

## BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

<b>IN THE MATTER OF IDAHO POWER</b>	)	<b>CASE NO. IPC-E-15-19</b>
<b>COMPANY'S 2015 INTEGRATED</b>	)	
<b>RESOURCE PLAN</b>	)	<b>NOTICE OF FILING</b>
	)	
	)	<b>NOTICE OF</b>
	)	<b>MODIFIED PROCEDURE</b>
	)	
	)	<b>ORDER NO. 33346</b>

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On June 30, 2015, Idaho Power Company filed its 2015 Integrated Resource Plan (IRP). With this Order, the Commission summarizes the IRP process, notifies interested persons that the Company has filed its IRP, and sets deadlines by which interested persons may file written comments about the IRP.

### SUMMARY OF IRP PROCESS

An IRP is a status report on utility's ongoing, changing plans to adequately and reliably serve its customers at the lowest system cost and least risk over the next 20 years. The report informs the Commission and the public about the utility's plans, and is similar to an accounting balance sheet; i.e., it is a "freeze frame" look at the utility's fluid, resource planning process. *See* Order No. 22299. The Commission requires the utility to update the IRP every two years, allow the public to participate and comment during the IRP process, and implement the IRP. *See id.* and Order No. 25260.

The IRP should explain the utility's present load/resource position, the utility's expected responses to possible future events, and the role of conservation in those responses. The IRP should also discuss "any flexibilities and analyses considered during comprehensive resource planning, such as: (1) examination of load forecast uncertainties; (2) effects of known or potential changes to existing resources; (3) consideration of demand- and supply-side resource options; and (4) contingencies for upgrading, optioning and acquiring resources at optimum times (considering cost, availability, lead time, reliability, risk, etc.) as future events unfold." *See* Order No. 22299. The IRP should separately address:

- "Existing resource stack," by identifying all existing power supply resources;

- “Load forecast,” by discussing expected 20-year load growth scenarios for retail markets and for the federal wholesale market including “requirements” customers, firm sales, and economy (spot) sales. This section should be a short synopsis of the utility’s present load condition, expectations, and level of confidence; and
- “Additional resource menu,” by describing the utility’s plan for meeting all potential jurisdictional load over the 20-year planning period, with references to expected costs, reliability, and risks inherent in the range of credible future scenarios.

*Id.* By including this information, the IRP can demonstrate to the Commission and the public that the utility has considered, and prepared for, a multitude of scenarios. The Commission expects the utility to vigorously test the assumptions used in its plan to better ensure that the results of its IRP accurately reflect changing markets and customer demand.

## **NOTICE OF IRP FILING**

### ***A. Background***

YOU ARE HEREBY NOTIFIED that the Company explains that its 2015 IRP addresses available supply-side and demand-side resource options, planning period load forecasts, potential resource portfolios, a risk analysis, and an action plan that details how the Company intends to implement the IRP. The IRP filing consists of four documents: (1) the 2015 IRP; (2) Appendix A – Sales and Load Forecast; (3) Appendix B – Demand-Side Management 2014 Annual Report; and (4) Appendix C – Technical Appendix.

YOU ARE FURTHER NOTIFIED that the Company notes that it incorporated stakeholder and public input into its IRP by working with an Integrated Resource Plan Advisory Council (IRPAC) consisting of various stakeholders. Besides holding 12 IRPAC meetings, the Company also held public working group meetings to discuss energy efficiency, solar resources, and coal resources. The Company also notes that it is presenting the IRP to the public at different community meetings, to civic groups, and through seminars as requested.

### ***B. IRP Goals and Assumptions***

YOU ARE FURTHER NOTIFIED that the Company explains that the 2015 IRP’s primary goals are to: (1) identify sufficient resources to reliably serve growing energy demands over the 20-year planning period; (2) ensure the selected resource portfolio balances cost, risk,

and environmental concerns; (3) give equal and balanced treatment to supply-side resource and demand-side measures; and (4) involve the public in the planning process.

YOU ARE FURTHER NOTIFIED that the 2015 IRP makes numerous assumptions about what will occur during the 20-year planning period. It assumes that the Company will continue to be responsible for acquiring resources sufficient to serve its retail customers in Idaho and Oregon and to operate as a vertically-integrated utility. Further, the Company expects to add about 196,000 customers, and that its load will increase by 1.2% per year for average energy demand and 1.5% per year for peak-hour demand. The Company continues to use 70<sup>th</sup> percentile water conditions and 70<sup>th</sup> percentile average load for energy planning. For peak-hour capacity planning, the Company uses 90<sup>th</sup> percentile water conditions and 95<sup>th</sup> percentile peak-hour load. The Company plans to meet this increased demand by combining demand-side measures with additional Company-owned resources.

