

Jean Jewell

From: Gene Fadness
Sent: Friday, October 02, 2015 11:08 AM
To: Jean Jewell
Subject: FW: Comment for Idaho Power Co. IRP CASE NO. IPC-E-15-19 ORDER NO. 33381
Attachments: IdaCorp 2015 IRPs Missing Piece.pdf

From: perrynelsonranch@aol.com [mailto:perrynelsonranch@aol.com]
Sent: Monday, September 28, 2015 10:27 AM
To: Gene Fadness <Gene.Fadness@puc.idaho.gov>
Cc: kmiller@snakeriveralliance.org
Subject: Comment for Idaho Power Co. IRP CASE NO. IPC-E-15-19 ORDER NO. 33381

IDAHO POWER COMPANY'S 2015 INTEGRATED RESOURCE PLAN
CASE NO. IPC-E-15-19
ORDER NO. 33381
Gene.Fadness@puc.idaho.gov
Gene Fadness
Policy Strategist/Public Information Officer
Idaho Public Utilities Commission

From:
Steve Nelson
19810 E. Onyx Ln.
Spokane, WA 99217
email - perrynelsonranch@aol.com
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I am a land owner in Pocatello, ID
Name of Power Company: Idaho Power Co., Pocatello, ID

I am submitting the attached analysis as my comments for this case.
Please add my comments to the
IDAHO POWER COMPANY'S 2015 INTEGRATED RESOURCE PLAN
CASE NO. IPC-E-15-19
ORDER NO. 33381

IdaCorp's 2015 IRP Missing Piece

Sept 28, 2015

Will Idaho Agriculture and/or Businesses Experience Electrical Brown-Outs or Significant Primary Utility Voltage Loss?

The following provides the background to answer the question:

Why should Idaho Agriculture and/or Business investigate these assertions ?

Coal-Fired Generation

(See IdaCorp Annual Report 2014, pg. 12)

Idaho Power co-owns the following coal-fired power plants:

- *Jim Bridger located in Wyoming, in which Idaho Power has a one-third interest;*
- *North Valmy located in Nevada, in which Idaho Power has a 50 percent interest; and*
- *Boardman located in Oregon, in which Idaho Power has a 10 percent interest*

*Idaho Power is the parent of Idaho Energy Resources Co. (IERCo), a joint venturer in **Bridger Coal Company (BCC)**, which mines and supplies coal to the Jim Bridger generating plant owned in part by Idaho Power. Idaho Power also has a coal supply contract providing for annual deliveries of coal through 2017 from the **Black Butte Coal Company's** Black Butte mine located near the Jim Bridger plant.*

NV Energy is the operator of the North Valmy power plant. NV Energy and Idaho Power have contracts with a coal supplier through 2015. Idaho Power's share of these contracts along with existing coal inventory at the plant are expected to meet Idaho Power's projected coal supply needs for 2015 and approximately 60 percent of its supply needs for 2016. Berkshire Hathaway Energy owns NV Energy.

Berkshire Hathaway Energy's Climate Pledge

Retire more than 75 percent of our coal-fueled generating capacity in Nevada by 2019.

<http://berkshirehathawayenergyco.com/assets/pdf/Berkshire%20Hathaway%20Energy%20Climate%20Pledge.pdf>

IdaCorp's 2015 IRP Missing Piece

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The Clean Power Plan compliance period starts in 2022, and each state is required to meet its carbon reduction goals within the following eight years.

Ten power plants within Washington State will be affected directly by the Clean Power Plan, Washington States Department of Ecology's website shows.

All of the affected plants are on the west side of the state, including the Centralia Generating Complex, which has two coal-burning steam generators that together make up the largest baseload power source in the state. The coal units contribute more carbon emissions than the nine affected natural gas-fired generation plants combined, according to U.S. Department of Energy data.

...

Phased plans to halt coal-power production in Centralia, though, could help Washington meet its carbon-reduction goal. Canada-based TransAlta USA Inc., which operates the Centralia complex, says on its website that it's scheduled to retire one of the coal units in 2020 and the other in 2025 to comply with Washington state's TransAlta Energy Transition Act of 2011.

- See more at: <http://www.spokanejournal.com/local-news/washington-state-starts-power-plant-carbon-reduction-strategy/#sthash.UMPWcuQI.dpuf>

When the drought, due to Climate Change, reduces the available WATER for hydroelectric generation and EPA reduces the available Coal generation, which of the remaining other sources of electricity will Idaho Power turn to to make up the difference in electrical generation capacity?

