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September 30, 2014

VIA HAND DELIVERY

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

Re: Case No. IPC-E-14-22
Confirming Use of Capacity Deficiency Period in IRP Methodology – Idaho Power Company's Response and Objection to the Idaho Conservation League's Motion to Extend the Comment Period

Dear Ms. Jewell:

Enclosed for filing in the above matter please find an original and seven (7) copies of Idaho Power Company's Response and Objection to the Idaho Conservation League's Motion to Extend the Comment Period.

Very truly yours,

Donovan E. Walker

DEW:csb
Enclosures

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Attorney for Idaho Power Company

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY FOR CONFIRMATION OF THE CAPACITY DEFICIENCY PERIOD FOR INCREMENTAL COST, INTEGRATED RESOURCE PLAN, AVOIDED COST METHODOLOGY.	)	CASE NO. IPC-E-14-22 IDAHO POWER COMPANY'S RESPONSE AND OBJECTION TO THE IDAHO CONSERVATION LEAGUE'S MOTION TO EXTEND THE COMMENT PERIOD

I. INTRODUCTION

On September 5, 2014, the Idaho Public Utilities Commission ("Commission") directed the use of Modified Procedure with written comments due no later than September 30, 2014, and reply comments due no later than October 7, 2014. Order No. 33116. On September 29, 2014, the day before comments were due, the Idaho Conservation League ("ICL") filed a motion, seeking Commission action on shortened or no notice pursuant to Rule 256, requesting to extend the comment period for 60 days. Idaho Power Company ("Idaho Power" or "Company") believes ICL's motion is without

merit, misrepresents the proceedings, and requests an unreasonable delay. Idaho Power hereby objects to ICL's motion. Additionally, Idaho Power with this objection and response will briefly address ICL's several mischaracterizations of these proceedings and offer, in the alternative, to expedite discovery responses and suggest a brief extension of time for comments.

II. DISCUSSION

ICL alleges that it "has addressed this case on a reasonable timeline and the complex nature of this case supports extending the comment period." ICL Motion, p. 1. Neither claim is correct. A party's intervention, especially late intervention, is not supposed to unreasonably delay the proceedings, nor unduly expand the issues. Rule 71-75. ICL's motion to extend the comment period attempts to do both.

A. ICL Has Not Proceeded in a Timely Manner.

Idaho Power filed the Application for this matter on August 13, 2014. Commission Staff ("Staff") submitted discovery requests to Idaho Power on August 20, 2014, and the Company provided answers to Staff's discovery requests on September 9, 2014. On September 5, 2014, the Commission issued its Notice of Modified Procedure and set the comment deadline of September 30, 2014. Order No. 33116. ICL petitioned for intervention on September 15, 2014, 10 days after the Notice of Modified Procedure and 33 days after the filing of the Application. Then, another nine days later, on September 19, 2014, ICL served discovery requests (consisting of seven questions) upon Idaho Power. Finally, on September 29, 2014, just one day before the written comment deadline, ICL filed an expedited request to extend the comment period by another 60 days.

ICL had prior substantive knowledge of the issues involved in this proceeding. ICL participates in the Company's Integrated Resource Plan ("IRP") planning process. ICL also directly participated in Case No. IPC-E-13-14, and was a signatory to the stipulation adopted by the Commission regarding the Company's demand response ("DR") programs. This case also discusses, refers to, and was affirmatively brought pursuant to the Commission's Order No. 33084 in Case No. IPC-E-13-21, where the Commission determined that the Company's capacity sufficient period extended to July of 2021.

ICL waited until 33 days after filing of Idaho Power's Application and 10 days after the Notice of Modified Procedure to seek intervention. Additionally, ICL then waited an additional four days after that to serve discovery—which at this point in time (September 19, 2014) is only 10 days prior to the comment deadline of September 30, 2014. ICL did not seek to extend the comment deadline at either the time it petitioned to intervene (September 15) or the time at which it served discovery requests (September 19); instead, ICL waited until the day before comments were due (September 29). ICL never has asked Idaho Power if it was possible for the Company to expedite its responses to its discovery requests and did not ask the Company about extending the comment deadline until the morning of September 29. ICL has not proceeded in a timely manner.

B. <u>ICL Seeks to Unreasonably Broaden the Issue</u>.

ICL makes claims in its motion that "this case raises significant and complex technical issues that are unique to using the Integrated Resource Plan methodology for avoided costs." ICL Motion, p. 2. This is simply not the case. This case is neither

complex, nor technical, and does not require any calculations or modeling involved with the IRP methodology. This case directly and simply involves the correct application of the Commission's resource sufficiency determination for the Company. The Commission determined in Case No. IPC-E-13-21 that with the inclusion of up to 440 megawatts ("MW') of DR as referenced in the approved stipulation from Case No. IPC-E-13-14, the Company's capacity sufficiency extends to July of 2021. Whether the capacity component of avoided cost rates determined pursuant to the approved incremental cost IRP methodology is included starting in 2016, or included starting in 2021, does not require any calculation or re-running of any modeling. The capacity component of avoided cost rates is what it is. It is determined pursuant to the Commission's direction in its final orders from Case No. GNR-E-11-03. The capacity component is simply removed for those years that the Company is capacity sufficient.

