

Idaho Public Utilities Commission

Case No. IPC-E-13-15, Order No. 32980

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Idaho Power counting on increased transmission, demand reduction to meet customer growth

To meet modest load growth over the next 20 years, Idaho Power Company is counting on completion of a transmission line from Boardman, Ore., to Melba and the use of programs to reduce electric demand.

The Idaho Public Utilities Commission this week accepted Idaho Power's biennial Integrated Resource Plan (IRP). Commission staff agreed that the transmission line and programs to incent reduced demand are the least-cost, least-risk alternatives for the next two decades, although staff did express some reservation that the transmission line would be built by the targeted 2018 date. Idaho Power maintains it has enough demand-response capacity to meet customer demand through 2020 whether the transmission line is completed or not.

Idaho Power's plan projects the 500-kV Boardman-to-Hemingway line will bring in about 500 megawatts of additional power from Northwest energy markets into Idaho Power's southern Idaho territory.

Idaho's regulated electric utilities are required to file an IRP every two years to accommodate for changing conditions. "By accepting the company's filing, we acknowledge only the company's ongoing planning process, not the conclusions or results reached through that process," the commission said. The commission requires that utilities allow the public to participate and comment during the IRP process.

Idaho Power anticipates that its customer base will increase from the current 500,000 to about 670,000 by 2032 for an average load increase of 21 MW per year, or 1.1 percent annual growth.

The transmission project has been in Idaho Power's IRP since 2006. The utility is still working on acquiring the necessary regulatory approvals and permitting. Idaho Power has a joint funding agreement for the transmission line with the Bonneville Power Administration and PacifiCorp, which includes eastern Idaho as part of its service territory.

The company hopes to have 150 MW of increased energy efficiency and demand reduction in place by 2017, increasing that to 370 MW by 2032. A major upgrade of the Shoshone Falls hydroelectric plant, from its current 12.5 MW to 61.5 MW, is set to be completed by 2019.

Two environmental groups who intervened in the case, the Snake River Alliance and the Idaho Conservation League, said Idaho Power did not give demand reduction the same focus as it did

increasing supply. The company disagreed, stating that it considers demand-side and supply-side resources equally.

The same groups also assert that Idaho Power is underestimating the cost of continuing coal generation in light of existing and potential federal regulation of carbon-related emissions. Further, they argue the company is not adequately considering the risk of depending on coal from plants in other states where Idaho Power is only part-owner. For example, Idaho Power continues to plan on about 220 megawatts of output from the North Valmy plant near Winnemucca, Nev. Idaho Power co-owns the plant with NV Energy. NV Energy indicates it will retire its two units of the plant in 2021 and 2025 respectively.

The Snake River Alliance and Idaho Conservation League maintain Idaho Power has other options to replace coal, including customer-owned solar generation. Idaho Power argues that its summer peak generation capacity needs are greater than what can be provided by other sources.

The commission said it expects Idaho Power to “collaborate with stakeholders on how best to use energy efficiency as a resource, to be actively involved in matters relating to Valmy and to promptly apprise us of developments that could impact the company’s continued reliance on that coal-fired resource.”

In addition to part ownership of coal plants in Boardman, Valmy and Fort Bridger, Idaho Power also owns 17 hydroelectric projects, three natural gas-fired plants and one diesel-powered plant. About 45 percent of the utility’s generation comes from hydroelectric resources, 30 percent from coal, 14 percent from long-term power purchases, 7 percent from market-purchased power and 4 percent from natural gas and diesel projects. Of the long-term power purchase contracts, 63 percent of the generation comes from wind and 22 percent from hydroelectric resources. The company buys about 789 MW from 103 projects that qualify under the Public Utility Regulatory Policies Act, or PURPA. It also buys all the output from the 100-MW Elkhorn Valley wind project in northeast Oregon.

Copies of the commission’s order accepting the IRP and comments from other parties are available on the commission’s Web site at www.puc.idaho.gov. Click on “Open Cases” under the Electric heading and scroll down to Case No. IPC-E-13-15. Parties may file for reconsideration no later than March 17.

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