Bonneville Power Administration Climate Change Fact Sheet

There is growing evidence that global and regional climates are changing. These climate changes are expected to impact the Northwest and, in particular, the Columbia River Basin. Weather, load demand, economic conditions, and availability of generation resources impact power supply costs. ... Warmer temperatures will result in less snow and more rain in the winter, increasing river flows in the winter and early spring, and reducing them in the summer. This will impact how the Columbia River and its tributaries will be managed for flood control, power generation and the protection of fish listed under the Endangered Species Act.

Idaho Power's Available Hydrogeneration is Drying UP

The Swan Falls Agreement was signed in 1984 and was reaffirmed by the Idaho State Legislature in 2009. Setting the minimum flows at Swan Falls of 3900 cfs (April thru October) and 5600 cfs (November thru March).

Snake River flows at Swan Falls are now approaching those flows.

IdaCorp's 2015 IRP Missing Piece

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Does Idaho Power have a Back UP Plan?

Idaho Power's chief says coal plant closures are tied to Boardman to Hemmingway power line construction.

By Rocky Barker, rbarker@idahostatesman.com May 21, 2015

Read more here: http://www.idahostatesman.com/2015/05/21/3814216_idaho-power-chief-says-coal-plants.html?rh=1#storylink=cpy

Idaho Power is studying different scenarios for shutting down the Valmy coal-fired power plant in Nevada, and getting its new transmission line ... connected, said IdaCorp CEO Darrel Anderson.

Anderson, speaking at what would be Idaho Power's 100th annual meeting ..., said construction of the 300-mile Boardman to Hemingway high-voltage power line is needed to replace the coal plant's reliable, on-demand power.

"The sooner we are able to get that project permitted and constructed, the sooner we may have a replacement resource for the Valmy plant," Anderson told shareholders. Anderson also committed the company to reduce its carbon intensity goals, which it extended for two years to 2017. He said the company is working with the state and the Environmental Protection Agency on new power plant rules to minimize their impact on customers. But the proposed rules, under Section 111(d) of the Clean Air Act, present Idaho Power with uncertainty for its old coal plants and even its new Langley Gulch natural gas plant.

"The proposed rule, in its current form, has what we believe would be an unanticipated result in Idaho, which would involve backing down generation from our relatively new Langley Gulch natural gas-fired power plant," Anderson said. "From a carbon emission perspective, that does not make sense."

Anderson said the company will continue to reduce its carbon emissions over time, but he doesn't see a carbon-free Idaho Power in his lifetime.

"I see us moving to a carbon-light world," he said.

Solar has a place in Idaho Power's portfolio.

Read more here: http://www.idahostatesman.com/2015/05/21/3814216_idaho-power-chief-says-coal-plants.html?rh=1#storylink=cpy

**BUT THE FACTS DON'T SUPPORT IDAHO POWER'S
INTEGRATED RESOURCE PLAN CONCLUSION
THAT NEW GENERATION ISN'T NEEDED**

As was mentioned earlier, with coal fired power plants closing and hydropower getting more and more limited, the only fall back Idaho Power has is natural gas, interstate transmission expansion and/or renewables. **Idaho Power just killed any further renewable energy development in Idaho via the Idaho Public Utility Commissions recent decision in Case #: IPC-E-15-01.** And since the President of Idaho Power states that "*backing down generation from our relatively new Langley Gulch natural gas-fired power plant,*" is also likely to meet Clean Air Standards, then the only option is transmission line expansion via Hemmingway to Boardman. So what FACT does the Hemmingway to Boardman Transmission Line Construction OVERLOOK?

The Hemmingway to Boardman Transmission Line assumes (according to the Idaho Power 2014 Annual Report) the Energy Imbalance Market (EMI) has energy available via the Northwest Energy Pool.

