

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF IDAHO POWER )**  
**COMPANY'S ANNUAL UPDATE TO LOAD ) CASE NO. IPC-E-15-25**  
**AND GAS FORECASTS AND LONG-TERM )**  
**CONTRACTS FOR ITS INCREMENTAL )**  
**COST INTEGRATED RESOURCE PLAN ) ORDER NO. 33417**  
**AVOIDED COST METHODOLOGY )**  
**)**

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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 to calculate avoided cost rates paid to certain PURPA qualifying facilities (QFs). The avoided cost rate is 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 15, 2015, per 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 from September 2015 shows, on average, a slight decrease in Idaho Power customer loads when compared to the October 2014 load forecast provided for the 2014 update, and approved by the Commission in Order No. 33182 (Case No. IPC-E-14-25).

As of October 15, 2015, Idaho Power will update the natural gas price forecast within the Incremental Cost IRP (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<sup>1</sup>. It indicates, on average, a slight increase in the average annual natural gas forecast prices over the next 20 years, compared to the EIA 2014 natural gas price forecast used in the ICIRP avoided cost model from the previous update.

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 total nameplate capacity of 1,232 MW. Included in the signed contracts are nine new Oregon solar QF contracts totaling 69 MW. New contracts, terminated or expired contracts, as well as new contract pricing, are all included in the ICIRP model on a continuous basis.

#### **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 FINDINGS**

The Commission has jurisdiction over Idaho Power and the issues raised in this matter under Title 61 of the Idaho Code and PURPA. The Commission has authority under PURPA and FERC regulations to set avoided costs, to order electric utilities to enter into fixed-term obligations for the purchase of energy from QFs, and to implement FERC rules. Also, the Commission is empowered to resolve complaints between QFs and utilities and to approve QF contracts.

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<sup>1</sup> The Henry Hub is a natural gas delivery point near Erath, Louisiana, and the confluence of many interstate and intrastate natural gas pipelines. See *Hershey v. Energy Transfer Partners, L.P.*, 610 F.3d 239, 242 (5th Cir. 2010). The price of natural gas at the Henry Hub is a commonly-used gas price index.

Pursuant to this authority, we have reviewed and considered the filings of record in this case. We find that Idaho Power's filing complies with the directives issued by this Commission in Order Nos. 32697 and 32802. Based on 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, 2015.

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.

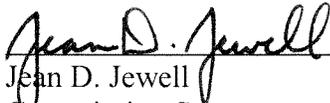
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 4<sup>th</sup> day of November 2015.

  
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PAUL KJELLANDER, PRESIDENT

  
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MARSHA H. SMITH, COMMISSIONER

  
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KRISTINE RAPER, COMMISSIONER

ATTEST:

  
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Jean D. Jewell  
Commission Secretary

O: IPC-E-15-25\_djh