The determination sought in this case is not a fact based challenge to the avoided cost methodology. That is settled by the final, non-appealable orders from Case No. GNR-E-11-03. Additionally, this case does not involve a fact-based determination of the Company's capacity deficiency period. That is settled by the final, non-appealable Orders from Case No. IPC-E-13-21. This case seeks a legal determination from the Commission that the Company's use of the capacity sufficiency period established in Case No. IPC-E-13-21 is appropriate for use in negotiated avoided cost rates. ICL's representations that this case raises "complex" and "technical" issues are simply not the case.

Lastly, ICL alleges that the Company's Application "lacks" the necessary "factual record" and "proof" upon which the Commission can make a determination. ICL Motion, pp. 2, 4. This, similar to ICL's other claims, is not correct. When the Commission proceeds pursuant to its rules on Modified Procedure, it determines that it will proceed without hearing and will process the case upon written submissions. This includes the application and any comments filed. Idaho Power's Application in this proceeding provides the reference and incorporation of final orders from Case Nos. GNR-E-11-03, IPC-E-13-14, and IPC-E-13-21, and requests the Commission's determination as to the proper application of its orders from those cases to the present negotiated avoided cost rates pursuant to the IRP methodology. In addition, the Company provides in its Application the present context and potential impact to customers which, despite ICL's allegation that "this docket will not directly impact customers," is shown to be a very substantial and significant impact to avoided cost rates that are directly passed through to all Idaho Power customers. Application pp. 7-10. ICL's representations are without merit.

C. <u>ICL Seeks an Unreasonable Delay</u>.

Even assuming, arguendo, that the Commission determines to grant additional time for ICL to submit comments in this matter, ICL's request for an additional 60 days is an unreasonable delay to these proceedings. ICL's motion is silent as to the pre-scheduled upcoming avoided cost rate update that is effective as of October 15, 2014. On October 15, the incremental cost IRP avoided cost methodology will update the natural gas and load forecasts utilized in the model to arrive at a specific proposed project's indicative avoided cost rate. This October 15 update is an annual update

directed by the final and final reconsideration orders from GNR-E-11-03. This 2014 update will be the second such annual update to occur since issuance of the GNR-E-11-03 orders. As such, the several proposed solar qualifying facility ("QF") projects referenced in the Application, as well as several others, are presently seeking to obtain signed contracts prior to the October 15 change in rates. (Idaho Power currently has 12 separate solar QF projects, for a total of 361 MW, seeking to obtain signed contracts prior to the October 15, 2014, avoided cost update). Currently, this case is schedule to be completed prior to that October 15 rate change, which is significant to the projects disputing the capacity deficiency period. Further delay creates uncertainty that carries past another rate change and further complicates an otherwise straightforward determination.

Idaho Power believes the Commission should deny ICL's motion. However, if the Commission is inclined to grant ICL additional time, the additional 60 days requested by ICL is unreasonable. If the Commission determines to grant ICL additional time, Idaho Power requests that the Commission retain a procedural schedule that resolves this issue prior to the October 15, 2014, avoided cost update. Idaho Power proposes, alternatively, that it will expedite its responses to ICL's discovery requests, and file the same tomorrow, on October 1, 2014, on the condition that ICL's comments will then be filed on October 6, 2014. Idaho Power would then file any reply comments by October 10, 2014, so that the matter could be fully submitted for the Commission's October 14, 2014, decision meeting—which is prior to the effective date of the new avoided cost rates on October 15, 2014.

III. CONCLUSION

Idaho Power respectfully requests that the Commission deny ICL's request for extension of time to file comments, and reiterates its Requested Relief that the Commission issue an order confirming use of a first capacity deficit of July 2021 for purposes of avoided cost prices determined by the incremental cost, IRP Methodology. This determination is a straightforward application of the Commission's prior orders to the present negotiated avoided cost rate determinations relevant to several pending contracts. It has a direct and substantial potential effect upon Idaho Power customers estimated to be a difference of more than $170 million in avoided cost rates locked in for the next 20 years. Alternatively, should the Commission determine to grant any additional time to submit comments, Idaho Power requests that the case be concluded prior to the October 15, 2014, avoided cost update.

Respectfully submitted this 30th day of September 2014.

DONOVAN E. WALKER
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 30th day of September 2014 I served a true and correct copy of IDAHO POWER COMPANY'S RESPONSE AND OBJECTION TO THE IDAHO CONSERVATION LEAGUE'S MOTION TO EXTEND THE COMMENT PERIOD upon the following named parties by the method indicated below, and addressed to the following:

Commission Staff Kristine A. Sasser Deputy Attorney General Idaho Public Utilities Commission 472 West Washington (83702) P.O. Box 83720 Boise, Idaho 83720-0074	_X_ Hand Delivered ____ U.S. Mail ____ Overnight Mail ____ FAX _X_ Email kris.sasser@puc.idaho.gov
Idaho Conservation League Benjamin J. Otto Idaho Conservation League 710 North 6th Street Boise, Idaho 83702	____ Hand Delivered _X_ U.S. Mail ____ Overnight Mail ____ FAX _X_ Email botto@idahoconservation.org

Christa Bearry, Legal Assistant