**BIG PROBLEM WITH EMI
THE FREE MARKET OFTEN DOES NOT
ANTICIPATE PROBLEMS VERY WELL**

Utilities in the western United States outside the California Independent System Operator (California ISO) have traditionally relied upon a combination of automated and manual dispatch within the hour to balance generation and load to maintain reliable supply. These utilities have limited capability to transact within the hour outside their own borders. In contrast, energy imbalance markets use automated intra-hour economic dispatch of generation from committed resources to serve loads. The California ISO, PacifiCorp, and other parties implemented a new energy imbalance market in the fourth quarter of 2014 (California ISO-PAC EIM) under which the parties enabled their systems to interact for dispatch purposes. Similarly, the Northwest Power Pool (NWPP) Members Market Assessment and Coordination Committee has stated that it intends to implement the Security Constrained Economic Dispatch (NWPP SCED), an intra-hour energy balancing market, in 2016. The California ISO-PAC EIM and the NWPP SCED are similar but not identical approaches to balancing services and each are intended to reduce the costs to serve customers through more efficient dispatch of a larger and more diverse pool of resources, to integrate intermittent power from renewable generation sources more effectively, and to enhance reliability. Participation in both the California ISO-PAC EIM and the NWPP SCED are voluntary and available to all balancing authorities in the western United States. Idaho Power is an active participant in the development stage of the NWPP SCED project and is also evaluating the potential opportunities and challenges associated with the NWPP SCED and the California ISO-PAC EIM.

Sept 28, 2015

SECURITY CONSTRAINED ECONOMIC DISPATCH: DEFINITION, PRACTICES, ISSUES AND RECOMMENDATIONS

**A Report to Congress
Regarding the Recommendations of Regional Joint Boards
For The Study of Economic Dispatch
Pursuant to Section 223 of the Federal Power Act
As Added by Section 1298 of the Energy Policy Act of 2005**

**Federal Energy Regulatory Commission
July 31, 2006**

West

Dispatch in the West is primarily accomplished by individual utilities, but with a number of coordination arrangements to address specific resource characteristics and trading opportunities. The presence of significant hydropower resources in the Northwest makes Western Interconnection generation dispatch significantly different from dispatch in the Eastern Interconnection. The West also has a long history of coordination in the Northwest aimed at optimizing power and non-power river demands. Another factor affecting Northwest dispatch is the operation of the Bonneville Power Authority transmission assets, which are closely connected to the operation of the hydropower resources. Although the presence of significant hydropower resources in the Northwest affects the overall operation and dispatch of the system, the basic dispatch remains decentralized.

The California ISO (CAISO) is the only multi-utility market area in the West that is centrally organized and dispatched. The CAISO performs a dispatch covering most of California by using market bids to balance generation and load.

To Justify the Energy Imbalance Market the following logic was utilized

The overall pattern of dispatch in the West also depends to a large extent on differences between the resources and loads in each sub-region. The Northwest has an abundance of hydropower and a load that peaks during the winter, while the Southwest has a load that peaks during the summer. As a result, via the north-south DC 500KV Intertie, a historical pattern of flows has developed where the power in the summer flows from available hydropower in the north to peak loads in the south, while power in the winter flows from south to north to meet the peak loads in the Northwest.

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But here's the RUB

Bonneville Power Administration Climate Change Fact Sheet

There is growing evidence that global and regional climates are changing. These climate changes are expected to impact the Northwest and, in particular, the Columbia River Basin. Weather, load demand, economic conditions, and availability of generation resources impact power supply costs. ... Warmer temperatures will result in less snow and more rain in the winter, increasing river flows in the winter and early spring, and reducing them in the summer. This will impact how the Columbia River and its tributaries will be managed for flood control, power generation and the protection of fish listed under the Endangered Species Act.

According to the Northwest Power and Conservation Council the water versus electrical generation looks like this:

Summary of Impacts to Generation ~2030
(Illustrative Only)

Changes to:	February	July
Generation (MWa)	+ 700	- 2,200
Demand (MWa)	- 350	+ 1,050
Balance (MWa)	+ 1,050	- 3,250



This means that there will be too much water in the winter and not enough in the summer. California needs less in winter and Idaho needs more in summer. The future norm will be the opposite of the historical norm. Idaho Power's IRP does not take this into consideration. According to Idaho Power's IRP the Boardman to Hemingway Transmission Line will provide 500MW and should make up any deficiencies from lack of water. The problem with this conclusion is that the power coming from the Boardman to Hemingway Transmission Line has to come from somewhere else. Idaho Power assumes the Security Constrained Economic Dispatch (SCED) provided by the Northwest Power Pool (NPP) via the Energy Imbalance Market (EIM) will provide. The problem with this assumption is that it is an ASSUMPTION, and you know what that can make if you rely upon it. The EIM will promote in other utilities what it is promoting in Idaho Power. The result of a complacency that will lead to lack of development of new energy generation. And when a bad summer or winter comes to the northwest, the heat or the A/C will not go on.

FOR IDAHO AGRICULTURE AND BUSINESS THAT CAN BE DISASTROUS.

