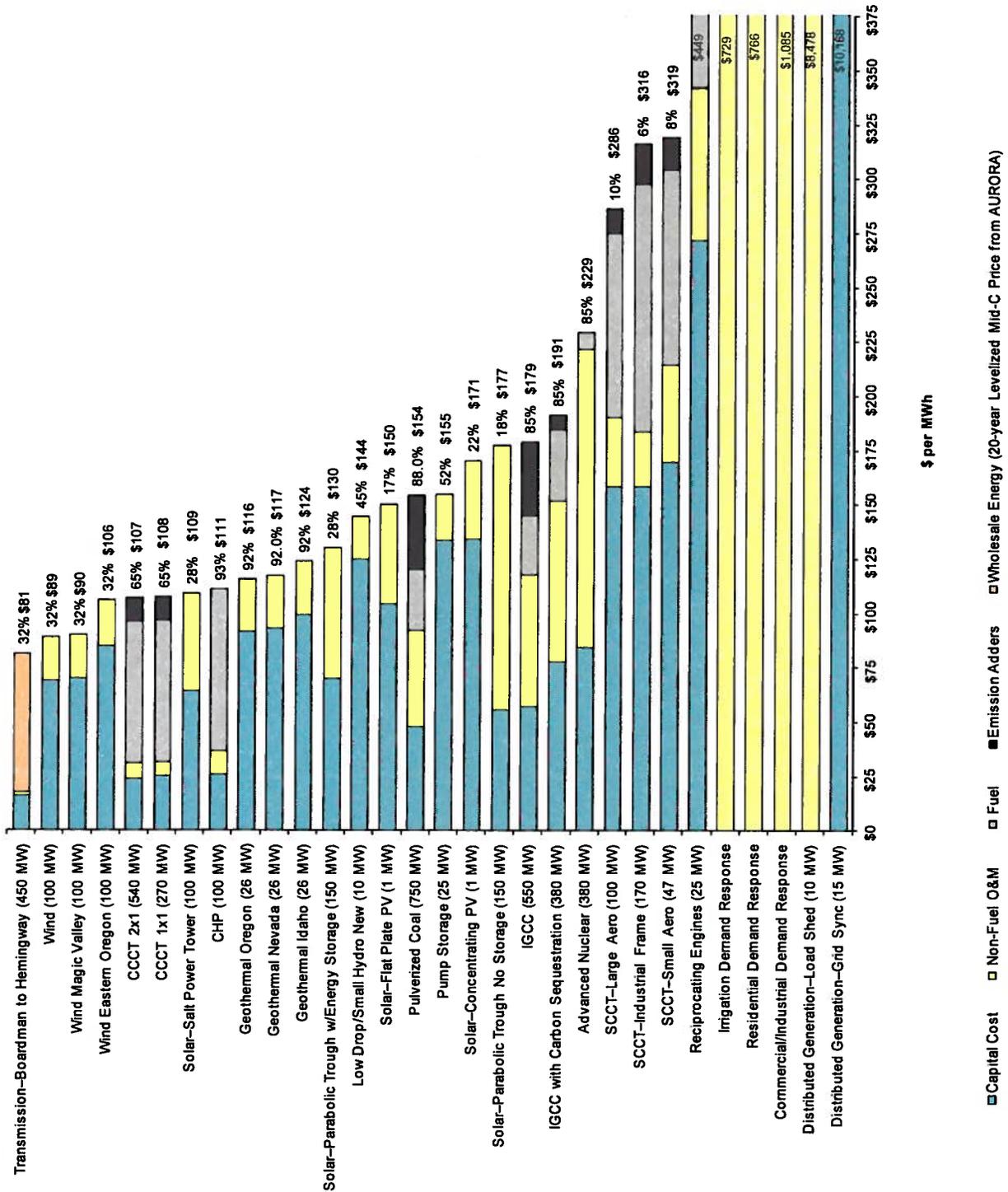


Figure 6.9 30-year levelized cost of production (at stated capacity factors)

