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November 4, 2013

VIA HAND DELIVERY

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

Re: Case No. IPC-E-13-21
Approval of the Capacity Deficiency to be Utilized in the Surrogate Avoided Resource ("SAR") Avoided Cost Methodology – Idaho Power Company's Application

Dear Ms. Jewell:

Enclosed for filing in the above matter are an original and seven (7) copies of Idaho Power Company's Application.

Very truly yours,

Donovan E. Walker

DEW:csb
Enclosures

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	
COMPANY'S APPLICATION FOR)	CASE NO. IPC-E-13-21
APPROVAL OF THE CAPACITY)	
DEFICIENCY TO BE UTILIZED IN THE)	IDAHO POWER COMPANY'S
SURROGATE AVOIDED RESOURCE)	APPLICATION
("SAR") AVOIDED COST METHODOLOGY.)	
_____)	

Idaho Power Company ("Idaho Power" or "Company") pursuant to Order No. 32697 hereby respectfully submits this Application to the Idaho Public Utilities Commission ("Commission") for approval of the capacity deficiency period to be utilized in the Surrogate Avoided Resource ("SAR") avoided cost methodology. Idaho Power asks for Commission approval of the capacity deficiency period shown in Table 3, below, with a first deficit occurring in July 2021. In support of its Application, Idaho Power states as follows:

I. INTRODUCTION

1. 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:

[W]e find it reasonable and fair to subject each utility's determination of capacity deficiency to further scrutiny. Therefore, when a utility submits its Integrated Resource Plan to the Commission, a case shall be initiated to determine the capacity deficiency to be utilized in the SAR Methodology. The capacity deficiency determined through the IRP planning process will be the starting point, and will be presumed to be correct subject to the outcome of the proceeding.

Order No. 32697, p. 23.

II. SAR CAPACITY DEFICIENCY PERIOD

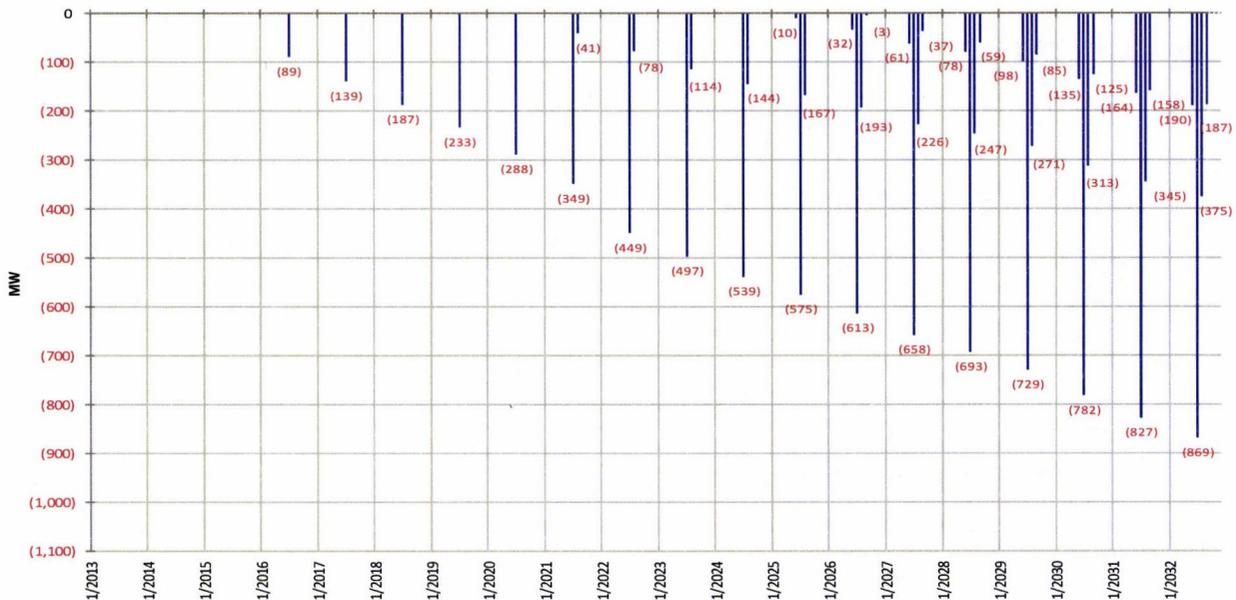
2. Idaho Power filed its 2013 IRP with the Commission on June 28, 2013. Case No. IPC-E-13-15. Idaho Power's 2013 IRP identifies the first peak-hour deficit occurring in July 2016, as displayed in Table 1 below. This table also appears on page 61 of the 2013 IRP. As described in the 2013 IRP, peak-hour load deficits are determined using 90th percentile water and 95th percentile peak-hour load conditions. Idaho Power's 2013 IRP, pp. 60-61.

TABLE 1

Peak-Hour Surplus/Deficit Charts

(90th Percentile Water and 95th Percentile Load)

Peak-Hour Monthly Deficits with Existing and Committed Resources and Existing Energy Efficiency (2013 IRP)



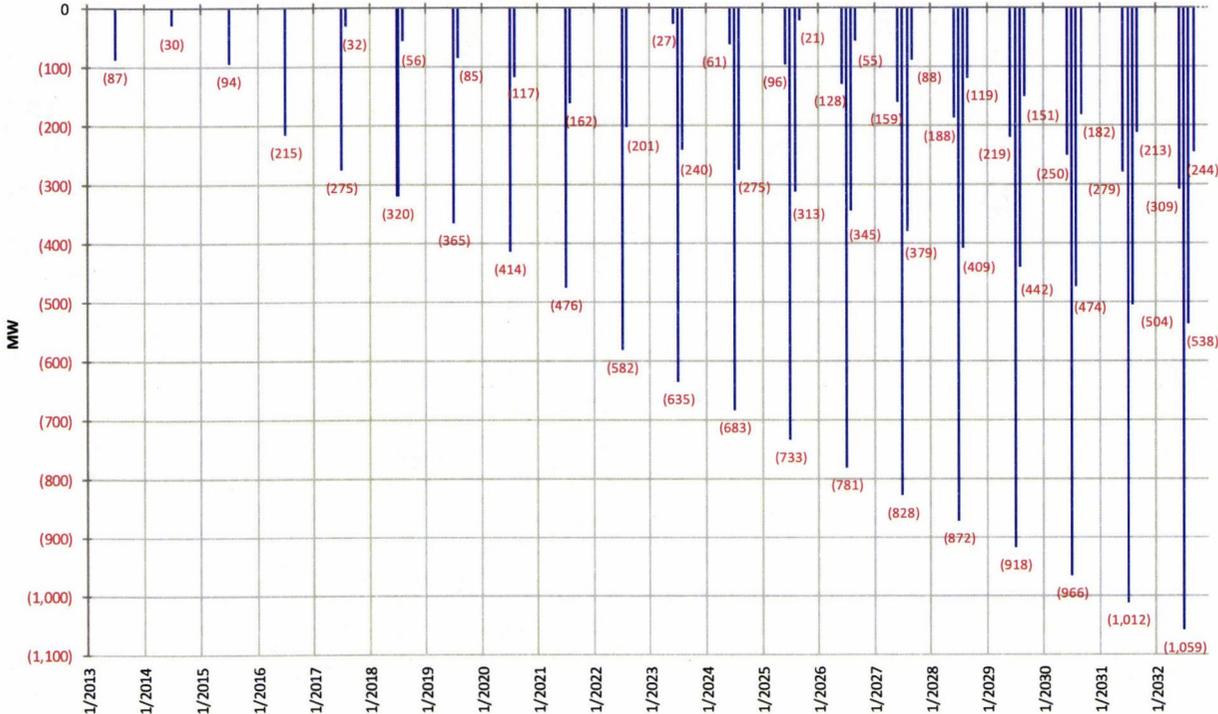
3. On October 15, 2013, pursuant to the Commission’s directives in Order No. 32697 and Order No. 32802, Idaho Power filed updated components of the incremental cost IRP avoided cost methodology consisting of an updated load forecast, updated natural gas forecast, and updated list of new and terminated Public Utility Regulatory Policies Act of 1978 contracts and long-term power purchase agreements. Case No. IPC-E-13-18. Updating the 2013 IRP peak-hour deficits with the updated load and contract information from Case No. IPC-E-13-18 results in the deficits shown in Table 2, below, with the first deficit occurring in July 2013.