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IDAHO RATE PAYERS WILL BE THE VICTIMS OF A SHAKESPEARIAN TRAGEDY IF IDACORP'S INTEGRATED RESOURCE PLAN (IRP) IS ACCEPTED

Remember in Shakespeare's Julius Caesar "Beware the Ides of March". The coming tragedy of Northwest Power begins with the Regular Meeting of the Snohomish County Public Utility District, Regular Meeting, March 17, 2015

Agenda Item D. Northwest Power Pool Market Coordination Initiative Update

Assistant General Manager Power Rates and Transmission Management Craig Collar and Anna Berg, Senior Manager Power Supply, delivered the briefing on the Northwest Power Pool (NWPP) Members' Market Assessment and Coordination Committee (MC), provided at places by reference made a part of the packet. Mr. Collar provided an overview, the funding organizations, and elements of the 2012 problem statement. As a reminder, Mr. Collar stated the purpose was to look at the challenges the region faces, develop a portfolio of tools or approaches that could help address those issues, and make a recommendation on the most effective and efficient path forward. A number of initiatives are underway, including investigation of a security constrained economic dispatch (SCED) to address some of the regional issues.

Updates of activities from February 2013 to March 2015 were discussed. (1) PacifiCorp announced the formation of an EIM (energy imbalance market) with CAISO (California Independent System Operator). (2) NV Energy files to join CAISO beginning October 2015. (3) NWPP MC issues a RFP (Request for Proposal) for a SCED market operator for a Northwest-based EIM. (4) PacifiCorp CAISO (PAC-CAISO) market went live. (5) NWPP MC closed the RFP without selecting either of two bidders – Southwest Power Pool and CAISO. (6) PAC-CAISO announced an identified \$6 million in savings in the first two months of operation in line with expectations. (7) Puget Sound Energy announced its intention to join the CAISO EIM beginning October 2016. And (8) the NWPP EC (executive committee) will be meeting to roadmap a path forward for the Northwest.

The FERC (Federal Energy Regulatory Commission) declaratory order request is important to the District, the BPA (Bonneville Power Administration) and to the other participants. The declaratory order covers five broad categories about how a market would operate in the Northwest: the market would be entirely voluntary; market oversight would be tailored to the Northwest's unique resource mix (hydro); the market operator would not become a FERC-regulated transmission service provider (TSP); participation by non-jurisdictional utilities, such as BPA, for example, would not diminish its non-jurisdictional status; and the region may rely on the stability of the market model proposed and there would not be imposition of other market models or mechanisms. The complementary initiatives were reviewed, which are those tools that could be accomplished for a relatively small cost and impact. Discussion ensued regarding FERC's involvement in the process, jurisdictional concerns with FERC, how BPA would work within this market and continue to meet its statutory requirements, and the urgency to get an energy imbalance market by the end of the year. ☆

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Ms. Berg reviewed BPA's analysis and scenarios. The two scenarios are to continue as is and where investor owned utilities (IOUs) and independent power producers (IPPs) join an EIM leaving BPA and publics behind. A SCED low is where the benefits are low but the cost of entry into that market is high. Conversely, SCED high is where the dollar benefits are moderate to high and the cost to enter that market is low. From this BPA identified the significant cost impacts and benefits for power customers moving into a SCED environment. The primary costs are: BPA would have to pay its share of the SCED operator costs, as a participant BPA would have market participant costs for startup and ongoing expenses, and impact or loss of ancillary service revenues. The benefits include the reduction in quantity of balancing reserves held to integrate wind, which would free up capacity and flexibility on the FCRPS (Federal Columbia River Power System) that BPA could sell into a SCED; cost savings derived from incremental trading floor revenue; more accurate compensation for transmission losses, due to timing; and limit the cost impacts if BPA does not join a SCED when others do.

To REPEAT - Ms. Berg issued her "Beware the Ides of March" statement as:

"The two scenarios are to continue as is and where investor owned utilities (IOUs) and independent power producers (IPPs) join and EIM leaving BPA and publics behind. etc."

...

"The benefits include the reduction in quantity of balancing reserves held to integrate wind (solar), which would free up capacity and flexibility on the FCRPS (Federal Columbia River Power System) that BPA could sell into a SCED;"

I believe this statement reflected an HONEST economic analysis by Ms. Berg but leaves out
REFLECTION AND ANALYSIS OF HISTORICAL EVENTS

I believe it is important to reflect upon the history of the Snohomish County Public Utility District.

If you would review:
The New York Times
June 13, 2004

LAST month, the Snohomish County Public Utility District, outside Seattle, released audiotapes of Enron energy traders discussing "stealing" from California, sticking it to "Grandma Millie" and other ways of manipulating the energy market.

