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October 15, 2015

VIA HAND DELIVERY

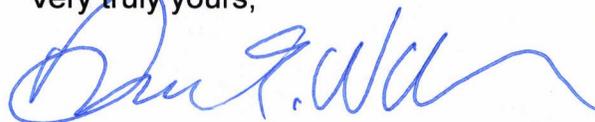
Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
Boise, Idaho 83702

Re: Case No. IPC-E-15-25
Update to Load and Gas Forecasts in the Incremental Cost Integrated
Resource Plan Avoided Cost Model – Idaho Power Company's Annual
Compliance Filing

Dear Ms. Jewell:

Enclosed for filing in the above matter are an original and seven (7) copies of Idaho Power Company's Annual Compliance Filing to Update the Load and Gas Forecasts in the Incremental Cost Integrated Resource Plan Avoided Cost Model.

Very truly yours,



Donovan E. Walker

DEW:kkt
Enclosures

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Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IDAHO POWER COMPANY'S)	
ANNUAL COMPLIANCE FILING TO)	CASE NO. IPC-E-15-25
UPDATE THE LOAD AND GAS)	
FORECASTS IN THE INCREMENTAL)	IDAHO POWER COMPANY'S
COST INTEGRATED RESOURCE PLAN)	ANNUAL COMPLIANCE FILING
AVOIDED COST MODEL.)	
)	

Idaho Power Company ("Idaho Power") hereby respectfully submits to the Idaho Public Utilities Commission ("Commission") this filing in compliance with Order Nos. 32697 and 32802 to update the load forecast and natural gas forecast components of the incremental cost Integrated Resource Plan ("ICIRP") avoided cost methodology.

I. INTRODUCTION

In its final Order No. 32697, the Commission determined that the inputs to the ICIRP avoided cost methodology, utilized for all proposed Public Utility Regulatory Policies Act of 1978 ("PURPA") qualifying facility ("QF") projects that exceed the published rate eligibility cap, will be updated every two years upon acknowledgement of the utility's IRP filing, with the exception of the load forecast and the natural gas

forecast—which is to be updated annually by 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. For the sake of consistency, these annual updates should occur simultaneously with SAR updates – on June 1 of each year. 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 find it reasonable to include long-term contract considerations in an IRP Methodology calculation at such time as the QF and utility have entered into a signed contract for the sale and purchase of QF power. We further find it appropriate to consider PURPA contracts that have terminated or expired in each utility's load and resource balance. We find it reasonable that all other variables and assumptions utilized within the IRP Methodology remain fixed between IRP filings (every two years).

Order No. 32697, p. 22. The date for the annual update was later changed from June 1 to October 15 of each year. Order No. 32802.

The load forecast, natural gas forecast, and contract information presented below in compliance with the Commission's Orders have been incorporated into Idaho Power's ICIRP avoided cost methodology. Consistent with the Commission's prior Orders, this methodology will be utilized by Idaho Power as the starting point for the negotiation of its contractual avoided cost rates as of October 15, 2015.

II. LOAD FORECAST

Idaho Power's most recent load forecast from September 2015, shows on average, a slight decrease in Idaho Power customer loads when compared to the October 2014 load forecast that was provided to the Commission for the 2014 update in Case No. IPC-E-14-25 and approved by the Commission in Order No. 33182.

Table 1 and Graph 1 below show the average annual load forecast for both the previously approved October 2014 load forecast through 2032 and the most recent 2015 load forecast through 2034.

