



Case No. IPC-E-17-11

Order No. 33983

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PUC acknowledges Idaho Power long-range plan

BOISE (Feb. 20, 2018) – State regulators have acknowledged Idaho Power’s plan to meet the need for electricity among its customers over the next 20 years.

The construction of the Boardman to Hemingway transmission line (B2H) and the exit from operations at several coal-fired facilities are key components of the company’s Integrated Resource Plan (IRP), which also calls for the continued pursuit of cost-effective energy efficiency measures and entry into the western Energy Imbalance Market (EIM) this spring, a move the utility expects to increase its access to low-cost power on the wholesale market.

No other resource actions are anticipated through the end of the 2020s, although the preferred portfolio outlined in the IRP anticipates the addition of several natural gas facilities between 2031 and 2036.

Regulated electric utilities are required to file an IRP with the Idaho Public Utilities Commission every two years.

The document serves as a status report on a utility’s ongoing plans to adequately and reliably serve its customers at the lowest cost and least risk over the next 20 years.

It is a working document, a plan rather than a blueprint, intended to demonstrate that the company has prepared for and considered a number of scenarios during a reasonable planning process.

Acknowledgement of the plan by the Commission does not constitute approval of the conclusions reached or projects identified, but rather acknowledges the company’s ongoing planning process.

In its order, the Commission commended the “active and vigorous participation” by stakeholders and customers throughout the IRP’s development.

That process included eight meetings of Idaho Power's Integrated Resource Plan Advisory Council; public meetings focused on energy efficiency, solar resources and coal resources; and a workshop that explored the potential for distributed generation to defer investment in the transmission and distribution system.

"We are confident that their input helps the company develop a better and more comprehensive IRP," the Commission said.

Public involvement was one of four goals identified by Idaho Power for the 2017 IRP.

Identifying sufficient resources to reliably serve the growing demand for energy throughout the planning period; ensuring that the resource portfolio identified in the IRP balances cost, risk and environmental concerns; and giving equal and balanced treatment to generation, conservation and energy efficiency, and transmission resources were the other goals cited by the utility.

The 2017 IRP anticipates the addition of approximately 222,000 customers through 2036, when Idaho Power expects to serve 756,000 customers. Load is projected to grow by 0.9 percent annually over the 20-year planning period.

The company analyzed a number of options for meeting that growing demand for energy even as it anticipates the early retirement of the North Valmy coal plant and two units of the Jim Bridger coal plants over the next decade. The utility also plans to continue to coordinate with Portland General Electric to end operations at the Boardman coal plant by the end of 2020.

The preferred portfolio outlined in the IRP anticipates the addition of several natural gas peaker plants: a 36-megawatt (MW) reciprocating engine resource in 2031 and 2032, a 300-MW combined cycle combustion turbine in 2033 and 54-MW reciprocating engine resources in 2035 and 2036.

Idaho Power indicates it will continue to explore options for additional generation, including solar photovoltaics, while monitoring emerging resources such as energy storage that could become more cost-effective as the technology develops.

In lieu of additional generation in the near-term, Idaho Power plans to rely on programs intended to cut energy use among its customers and to take advantage of low-cost power available on the wholesale electric market.

Key to that approach, according to the utility, is the acquisition of the B2H transmission line, which is expected to ease constraints on the utility's transmission system. The 300-mile, 500-kilovolt transmission line is projected to be in service in 2024 at the earliest.

The utility also expects to save on power purchases through its participation in the EIM, which allows utilities to find and purchase the least-cost energy resources available to meet its customers' demand for energy in real time.

“Since its inception the western EIM has resulted in significant cost savings for its participants and Idaho Power expects that its participation will similarly result in net power supply savings for its customers,” Idaho Power said, adding that the B2H project is integral to regional transmission planning related in part to its entry into the EIM.

Eight organizations intervened in the case as the Commission considered the IRP, and a half-dozen public comments were submitted.

Some commenters complimented the utility’s planning document but most levied criticism and suggested ways to improve the planning process in the future.

Critics cited several issues, including the consideration of measures to address federal regulations and the forecasting methodologies used in the IRP.

Critics of the forecasting methods cited a perceived lack of consideration of climate change on hydropower generation, overestimation of the costs of distributed energy resources such as solar and battery storage, and underestimation of the benefits of those resources.

Several commenters said this created a scenario verifying the need for B2H.

The company maintained that the preferred portfolio outlined in the IRP is least-cost and least-risk because solar and other distributed energy resources are not “cost-effective.”

In its order acknowledging the IRP, the Commission encouraged Idaho Power to continue to explore the issues raised by the stakeholders who took part in the planning process and to maintain transparency and openness in its planning.

“We expect the Company to actively consider the concerns raised in this case as it plans, and to continue evaluating all resource options and the best interests of its customers when developing the 2019 IRP,” the Commission said.

The Commission’s order and other documents related to the case are available on the commission’s web site, www.puc.idaho.gov. To download them, click on “Open Cases” under the “Electric” heading and scroll down to the case number, IPC-E-17-11. Or go [here](#).