<http://www.nytimes.com/2004/06/13/weekinreview/word-for-word-energy-hogs-enron-traders-grandma-millie-making-like-bandits.html>

My question to the Idaho Public Utility Commission is:

Will history repeat itself through the CASIO-PacifiCorp-NVEnergy-Puget Sound Energy-Arizona Public Service, and IdaCorp's Energy Imbalance Market?

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Will "Gandma Millie" tapes take place in the future given the following:

CAISO to FERC: Energy Imbalance Market problems found, reforms coming

<http://www.utilitydive.com/news/caiso-to-ferc-energy-imbalance-market-problems-found-reforms-coming/391556/>

April 28, 2015

- The California ISO believes it has identified the source of price spikes in its fledgling energy imbalance market, and told federal regulators last week that it would need to implement certain changes to better recognize capacity available in the market.
- The grid operator told FERC that a failure to recognize capacity held by PacifiCorp led to apparent shortages and subsequent price spikes.
- FERC opened an investigation into the imbalance market last month, which had experienced problems since it launched late last year.

<http://www.cbsnews.com/news/enron-traders-caught-on-tape/>

When a forest fire shut down a major transmission line into California, cutting power supplies and raising prices, Enron energy traders celebrated, CBS News Correspondent Vince Gonzales reports.

"Burn, baby, burn. That's a beautiful thing," a trader sang about the massive fire.

Four years after California's disastrous experiment with energy deregulation, Enron energy traders can be heard – on audiotapes obtained by CBS News – gloating and praising each other as they helped bring on, and cash-in on, the Western power crisis.

"He just f---s California," says one Enron employee. "He steals money from California to the tune of about a million."

"Will you rephrase that?" asks a second employee.

"OK, he, um, he arbitrages the California market to the tune of a million bucks or two a day," replies the first.

The tapes, from Enron's West Coast trading desk, also confirm what CBS reported years ago: that in secret deals with power producers, traders deliberately drove up prices by ordering power plants shut down.

"If you took down the steamer, how long would it take to get it back up?" an Enron worker is heard saying.

"Oh, it's not something you want to just be turning on and off every hour. Let's put it that way," another says.

"Well, why don't you just go ahead and shut her down."

Officials with the Snohomish Public Utility District near Seattle received the tapes from the Justice Department.

"This is the evidence we've all been waiting for. This proves they manipulated the market," said Eric Christensen, a spokesman for the utility.

<https://www.youtube.com/watch?v=nWCtKqYnLXA>

That utility, like many others, is trying to get its money back from Enron.

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"They're f-----g taking all the money back from you guys?" complains an Enron employee on the tapes. "All the money you guys stole from those poor grandmothers in California?"

"Yeah, grandma Millie, man"

"Yeah, now she wants her f-----g money back for all the power you've charged right up, jammed right up her a----- for f-----g \$250 a megawatt hour."

And the tapes appear to link top Enron officials Ken Lay and Jeffrey Skilling to schemes that fueled the crisis.

"Government Affairs has to prove how valuable it is to Ken Lay and Jeff Skilling," says one trader.

"Ok."

"Do you know when you started over-scheduling load and making buckets of money on that?"

Before the 2000 election, Enron employees pondered the possibilities of a Bush win.

"It'd be great. I'd love to see Ken Lay Secretary of Energy," says one Enron worker.

That didn't happen, but they were sure President Bush would fight any limits on sky-high energy prices.

"When this election comes Bush will f-----g whack this s--t, man. He won't play this price-cap b-----t."

Crude, but true.

"We will not take any action that makes California's problems worse and that's why I oppose price caps," said Mr. Bush on May 29, 2001.

From IdaCorps. 2014 Annual Report Idaho Power gets 35.1% of its power from coal and 43.2% from hydro.

To Summarize the Previous Discussion The Draught will reduce hydro

I believe the Federal Governments, Clean Power Plan, will cause closure of the Washington, Oregon, and Wyoming Coal Power plants that provide the 35.1% of IdaCorp's coal power thus forcing IdaCorp's customers into the Mid-Columbia Balancing Authority Market or the Northwest Power Pools Energy Imbalance Market.