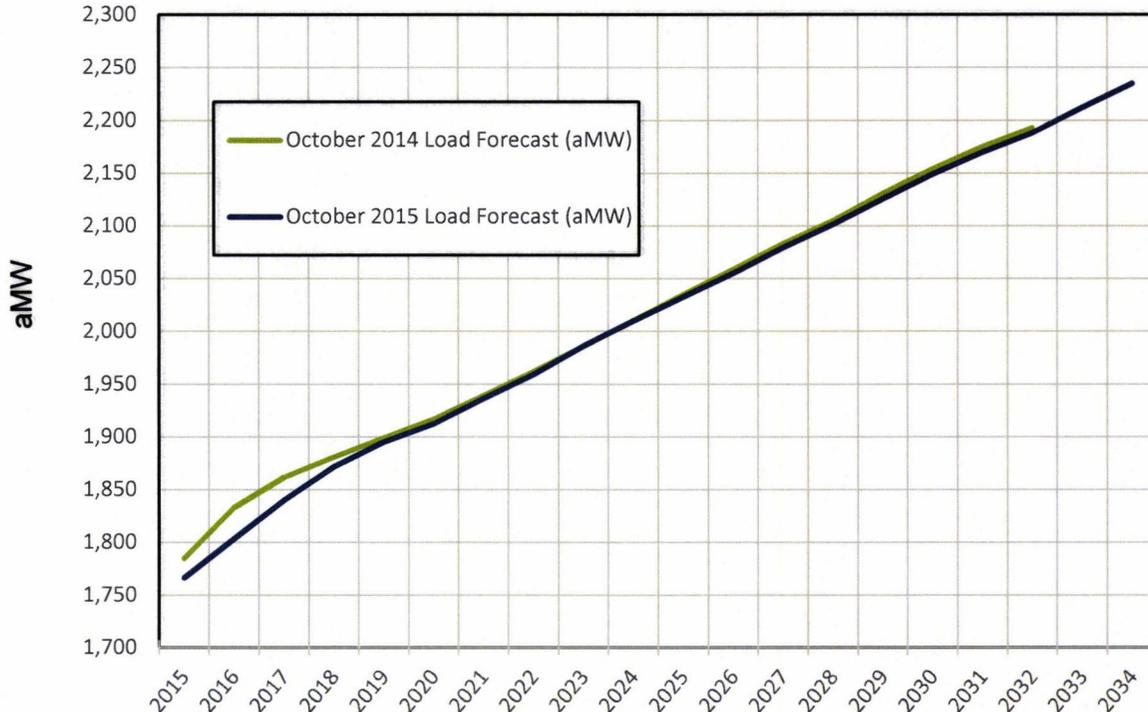
TABLE 1

Average Annual Load Forecast

<u>Year</u>	<u>October 2014 (aMW)</u>	<u>October 2015 (aMW)</u>
2015	1,785	1,766
2016	1,833	1,803
2017	1,862	1,840
2018	1,881	1,872
2019	1,899	1,895
2020	1,917	1,912
2021	1,939	1,936
2022	1,962	1,959
2023	1,986	1,986
2024	2,010	2,010
2025	2,035	2,033
2026	2,059	2,055
2027	2,083	2,079
2028	2,105	2,102
2029	2,131	2,126
2030	2,154	2,149
2031	2,175	2,170
2032	2,193	2,188
2033		2,212
2034		2,235

GRAPH 1

Load Forecast



III. NATURAL GAS PRICE FORECAST

As of October 15, 2015, Idaho Power will update the natural gas price forecast within the ICIRP avoided cost model to reflect the most recent U.S. Energy Information Administration (“EIA”) natural gas price forecast published on April 14, 2015. The October 2015 gas forecast is the nominal EIA forecast for Henry Hub in compliance with the direction from Order No. 32980. It indicates, on average, a slight increase in the average annual natural gas forecast prices over the next 20 years in comparison to the EIA 2014 natural gas price forecast that was used in the ICIRP avoided cost model from the previous update.

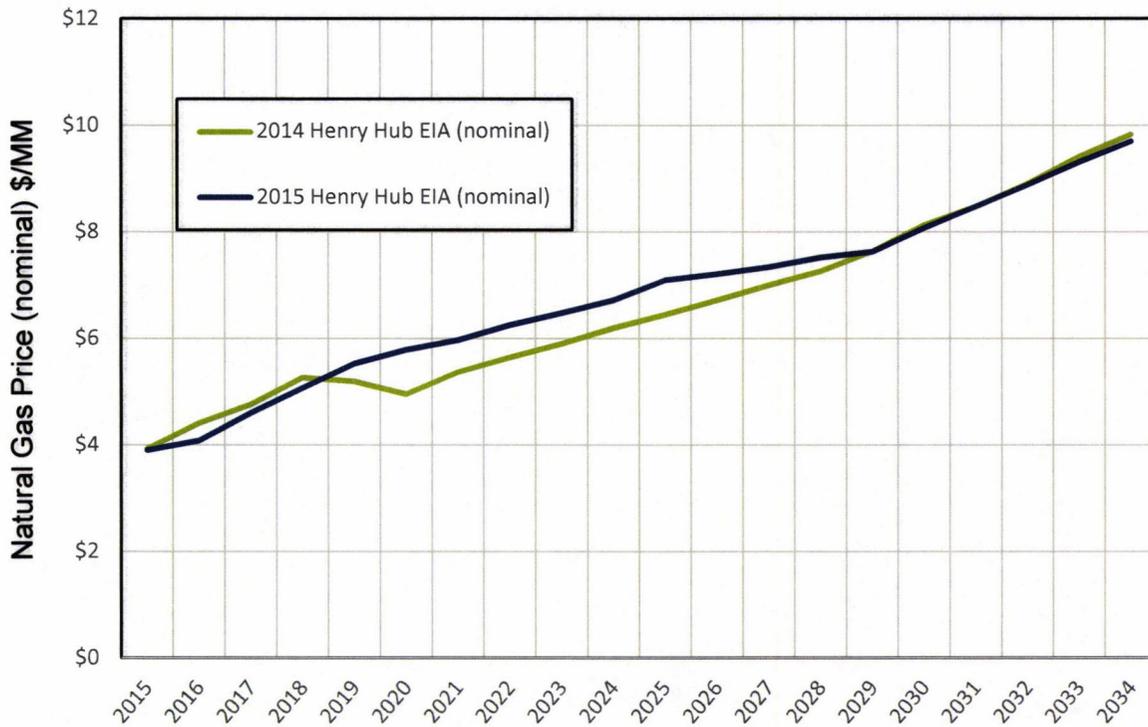
Table 2 and Graph 2 display the 2014 EIA natural gas price forecast and the current 2015 EIA natural gas price forecast.