TABLE 2

Peak-Hour Surplus/Deficit Charts

(90th Percentile Water and 95th Percentile Load)

Peak-Hour Monthly Deficits with Existing and Committed Resources and Existing Energy Efficiency (2013 IRP with October 2013 Load and September 2013 CSPP Forecasts)



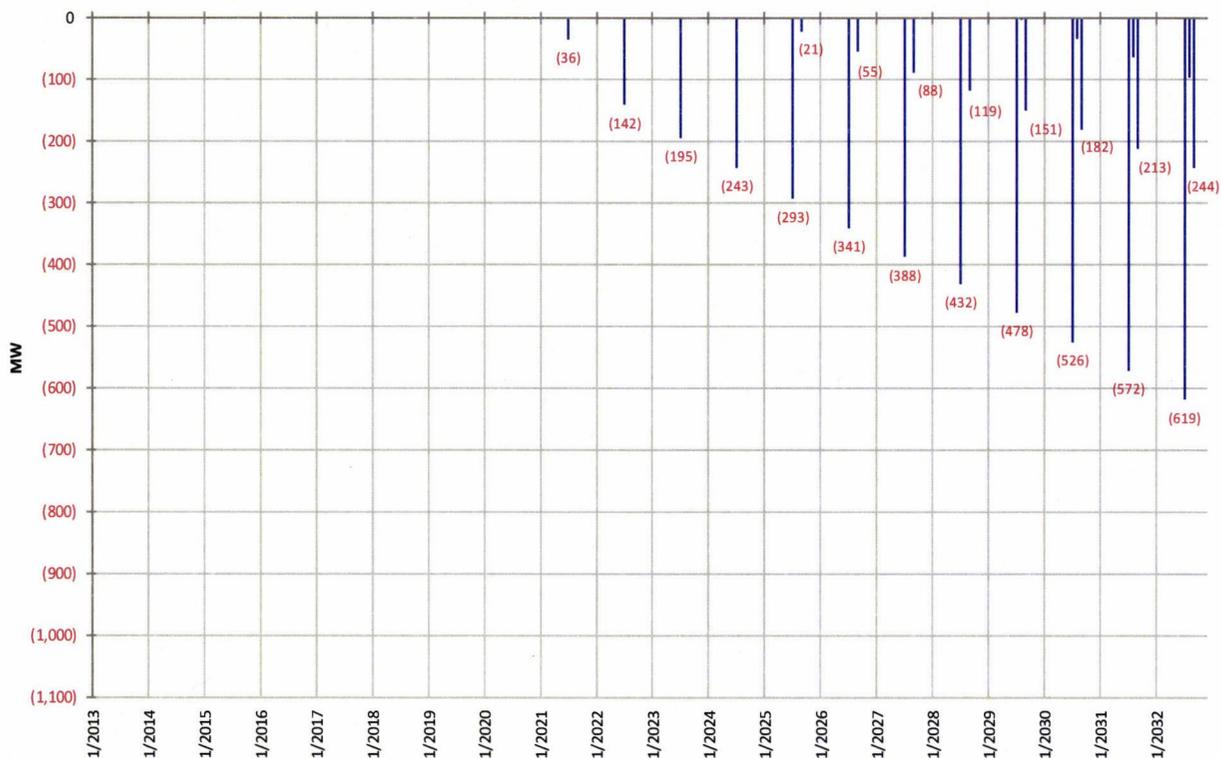
4. On October 2, 2013, Idaho Power filed a settlement agreement and Motion to Approve the same regarding the continuation of its demand response programs. Case No. IPC-E-13-14. Idaho Power's IRP states that "demand response programs will be used throughout the planning period to meet resource needs." 2013 IRP, p. 8. Updating the peak-hour deficits shown above in Table 2, which are updated for the most current load and cogeneration and small power production forecast, with up to 440 MW of Idaho Power demand response programs results in the peak-hour deficits shown below in Table 3, with the first deficit occurring in July of 2021.

TABLE 3

Peak-Hour Surplus/Deficit Charts

(90th Percentile Water and 95th Percentile Load)

Peak-Hour Monthly Deficits with Existing and Committed Resources and Existing Energy Efficiency (2013 IRP with October 2013 Load and September 2013 CSPP Forecasts and Demand Response up to 440 MW)



III. COMMUNICATIONS AND SERVICE OF PLEADINGS

5. Communications and service of pleadings with reference to this Application should be sent to the following:

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IV. CONCLUSION

6. Idaho Power respectfully requests that the Commission issue an order approving the capacity deficiency period to be utilized in the SAR avoided cost methodology for Idaho Power as shown in Table 3, above, with a first deficit occurring in July 2021.

Respectfully submitted this 4th day November 2013.



DONOVAN E. WALKER
Attorney for Idaho Power Company