Ms. Berg of the Snohomish PUD stated: "benefits include the reduction in quantity of balancing reserves". This means the Northwest Power Pool – Energy Imbalance Market (NWPP-EMI) is a net advantage to the PUD because Snohomish PUD has a contract with BPA that guarantees them power. If there is a regional shortage of power, BPA will utilize their Demand/Supply SWITCH and cut off power (remember BPA's participation in NWPP-EMI is voluntary) to the Northwest Power Pool – Energy Imbalance Market (NWPP-EMI) and where does that leave IdaCorp, Boardman to Hemingway Transmission (B2H) Line and Idaho residents?

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When IdaCorp comes looking for more power the Mid-Columbia Balancing Authority will be booked.

and

I believe the NWPP - EIM will then be able to control electrical power pricing

JUST LIKE ENRON DID!!!

You ask

“What is the comparison between Energy Imbalance Market and WPPSS\ENRON”?

Mismanagement and Greed

WPPSS was supposed to provide more cheap energy based on the model that every new hydroelectric dam that was built and every new nuclear power project that was built would provide cheaper electricity. That scenario worked well until the 3 Mile Island (March 28, 1979)

Beware the Ides March

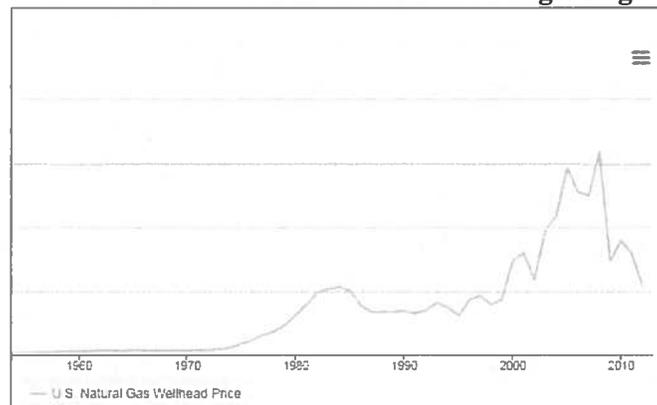
disaster caused electric rates in the Northwest to skyrocket. (IE., Resource Instability due to “(UN)”FORSEEN CIRCUMSTANCES) Investors, the northwest electric systems managers and construction companies saw lots of dollar signs without understanding the scalability of technology and future costs. (This disaster forced the U.S. Congress to act and the PACIFIC NORTHWEST ELECTRIC POWER PLANNING AND CONSERVATION ACT of 1980 was the result. We will discuss this later.)

President Ronald Reagan (referencing **ENRON**) in his radio address to the Nation on Proposed Natural Gas Deregulation Legislation of February 26, 1983

(Now think of NWPP-EIM)

“I'm convinced—and I believe that the evidence backs me up—that just as deregulation of oil (electricity) has led to a better deal for the American consumer, a freer market in natural gas (electricity) will have the same beneficial effect for you. So, next week I'm sending the Congress a proposal for correcting the problems that have resulted from past excessive regulation (NWCouncil.org) of the natural gas market (Northwest Electrical Energy Market).”

(FERC did this for the NWPP-EMI in the name of integrating Wind and Solar)



US Energy Information Administration

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Mr. Kenneth Lay was the CEO and chairman of Enron from 1985. ENRON grew from a company dedicated to providing natural gas to a nation that had an infinite supply of natural gas when natural gas prices were so low that producing more natural gas would only continue lowering the price to the nation.

That's a good thing RIGHT? ? ? ?

Lower prices for utility products are GOOD for consumers but not so good for a stockholder owned corporations. The only way to drive up prices would be to get suppliers to limit the resource and raise prices to reflect a lack of supply. (Remind you of OPEC and we will soon be at PEAK OIL) Limiting supply is a crime. Collusion and Setting Prices is a crime.

See <https://en.wikipedia.org/wiki/Enron>

for more details on ENRON's criminal activity.

From Conspiracy of Fools, Author - Kurt Eichenwald

But nothing was quite what it appeared. The Enron scandal did not burst out, fully grown, from the corporate landscape in a matter of days. Across corporate America, widespread corner cutting, steadily falling standards, and compromised financial discipline had been festering for close to a decade. Warnings about funny numbers, about unrealistic expectations, about the coming pain of economic reality, went unheeded as investors celebrated corporations pursuing reckless or incomprehensible business strategies that helped their stock prices defy the laws of gravity.

It was in that environment, and only that environment, that the Enron debacle could emerge. It was not simply the outgrowth of rampant lawbreaking. The true story was more complex, and certainly more disturbing. For crime at Enron—and, no doubt, there was crime—was just one ingredient in the toxic stew that poisoned the company. Shocking incompetence, unjustified arrogance, compromised ethics, and an utter contempt for the market's judgment all played decisive roles. Ultimately, it was Enron's tragedy to be filled with people smart enough to know how to maneuver around the rules, but not wise enough to understand why the rules had been written in the first place.