## Cost Inputs and Operating Assumptions

(All costs in 2011 dollars)

Supply-Side Resources	Plant Capacity (MW)	Plant Capital (\$/kW) <sup>1,2</sup>	Transmission Capital \$/kW	Total Capital \$/kW	Total Investment \$/kW <sup>2</sup>	Fixed O&M \$/kW <sup>3</sup>	Variable O&M \$/kW	Emissions \$/MWh	Heat Rate Btu/kWh
Wind	100	\$1,450	\$283	\$1,733	\$1,840	\$35	\$1	\$0	NA
Wind Magic Valley	100	\$1,450	\$298	\$1,748	\$1,856	\$35	\$1	\$0	NA
Wind Eastern Oregon	100	\$1,450	\$672	\$2,122	\$2,253	\$35	\$1	\$0	NA
Geothermal Nevada	26	\$6,250	\$231	\$6,481	\$7,115	\$136	\$5	\$0	NA
Geothermal Oregon	26	\$6,250	\$135	\$6,385	\$7,010	\$136	\$5	\$0	NA
Geothermal Idaho	26	\$6,250	\$665	\$6,915	\$7,592	\$136	\$5	\$0	NA
Solar-Parabolic Trough	150	\$2,115	\$258	\$2,373	\$2,737	\$122	\$0	\$0	NA
Solar-Parabolic Trough, 12 hrs energy storage	150	\$3,562	\$258	\$3,820	\$4,407	\$79	\$0	\$0	NA
Solar-Molten Salt Power Tower, 6.9 hrs energy storage	100	\$3,220	\$258	\$3,478	\$4,012	\$55	\$0	\$0	NA
Solar-Flat Plate PV (Distributed)	1	\$3,750	\$0	\$3,750	\$3,816	\$25	\$0	\$0	NA
Solar-Concentrating PV	5	\$6,171	\$50	\$6,221	\$6,443	\$12	\$0	\$0	NA
Low Drop/Small Hydro New	10	\$4,000	\$50	\$4,050	\$4,672	\$14	\$3	\$0	NA
Pumped Storage	25	\$5,000	\$0	\$5,000	\$5,768	\$10	\$6	\$0	NA
SCCT-Small Aeroderivative	47	\$1,050	\$13	\$1,063	\$1,126	\$13	\$4	\$15	9,370
SCCT-Large Aeroderivative	100	\$1,130	\$111	\$1,241	\$1,314	\$8	\$5	\$11	8,800
SCCT-Industrial Frame	170	\$610	\$136	\$746	\$790	\$4	\$2	\$19	11,870
CCCT (1x1) F Class	270	\$1,120	\$96	\$1,216	\$1,380	\$7	\$2	\$11	6,800
CCCT (2x1) F Class	540	\$1,050	\$78	\$1,128	\$1,280	\$12	\$2	\$11	6,800
CHP/Co-Generation	100	\$1,860	\$28	\$1,888	\$2,008	\$8	\$5	\$0	9,200
Reciprocating Engines	25	\$1,150	\$134	\$1,284	\$1,354	\$13	\$10	\$13	9,700
Distributed Generation (Option # 1)									
Load shed	10	\$0	\$0	\$0	\$0	\$60	\$0	\$0	9,050
Distributed Generation (Option # 2)									
Grid synchronized	15	\$0	\$160	\$160	\$160	\$60	\$0	\$0	9,050
Conventional Scrubbed Coal	600	\$2,223	\$730	\$2,953	\$3,499	\$5	\$28	\$34	9,200
IGCC	550	\$2,569	\$730	\$3,299	\$4,026	\$3	\$40	\$34	8,765
IGCC w/carbon sequestration	380	\$3,776	\$730	\$4,506	\$5,498	\$5	\$47	\$7	10,781
Advanced Nuclear	250	\$3,820	\$283	\$4,103	\$5,965	\$1	\$92	\$0	10,488
Boardman to Hemingway	450	\$0	\$510	\$510	\$510	\$1	\$0	\$0	NA
Solar-Flat Plate PV (Utility)	1	\$3,750	\$0	\$3,750	\$3,816	\$25	\$0	\$0	NA

<sup>1</sup> Plant costs include engineering development costs, generating and ancillary equipment purchase, and installation costs, as well as balance of plant construction.