TABLE 2

Henry Hub EIA Natural Gas forecast		
Year	October 2014 (nominal \$)	October 2015 (nominal \$)
2015	3.93	3.90
2016	4.41	4.09
2017	4.76	4.61
2018	5.27	5.07
2019	5.19	5.54
2020	4.96	5.79
2021	5.37	5.97
2022	5.64	6.25
2023	5.90	6.48
2024	6.20	6.72
2025	6.45	7.09
2026	6.72	7.21
2027	7.00	7.34
2028	7.26	7.52
2029	7.63	7.63
2030	8.12	8.07
2031	8.47	8.48
2032	8.91	8.89
2033	9.41	9.31
2034	9.83	9.70

GRAPH 2

Natural Gas Price Forecast



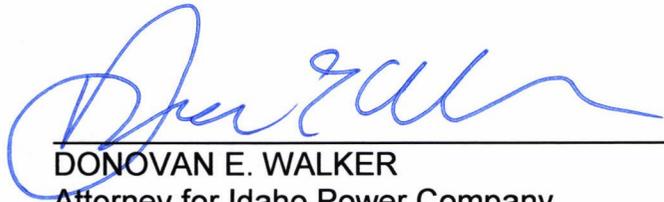
IV. CONTRACT TERMINATIONS, EXPIRATIONS, AND ADDITIONS

Idaho Power currently has three non-PURPA, long-term power purchase agreements: Elkhorn Valley Wind (101 megawatts ("MW")), Raft River Geothermal (13 MW), and Neal Hot Springs Geothermal (22 MW). Idaho Power currently has 140 contracts with PURPA QF projects with a nameplate capacity of 1,232 MW. Included in the signed contracts are nine new Oregon solar QF contracts totaling 69 MW. Please see Attachment No. 1 hereto for a list of new and terminated contracts since the last update on October 15, 2014. New contracts, terminated or expired contracts, as well as new contract pricing are all included in the ICIRP model on a continuous basis.

V. CONCLUSION

Idaho Power hereby respectfully submits this updated load forecast, natural gas forecast, and contract information in compliance with the Commission's directives in Order Nos. 32697 and 32802 and asks the Commission to accept the same for filing.

Respectfully submitted this 15th day October 2015.



DONOVAN E. WALKER
Attorney for Idaho Power Company

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-15-25**

IDAHO POWER COMPANY

ATTACHMENT NO. 1

Projects Online

<u>Facility Type</u>	<u>Project Name</u>	<u>State</u>	<u>Contract Date</u>	<u>ProjectSize (MW)</u>
CoGen	Simplot - Pocatello	ID	1/30/2015	15.90
Hydro	Baker City Hydro	OR	6/8/2015	0.24
Hydro	Blind Canyon	ID	10/31/2014	1.63
Hydro	Pristine Springs #1	ID	3/26/2015	0.10
Hydro	Pristine Springs #3	ID	3/26/2015	0.20
TOTAL				18.07

Projects Not Online

<u>Facility Type</u>	<u>Project Name</u>	<u>State</u>	<u>Contract Date</u>	<u>ProjectSize (MW)</u>
Solar	Arcadia Solar	OR	9/16/2015	5.00
Solar	Evergreen Solar	OR	9/16/2015	10.00
Solar	Fairway Solar	OR	10/12/2015	10.00
Solar	Jamieson Solar	OR	9/16/2015	4.00
Solar	John Day Solar	OR	9/16/2015	5.00
Solar	Little Valley Solar	OR	9/16/2015	10.00
Solar	Malheur River Solar	OR	10/12/2015	10.00
Solar	Moore's Hollow Solar	OR	9/16/2015	10.00
Solar	Olds Ferry Solar	OR	10/12/2015	5.00
Hydro	North Gooding Main Hydro	ID	7/29/2015	1.30
TOTAL				70.30

Terminated Energy Sales Agreements

<u>Facility Type</u>	<u>Project Name</u>	<u>State</u>	<u>Termination Date</u>	<u>ProjectSize (MW)</u>
Solar	Clark Solar 1	ID	4/6/2015	71
Solar	Clark Solar 2	ID	4/6/2015	20
Solar	Clark Solar 3	ID	4/6/2015	30
Solar	Clark Solar 4	ID	4/6/2015	20
TOTAL				141.00