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No single person bore responsibility for the debacle; no single person possibly could. Instead, the shortcomings of a handful of executives—along with a community of bankers, lawyers, and accountants eager to win the company's fees; a government willing to abide absurdly lax rules; and an investor class more interested in quick wealth than long-term rewards—merged to create an enterprise destined to fail. But in the end, for all the mind-numbing accounting ploys and financial maneuvers that came to light in Enron's wake, the underlying cause of the collapse was fairly simple: the company spent much of its money on lousy businesses. And the market exacted its revenge.

...

It is a portrait of an America in upheaval at the turn of the twenty-first century, a country torn between its worship of fast money and its zeal for truth, between greed and high-mindedness, between Wall Street and Main Street. Ultimately, it is the story of the untold damage wreaked by a nation's folly—a folly that, in time, we are all but certain to see again.



EDMUND BURKE



Those who don't know history are doomed to repeat it.

And here is how the Investor Owned Utilities (IOU's) in our region have significantly violated the law, via the PACIFIC NORTHWEST ELECTRIC POWER PLANNING AND CONSERVATION ACT of 1980.

Energy Imbalance Market (EIM) will experience the same destructive forces.

Ask yourself "What created the need for the Energy Imbalance Market?"

http://www.nrel.gov/electricity/transmission/energy_imbalance.html

"The anticipated growth of variable renewable generation, such as solar and wind power, in the West has raised concerns about how system operators will maintain balance between electricity

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production and demand in the Western Interconnection—and especially in its smaller balancing authority areas. This concern helped motivate a proposal to develop an energy imbalance market. An energy imbalance market aggregates the variability of electricity generation and load for multiple balancing authority areas and utility territories, and performs a 5-minute security constrained economic dispatch. This can increase the economic efficiency of the power system. This subhourly, real-time energy market provides centralized, automated, and region-wide generation economic dispatch. By increasing the temporal and geographic footprint of the total balancing authority area, the market could moderate the variability of renewable generation resources and electricity demand.

The National Renewable Energy Laboratory (NREL) has worked with the Western Electricity Coordinating Council and others to assess the potential ramping and reserve benefits of several forms of an energy imbalance market. At the request of public utility commissioners in the West, NREL used a detailed electricity production simulation model to obtain deeper insights into the potential benefit of alternative forms of an energy imbalance market. The results were shared with utility commissioners and other stakeholders to inform future decision making for Western Interconnection operations. In 2014, the California Independent System Operator (CAISO) and PacifiCorp will begin operating an energy imbalance market and NV Energy (Nevada Energy) is expected to join in 2015. Through the MC Initiative, the Northwest Power Pool is currently investigating similar wide-area economic dispatch models, and will evaluate whether an energy imbalance market or similar market will be developed.”

This sounds like a reasonable direction to take, given the variability of renewable solar and wind generating resources.

But the Energy Imbalance Market isn't made of just solar and wind. It's an all resources available market and that's how the Organization of Petroleum Exporting Countries (OPEC) works. OPEC used to work in unison. All the parties would get together and set the price they would sell at and the rest of the world followed because they had captured the largest customer base (ratepayers in our case). That customer base had nowhere to turn to for energy.

What do you think is going to happen when Berkshire Hathaway Energy owns all the marbles?
(See Appendix A)

The Bonneville Power Administration via the PACIFIC NORTHWEST ELECTRIC POWER PLANNING AND CONSERVATION ACT

(An organization responsible to the Federal Government) used to hold all the
CARDS.

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In discussion with the Northwest Power and Conservation Council
Elliot Mainzer, Bonneville Power Administration Administrator

Historic Era For Electricity Industry - May 14, 2015

“The changes that are happening, particularly in California, with the creation of an energy imbalance market by PacifiCorp, the California ISO and the other utilities that are joining, should not be underestimated in terms of its impact on the West,” he said. “It will be a very, very significant change in the operating environment, and it has major implications for all of us in the region.”

But when the Northwest Power Pool (NWPP) goes on line the game will be rigged
Violating the
**PACIFIC NORTHWEST ELECTRIC POWER PLANNING AND
CONSERVATION ACT of 1980**

If this was the only card the INVESTORS were going to play, I wouldn't have much of a story to tell. But as time passes more cards are revealed.