<sup>2</sup> Total Investment includes capital costs and AFUDC.

<sup>3</sup> Fixed O&M excludes property taxes and insurance (separately calculated within the levelized resource cost analysis)

## Levelized Cost of Production

30-Year Levelized Cost of Production (at stated capacity factors)

Supply-Side Resources	Cost of Capital	Non-Fuel O&M <sup>1</sup>	Fuel	Wholesale Energy	Emission Adders	Total Cost per MWh <sup>1</sup>	Capacity Factor
Advanced Nuclear (380 MW)	\$85	\$137	\$8	\$0	\$0	\$229	85%
CCCT 1x1 (270 MW)	\$26	\$6	\$65	\$0	\$11	\$108	65%
CCCT 2x1 (540 MW)	\$24	\$7	\$65	\$0	\$11	\$107	65%
CHP (100 MW)	\$26	\$10	\$74	\$0	\$0	\$111	93%
Distributed Generation—Grid Sync (15 MW)	\$1,690	\$8,478	\$0	\$0	\$0	\$10,168	0%
Distributed Generation—Load Shed (10 MW)	\$0	\$8,478	\$0	\$0	\$0	\$8,478	0%
Geothermal Idaho (26 MW)	\$99	\$25	\$0	\$0	\$0	\$124	92%
Geothermal Nevada (26 MW)	\$93	\$24	\$0	\$0	\$0	\$117	92%
Geothermal Oregon (26 MW)	\$92	\$24	\$0	\$0	\$0	\$116	92%
IGCC (550 MW)	\$57	\$61	\$27	\$0	\$34	\$179	85%
IGCC w/Carbon Sequestration (380 MW)	\$78	\$74	\$33	\$0	\$7	\$191	85%
Low Drop/Small Hydro New (10 MW)	\$125	\$19	\$0	\$0	\$0	\$144	45%
Pulverized Coal (750 MW)	\$48	\$44	\$28	\$0	\$34	\$154	88%
Pumped Storage (25 MW)	\$134	\$21	\$0	\$0	\$0	\$155	52%
Reciprocating Engines (25 MW)	\$272	\$70	\$93	\$0	\$13	\$449	6%
SCCT—Industrial Frame (170 MW)	\$159	\$25	\$114	\$0	\$19	\$316	6%
SCCT—Large Aero (100 MW)	\$158	\$32	\$85	\$0	\$11	\$286	10%
SCCT—Small Aero (47 MW)	\$170	\$45	\$90	\$0	\$15	\$319	8%
Solar—Concentrating PV (1 MW)	\$135	\$36	\$0	\$0	\$0	\$171	22%
Solar—Flat Plate PV (1 MW)	\$105	\$46	\$0	\$0	\$0	\$150	17%
Solar—Parabolic Trough No Storage (150 MW)	\$56	\$122	\$0	\$0	\$0	\$177	18%
Solar—Parabolic Trough, with Energy Storage (150 MW)	\$70	\$60	\$0	\$0	\$0	\$130	28%
Solar—Salt Power Tower (100 MW)	\$64	\$45	\$0	\$0	\$0	\$109	28%
Transmission—Boardman to Heringway (450 MW)	\$16	\$1	\$0	\$64	\$0	\$81	32%
Wind (100 MW)	\$69	\$20	\$0	\$0	\$0	\$89	32%
Wind Eastern Oregon (100 MW)	\$85	\$21	\$0	\$0	\$0	\$106	32%
Wind Magic Valley (100 MW)	\$70	\$20	\$0	\$0	\$0	\$90	32%

<sup>1</sup> Includes emissions costs.