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Public Utilities Commission of Oregon

In the matter of IDAHO POWER COMPANY; 2015 Integrated Resource Plan

Docket No: LC 63

Please place my name as an Interested Party to this matter. I have a number of comments for the Staff and Commission to consider.

As will become obvious, I am not an attorney and have access only to the 2015 Integrated Resource Plan details that have been included within the Docket LC 63. I have been a consulting party to the BLM in the development of the programmatic agreement for the Boardman to Hemingway Transmission Line project. I am a member of the Oregon-California Trails Association an approximately 1500 member 501(c)3 preservation organization.

I have read the PUC Internal Operating Guidelines of October 14, 2014; IV. Utility Resource Planning section and will do my best to understand what the Commission can and cannot determine, such as the need for a specific resource.

1. **The Idaho Power Company's Integrated Resource Plan Advisory Council does not include any Oregon participants -** other than from Malheur Research Center an agricultural specialist and Northwest Power and Conservation Council whose goals are affordable and reliable energy system while enhancing fish and wildlife in the Columbia River Basin.

I would like to suggest that IPC search for an organization like Snake River Alliance but one from Oregon.

2. I believe that the costs used by IPC for natural gas should be questioned:

I am particularly concerned that the additional amounts added to the EIA published amounts to create an Idaho Citygate price, tend to unfavorably distort comparisons to the preferred P6(b) portfolio. Idaho Power applies a Sumas basis and transportation cost to the Henry Hub price to derive an Idaho Citygate price. The Idaho Citygate price is representative of the gas price delivered to Idaho Power's natural gas plants. The Idaho Citygate price forecast provided in *Appendix C—Technical Appendix* is significantly higher from the PacifiCorp 2015 IRP natural gas costs.

	2015	2020	2025	%increase
Idaho Power Appendix C	$5.10	$5.91	$7.04	38%
PacifiCorp 2015 IRP p25	$3.10	$3.80	$4.35	40%

It is important to recognize that Avista relies on natural gas and has projected lower rates than Idaho Power for future purchases.

3. Population growth projections to 2034 should be explained in more detail:

Since population growth in IPC service area is such a strong variable in determining amount of power needed, I question the significant difference between the 2013 and 2015 estimates. In the 2013 IRP, between 2012 and 2032, IPC projected an 8500 per year average increase. In 2015 the projection averages are 9800 per year from 2014 to 2034. What is the basis for the increase? This is about 1.9% increase per year for Idaho Power, considerably more than the other Oregon utilities.

Avista projects a 1% annual population growth from 2015 to 2035 in their recently filed IRP. Portland General Electric reports that five years after the recession of 2008–2009, its effect continues to be manifest in a slower than anticipated economic recovery and associated energy demand growth. Nevertheless, the long-term outlook for future economic, population and load growth in Oregon and PGE's service territory is positive. They project energy load growth averages 1.3% per year over the 2014-2033 period

4. The consumer demand response (savings) projections seem very conservative:

My understanding is that this savings is achieved through customer behavior or automatic control features.

It is interesting to note that Idaho PUC just accepted Rocky Mountain Power's IRP where the utility said its energy efficiency will rise 59 percent from estimates included in its 2013 IRP, and that it believes efficiency measures will meet 86 percent of its anticipated growth in demand from 2015-2024. PacifiCorp, parent of Rocky Mountain Power, has used this same analysis in their 2015 IRP presented to Oregon PUC.

The 2013 Idaho Power's IRP analysis demonstrated no capacity deficits in the near term and no peak demand needs until 2016. In addition, Idaho Power requested and received approval from the IPUC and OPUC to temporarily suspend the A/C Cool Credit and Irrigation Peak Rewards programs, which lead to a settlement of an annual value of $16.7 million dollars. Idaho Power explains that this reduction in forecasts for peak and average energy resulted from lingering effects of the recession, as well as the generating capacity contribution of the Langley Gulch combined cycle combustion turbine (CCCT), which became operational during the summer of 2012.

In the 2015 Idaho Power IRP, demand response will provide 390 MW of peak summer reduction, while energy efficiency will reduce average annual loads by 301 aMW and 473 MW of peak reduction by the year 2034. Some unique DRM plans are included in some but not all portfolios, does this effect the cost benefit outlook comparisons?

I have to depend upon staff to determine:

a. If the Net Present Value factor used is reasonable to determine cost effectiveness.
b. If the assumptions to determine achievable potential have validity based upon historical application.
c. If the Industrial/Commercial/Special Contracts, which have been grossly overestimated in the past are reasonable.

5. **IPC should develop a future cost estimate for the B2H project. How much did the cost increase from the 2013 IRP assumptions?**

The estimated cost of B2H has now increased to $1.2 billion nearly double from the original estimates. While B2H keeps increasing, natural gas powered facilities have been estimated to drop and are an integral part of other power utilities future planning.

6. **Idaho Power should disclose detailed analysis of how possible portfolios that do not include Boardman to Hemingway (B2H) alternative can achieve acceptable results.**

Quoting the IRP: In selecting the Preferred Portfolio (P6(b), portfolios with early North Valmy unit retirements performed well in the 2015 IRP analysis. Analyses show favorable economics for portfolios with the retirement of North Valmy Unit 1 as early as 2019. However, these portfolios carry considerable risk associated with the following factors:

One of the five listed: Uncertainty related to the completion date of the B2H project due to permitting issues and the **needs of project partners**. It comes as no surprise that Bridger is 1/3 owned by IPC and 2/3 by Berkshire-Hathaway; and Valmy is 50% shared ownership with again Berkshire-Hathaway. Note that the B2H project has ownership interest for permitting with IPC at 21%, PacifiCorp (Berkshire-Hathaway) at 54% and BPA at 24%.

7. **Is Idaho Power assuming unreasonable risk to rate-payers and stockholders in the 2015 IRP, while continuing to make significant moves not anticipated by the public?**

The difference between 2013 and 2015 IRPs are so substantial that it is hard to determine if it is best for stakeholders. In the 2015 IRP there are primarily just study plans, no increase generation, and no decrease of demand.

Why reduce Shoshone Falls upgrade?

Why not begin the process of a natural gas fired generating facility?

Certainly this agreement changes the longer range plans that both Idaho Power and PacifiCorp have presented in their respective 2015 Plans: This appeared in Electric Light & Power 4/20/2015: *The companies, in an October 2014 joint purchase and sale agreement, agreed to exchange transmission assets and ownership interests in jointly owned assets, and an undetermined amount of cash that will balance the value of those assets. In their application to*

state regulators, the companies said that the current regulatory landscape, the companies' load growth, and investments in system upgrades make the allocation of ownership and operational responsibility under legacy agreements for transmission assets associated with the Jim Bridger power plant in Wyoming inefficient with regard to each company's load-service and regulatory obligations. PacifiCorp, in addition to certain other facilities, agreed to convey to Idaho Power all or part of its ownership interest in the following bulk power transmission lines:

- *500-kV Hemingway to Summer Lake transmission line*
- *500-kV Midpoint to Hemingway transmission line*

This is just a small part of the article that seems to have a direct effect on the Idaho Power IRP for 2015.

Thank you for accepting my comments. I look forward to following the Staff and Commissioners analysis.

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