Supply and Demand

The supply is provided by profit motivated stock holder motivated corporations who claim they are motivated by providing electrical service as PUBLIC GOOD but they are incentivized to think of their needs before the ratepayers. (The Swan Falls and Renewable Energy cases prove my point)

The Supply has been restricted to create market demand

Renewable energy supply is flooding the market. What happens when there is an oversupply? Corporate forces act to reduce the supply. Idaho Power submitted Case No. IPC-E-15-01 to the Idaho Public Utility Commission on Jan. 30, 2015 to restrict supply. (Does this sound a little like ENRON) What happens in corporate America, the suppliers form a Cabal?

Northwest Power Pool - <http://www.nwpp.org/our-resources/MC-Initiative>

I believe the NWPP - EIM should be illegal under the terms dictated via the Pacific Northwest Electric Power Planning and Conservation Act of 1980 for the reasons given above. The Idaho Public Utility Commission should require Idaho Power to go back to the drawing board with respect to IRP to develop a power supply plan that puts the environment and ratepayers at the front of the stakeholder line.

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IdaCorp's 2015 IRP Missing Piece

Sept 28, 2015

Appendix A

Berkshire Hathaway's Marbles

(From Berkshire Hathaway Energy Holding Company 2014 Annual Report)

BHE - Berkshire Hathaway Energy Company

Company - Berkshire Hathaway Energy Company and its subsidiaries

PacifiCorp - PacifiCorp and its subsidiaries

MidAmerican - Funding MidAmerican Funding, LLC and its subsidiaries

MidAmerican Energy - MidAmerican Energy Company

NV Energy - NV Energy, Inc. and its subsidiaries

Nevada Power - Nevada Power Company

Sierra Pacific - Sierra Pacific Power Company

Nevada Utilities - Nevada Power Company and Sierra Pacific Power Company

Northern Natural Gas - Northern Natural Gas Company

Kern River - Kern River Gas Transmission Company

AltaLink - BHE AltaLink Ltd.

ALP - AltaLink, L.P.

BHE U.S. Transmission - BHE U.S. Transmission, LLC (formerly MidAmerican Transmission, LLC)

BHE Renewables, LLC - BHE Renewables, LLC (formerly MidAmerican Renewables, LLC)

HomeServices - HomeServices of America, Inc. and its subsidiaries

BHE Pipeline Group or Pipeline Companies - Consists of Northern Natural Gas and Kern River

BHE Transmission - Consists of AltaLink and BHE U.S. Transmission

BHE Renewables - Consists of BHE Renewables, LLC (formerly MidAmerican Renewables, LLC) and CalEnergy Philippines

ETT Electric - Transmission Texas, LLC

Domestic Regulated Businesses - PacifiCorp, MidAmerican Energy Company, Nevada Power Company, Sierra Pacific Power Company, Northern Natural Gas Company and Kern River Gas Transmission Company

Regulated Businesses- PacifiCorp, MidAmerican Energy Company, Nevada Power Company, Sierra Pacific Power Company, Northern Natural Gas Company, Kern River Gas Transmission Company and AltaLink, L.P.

Utilities - PacifiCorp, MidAmerican Energy Company, Nevada Power Company and Sierra Pacific Power Company

Northern Powergrid Distribution Companies - Northern Powergrid (Northeast) Limited and Northern Powergrid (Yorkshire) plc

Northern Powergrid

Northern Powergrid Holdings Company

IdaCorp's 2015 IRP Missing Piece

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Berkshire Hathaway - Berkshire Hathaway Inc. and its subsidiaries

Topaz - Topaz Solar Farms LLC

Topaz Project - 550-megawatt solar project in California

Agua Caliente - Agua Caliente Solar, LLC

Agua Caliente Project - 290-megawatt solar project in Arizona

Bishop Hill II - Bishop Hill Energy II LLC

Bishop Hill Project - 81-megawatt wind-powered generating facility in Illinois

Pinyon Pines I - Pinyon Pines Wind I, LLC

Pinyon Pines II - Pinyon Pines Wind II, LLC

Pinyon Pines Projects - 168-megawatt and 132-megawatt wind-powered generating facilities in California

Jumbo Road J- umbo Road Holdings, LLC

Jumbo Road Project - 300-megawatt wind-powered generating facility in Texas

Solar Star - Funding Solar Star Funding, LLC

Solar Star Projects A- Combined 579-megawatt solar project in California

Solar Star I - Solar Star California XIX, LLC

Solar Star II - Solar Star California XX, LLC