### ***C. Preferred Resource Portfolio***

YOU ARE FURTHER NOTIFIED that the Company states a fundamental goal of the IRP is to identify a preferred resource portfolio that will enable the Company to reliably serve its customers over the 20-year planning horizon. The Company explains that the IRP's preferred resource portfolio assumes the Boardman to Hemingway (B2H) transmission line will be completed, and the North Valmy power plant will be retired, in the year 2025. The portfolio contains no other resources actions through the end of the 2020s, but adds 60 megawatts (MW) of demand response and 20 MW of ice-based thermal energy storage in 2030, and a 300 MW combined-cycle combustion turbine in 2031. The Company explains that the lack of resource needs before the 2025 closure of North Valmy shields the preferred resource portfolio from the risks associated with uncertainty as to: (1) planned but yet-to-be-built solar under the Public Utility Regulatory Policies Act of 1978; (2) the impact of the Environmental Protection Agency's proposed regulations under Section 111(d) of the Clean Air Act; (3) the completion date of the B2H line; and (4) retirement planning for North Valmy. The Company notes, however, that even with this uncertainty, the Company believes it is prudent to complete B2H and retire North Valmy early, and that the timing of those actions can be adjusted as warranted.

#### ***D. Action Plan***

YOU ARE FURTHER NOTIFIED that the Company states its action plan for 2015 to 2018 includes items related to the preferred resource portfolio such as continued permitting and planning for B2H and investigating North Valmy retirement in collaboration with the plant's co-owner, NV Energy. The action plan also discusses: continued permitting and planning related to the Gateway West transmission line project; evaluating the potential impact of EPA regulations on fossil fuel plants; pursuing cost-effective energy efficiency; amending the Federal Energy Regulatory Commission license to adjust the 50 MW Shoshone Falls project expansion, and studying and completing a smaller project upgrade of up to 4 MW to go on-line in 2019; completing selective catalytic reduction (SCR) retrofits for Jim Bridger Units 3 and 4; and beginning to evaluate the economics of SCR retrofits for Jim Bridger Units 1 and 2.

#### ***E. Response to Order No. 32980***

YOU ARE FURTHER NOTIFIED that the Commission's final Order in the Company's 2013 IRP case directed the Company to account for national developments in its resource planning. *See* Order No. 32980. In response to that Order, the Company notes that the present IRP accounts for the EPA's proposed CAA Section 111(d) regulations.

YOU ARE FURTHER NOTIFIED that the Commission's prior Order also directed the Company to collaborate with stakeholders on how to best use energy efficiency as a resource. The Company explains that it addressed this part of the Order by holding two Energy Efficiency Working Group stakeholder meetings that led the Company to continue investigating the transmission and distribution benefits arising from energy efficiency measures and programs. The Company updated the IRPAC on its efforts, and will review growth-related transmission and distribution investments, evaluate whether the investments can be deferred through energy efficiency programs and measures, and estimate the value of deferring the investments. The Company relies on its Energy Efficiency Advisory Group for stakeholder input on energy efficiency and demand response matters.

YOU ARE FURTHER NOTIFIED that the Commission's prior Order also directed the Company to be actively involved with North Valmy and promptly advise the Commission of developments that could impact the Company's reliance on that resource. In response to this aspect of the Order, the Company explains that it and North Valmy's other owner have been discussing the plant's future. The Company seeks to balance the impacts of carbon regulation

with the economic impact to customers and the customers' needs for reliable service, and notes that cost and risk are important issues in the utility's discussions about North Valmy.

YOU ARE FURTHER NOTIFIED that the Application and supporting documents and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. These documents are also available on the Commission's web site at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on the "File Room" tab at the top of the page, scroll down to "Electric Cases" and then click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code. The Commission may enter any final order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

#### **NOTICE OF MODIFIED PROCEDURE**

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission **no later than September 21, 2015**. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Applicant at the addresses reflected below:

Commission Secretary  
Idaho Public Utilities Commission  
PO Box 83720  
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street  
Boise, ID 83702-5918

Lisa Nordstrom  
Regulatory Dockets  
Legal Department  
Idaho Power Company  
P.O. Box 70  
Boise, Idaho 83707  
E-mail: [lnordstrom@idahopower.com](mailto:lnordstrom@idahopower.com)  
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[myoungblood@idahopower.com](mailto:myoungblood@idahopower.com)

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click the "Utility Case Comment or Question Form" under the "Consumers" tab, and complete the comment form using the case number as it appears on the front of this document. These comments must also be sent to the Company at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Company shall file reply comments, if necessary, **no later than October 5, 2015.**

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

### **ORDER**

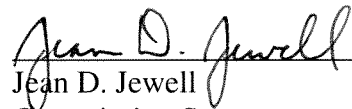
IT IS HEREBY ORDERED that the Company's Application be processed by Modified Procedure, IDAPA 31.01.01.201-.204. Persons interested in submitting written comments in this matter must do so by September 21, 2015. The Company must submit reply comments, if any, by October 5, 2015.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 24<sup>th</sup>  
day of July 2015.

  
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PAUL KJELLANDER, PRESIDENT

  
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KRISTINE RAPER, COMMISSIONER

ATTEST:

  
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Jean D. Jewell  
Commission Secretary

O:IPC-E-15-19\_kk