

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR)	CASE NO. IPC-E-17-12
APPROVAL OF THE CAPACITY)	
DEFICIENCY TO BE UTILIZED FOR)	ORDER NO. 33933
AVOIDED COST CALCULATIONS)	

On July 26, 2017, Idaho Power Company applied to the Commission for an order approving the capacity deficiency period for the Company's avoided cost calculations under the Public Utility Regulatory Policies Act (PURPA). The Commission issued a Notice of Application and Notice of Modified Procedure setting comment and reply deadlines. Order No. 33838. Commission Staff timely submitted comments. After the comment deadline, IdaHydro submitted comments styled as a "Response to Comments of the Commission Staff." Idaho Power timely submitted reply comments. No other comments were received.

The Commission issued Final Order No. 33898 approving the Company's Application and capacity deficiency date of July 2026 for the Company's avoided cost calculations. Idaho Power Company timely petitioned for clarification or reconsideration of a portion of Order No. 33898. The Commission received no cross-petitions or answers. The Commission now enters this Order clarifying Final Order No. 33898.

PETITIONS FOR RECONSIDERATION

Reconsideration provides an opportunity for a party to bring to the Commission's attention any issue previously determined, and thereby affords the Commission an opportunity to correct any mistake or omission. *Washington Water Power Co. v. Kootenai Environmental Alliance*, 99 Idaho 875, 591 P.2d 122 (1979). Under Commission Rule 331.01, "Petitions for reconsideration must set forth specifically the ground or grounds why the petitioner contends that the order or any issue decided in the order is unreasonable, unlawful, erroneous or not in conformity with the law...." IDAPA 31.01.01.331.01.

IDAHO POWER'S PETITION FOR CLARIFICATION OR RECONSIDERATION

In Order No. 33898, the Commission addressed Staff's comment that, under the Integrated Resource Plan (IRP) method for calculating avoided cost rates, the capacity deficiency date may differ from the date authorized by the Commission, depending on the capacity contributions of qualifying facilities (QF) in the queue. Order No. 33898 at 8-9. The

Commission found that Staff’s interpretation was “a divergence from our prior Orders and from the Company’s request in this Application” and that such a divergence would not be just or reasonable “without a more thorough analysis of reasoning and potential impacts.” *Id.*

Idaho Power requested clarification or reconsideration of this finding. Specifically, Idaho Power asked the Commission to clarify or reconsider and find that

the utilities are to continue to follow the directive from Order No. 33357 that indicative pricing is to be done on an incremental basis with the inclusion of each proposed project according to its order in the queue. This has the effect of potentially moving the first capacity deficit established at the time of the IRP and set by this case as July 2026, which is an intended result that acts to protect customers from an over-estimated avoided cost rate.

Id. at 5. Idaho Power asserted that its requested clarification is supported by the Commission’s decision in Order No. 33357 to adopt incremental pricing for QFs according to their respective positions in a PURPA queue. *Id.* at 4-5.

COMMISSION FINDINGS

Our prior order erroneously overlooked our findings and reasoning in Order No. 33357. The Commission’s adoption of a queueing process for QF projects in Order No. 33357 was intended to allow incremental pricing under the IRP method to reflect the actual impacts of each project. Order No. 33357 at 28. With its adoption of the queueing process, the Commission eliminated the requirement from Order No. 32697 that utilities include only signed contracts in their IRP method avoided cost calculations. *Id.* We continue to find the queueing process a reasonable approach in keeping avoided cost rates accurate. We now clarify that under the IRP method of calculating avoided cost rates, consistent with Order No. 33357, utilities may continue to use a queue to track the order in which QF projects have entered negotiations with the utility and to consider the queue in the calculation of incremental pricing. As a result, the capacity deficiency date for a particular project under the IRP method may be later than the July 2026 date identified in the Company’s IRP if that project enters the queue after other QFs. On the other hand, it may be earlier if earlier-queued QFs terminate their projects or otherwise drop out of the queue. For published rates under the Surrogate Avoided Resource (SAR) method, the capacity deficiency date is fixed as the date approved in Order No. 33898—July 2026.

ORDER

IT IS HEREBY ORDERED that Idaho Power's petition for clarification or reconsideration is granted. Under the IRP method of calculating avoided cost rates, utilities may continue to use a queue to track the order in which QF projects have entered negotiations with the utility so that incremental pricing can be calculated to reflect the actual impacts of each project.

THIS IS A FINAL ORDER ON RECONSIDERATION. Any party aggrieved by this Order or other final or interlocutory orders previously issued in this Case No. IPC-E-17-12 may appeal to the Supreme Court of Idaho pursuant to the Public Utilities Law and the Idaho Appellate Rules. *See Idaho Code § 61-627.*

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 9th day of November 2017.



PAUL KJELLANDER, PRESIDENT




KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary