Office of the Secretary
Service Date
November 21, 2014

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER COMPANY'S ANNUAL UPDATE TO LOAD AND GAS FORECASTS AND LONG-TERM CONTRACTS FOR ITS INCREMENTAL COST INTEGRATED RESOURCE PLAN AVOIDED COST METHODOLOGY.	))))))	**CASE NO. IPC-E-14-25** **ORDER NO. 33182**

Pursuant to the Public Utility Regulatory Policies Act of 1978 (PURPA) and the implementing regulations of the Federal Energy Regulatory Commission (FERC), the Idaho Public Utilities Commission (Commission) has approved an incremental cost Integrated Resource Plan (IRP) methodology for the calculation of avoided cost rates paid to certain PURPA qualifying facilities (QFs). Avoided cost rates are the purchase price paid to QFs for purchases of QF energy and capacity.

In Order Nos. 32697 and 32802, the Commission determined that the load forecast and natural gas forecast inputs to the IRP avoided cost methodology should be updated annually on October 15 of each year. The Commission stated

> We find that, in order to maintain the most accurate and up-to-date reflection of a utility's true avoided cost, utilities must update fuel price forecasts and load forecasts annually – between IRP filings. . . . In addition, it is appropriate to consider long-term contract commitments because of the potential effect that such commitments have on a utility's load and resource balance. . . . We further find it appropriate to consider PURPA contracts that have terminated or expired in each utility's load and resource balance.

Order No. 32697 at 22.

On October 14, 2014, pursuant to the Commission's directive, Idaho Power Company submitted its annual updates for fuel prices and load forecasts. The Company also submitted information regarding new and expiring contracts.

COMPLIANCE FILING

Idaho Power's most recent load forecast is dated September 9, 2014, and is the same load forecast that will be used in Idaho Power's 2015 IRP. This recent load forecast shows, on average, a slight decrease in Idaho Power customer loads when compared to the October 7, 2013, load forecast.

The Company updates its natural gas price forecast to reflect the most recent U.S. Energy Information Administration (EIA) natural gas price forecast. The October 2014 gas forecast, planned for use in the 2015 IRP, is the nominal EIA forecast for Henry Hub in compliance with the direction from Order No. 32980. It indicates, on average, a slight decrease in the average annual natural gas forecast prices over the next 20 years in comparison to the EIA 2013 natural gas price forecast.

Idaho Power currently reports three non-PURPA, long-term power purchase agreements: Elkhorn Valley Wind (101 megawatts (MW)), Raft River Geothermal (18 MW) and Neal Hot Springs Geothermal (30 MW). Idaho Power currently has 133 signed contracts with PURPA QF projects with a total nameplate capacity of 1,302 MW. This is an increase of 30 new contracts, and 524 additional MW of PURPA QF generation above the amounts reported this time last year. This includes 11 new solar contracts currently pending approval at the Commission and 2 large solar contracts, Grand View (80 MW) and Boise City Solar (40 MW), recently approved by the Commission. *See* Order Nos. 33179 and 33180. The 524 additional MW of QF generation also includes several Idaho hydro QF contracts, as well as 6 new Oregon solar QF contracts (totaling 60 MW) and 5 new Oregon wind QF contracts (totaling 50 MW).

STAFF REVIEW

Staff reviewed the Company's forecast and contract updates. Staff reported that the load and gas price forecasts submitted by Idaho Power reflect the Company's most current estimates and were prepared consistent with the methods used in the Company's IRP. Staff maintained that the load and gas price forecasts and the long-term contract changes submitted by the Company comply with the requirements of Order Nos. 32697 and 32802. Staff recommended that the Commission accept the forecasts and contract changes without further process.

DISCUSSION AND CONCLUSIONS

The Commission has jurisdiction over Idaho Power pursuant to the authority and power granted it under Title 61 of the Idaho Code and Public Utility Regulatory Policies Act of 1978 (PURPA). The Commission has authority under PURPA and the implementing regulations of the Federal Energy Regulatory Commission (FERC) to set avoided costs, to order electric utilities to enter into fixed-term obligations for the purchase of energy from qualified facilities

and to implement FERC rules. The Commission is also empowered to resolve complaints between QFs and utilities and approve QF contracts.

Pursuant to its authority, the Commission has reviewed and considered the filings of record. We find that Idaho Power's filing complies with the directives issued by this Commission in Order Nos. 32697 and 32802. Based upon our review of the totality of the updates, we accept the updated inputs to Idaho Power's IRP avoided cost calculation for filing.

ORDER

IT IS HEREBY ORDERED that Idaho Power's annual update to its load and gas price forecast and long-term contract status for purposes of its incremental cost IRP methodology are accepted, effective October 15, 2014.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 21st day of November 2014.

PAUL KJELLANDER, PRESIDENT

MACK A. REDFORD, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Jean D. Jewell
Commission Secretary

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