## **BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

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IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY FOR DEFERRAL AND RECOVERY OF COSTS ASSOCIATED WITH PARTICIPATION IN AN ENERGY IMBALANCE MARKET CASE NO. IPC-E-16-19 NOTICE OF MODIFIED PROCEDURE NOTICE OF COMMENT DEADLINE ORDER NO. 33627

On August 19, 2016, Idaho Power Company filed an Application requesting that the Commission: (1) make a finding that Company participation in the proposed Energy Imbalance Market (EIM) could net customers long-term benefits; (2) authorize a deferral account to track incremental costs associated with participating in the EIM; and (3) allow the Company to recover those costs from customers at a future rate proceeding. Application at 1.

On September 13, 2016, the Commission issued a Notice of Application and set a deadline of October 4, 2016, for interested parties to petition for intervention. Three parties filed timely petitions and were granted intervention: the Industrial Customers of Idaho Power; the Snake River Alliance; and the Idaho Conservation League. Staff conferred with the parties, who agreed to the use of Modified Procedure, with a comment deadline of December 15, 2016, and a reply deadline of January 5, 2017.

With this Order the Commission authorizes the use of Modified Procedure and establishes deadlines for the filing of written comments.

## BACKGROUND

An EIM pools generation of interconnected electricity producers within a region and dispatches those resources with the goal of more accurately matching production with demand. The EIM operates on a nearly real-time basis with multiple participants, as opposed to more conventional long-term two-party contracts that deliver energy in hourly blocks.

In November 2014, the California Independent System Operator (CAISO) and PacifiCorp formed the western EIM. *Id.* at 1-2. The western EIM is a five-minute market administered by CAISO. The market utilizes an automatic model to identify the least-cost energy resources to serve real-time customer demand. *Id.* According to Idaho Power, the

western EIM "focuses solely on real-time imbalances and allows EIM entities to retain all balancing responsibilities and transmission provider duties." *Id.* at 2. Participants in the EIM bid resources into the market, and the operator dispatches those resources based on marginal price for energy imbalances factoring in load and available generation. *Id.* 

With its Application, the Company states that it intends to begin participating in the western EIM in April 2018. The Company claims that the western EIM will benefit customers through "economic efficiency . . ., savings due to diversity of loads and variability of resources within the expanded [EIM] footprint, reduced operational risk . . ., and ability to better support the integration of renewable resources." *Id.* According to the Company, participation in the EIM could result in net power supply expense savings of \$4.1 to \$5.1 million per year. *Id.* at 4.

## NOTICE OF MODIFIED PROCEDURE

YOU ARE HEREBY NOTIFIED that the Commission has reviewed the filing in this action, and 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 December 15, 2016**. 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 Idaho Power at the addresses reflected below:

Commission Secretary	Julia A. Hilton
Idaho Public Utilities Commission	Matt Larkin
PO Box 83720	Idaho Power Company
Boise, ID 83720-0074	PO Box 70
	Boise, ID 83707
Street Address for Express Mail:	
	E-Mail: jhilton@idahopower.com
472 W. Washington Street	dockets@idahopower.com
Boise, ID 83702-5918	mlarkin@idahopower.com

NOTICE OF MODIFIED PROCEDURE NOTICE OF COMMENT DEADLINES ORDER NO. 33627 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 <u>www.puc.idaho.gov</u>. Click the "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 Idaho Power at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Company may file reply comments, if necessary, no later than January 5, 2017.

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 this case be processed by Modified Procedure. Persons interested in submitting written comments regarding this case, or protesting the use of Modified Procedure, should do so no later than December 15, 2016.

IT IS FURTHER ORDERED that reply comments by Idaho Power, if any, may be filed no later than January 5, 2017.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this  $/4^{th}$  day of October 2016.

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PAUL KJELLANDER, PRESIDENT

KRISTINE RAPER, COMMISSIONER

ERIC ANDERSON, COMMISSIONER

ATTEST:

Jean D. Jewell/ Commission Secretary

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