

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

LC 84

In the Matter of
IDAHO POWER COMPANY,
2023 Integrated Resource Plan.

THE RENEWABLE ENERGY
COALITION’S COMMENTS ON
STAFF REPORT

I. INTRODUCTION

The Renewable Energy Coalition (the “Coalition”) respectfully submits these comments for consideration by the Oregon Public Utility Commission (the “Commission” or “OPUC”) in the matter of Idaho Power Company’s (“Idaho Power’s”) 2023 Integrated Resource Plan (“IRP”) on Commission Staff’s Report filed on July 3, 2024. The Commission should adopt Staff recommendations 9 and 10 regarding wind qualifying facility (“QF”) renewal rates.¹

II. COMMENTS

Idaho Power assumed zero percent of wind QFs would renew after contract expiration in its base planning assumptions despite the Commission’s directive to revisit its wind QF renewal assumptions in this IRP.² The Coalition initially recommended a wind QF renewal percentage of 85 percent based on discussions with current wind QF

¹ See Staff Report at 34-37 (July 3, 2024).

² In the 2021 IRP, Idaho Power assumed 25 percent of wind QFs would renew, and the Commission directed Idaho Power to revisit these assumptions “from an empirical basis”. *In re Idaho Power Company 2021 IRP*, Docket No. LC 78, Order No. 23-004, Appendix A at 36 (Jan. 13, 2023).

operators, historic QF renewal rates for all resource types for other utilities, and more reasonable estimates of the operational realities of wind facilities.³ The Coalition also recommended the Commission not acknowledge Idaho Power’s wind QF planning assumptions and direct Idaho Power to update its base planning assumptions and preferred portfolio with an 85 percent wind QF renewal assumption.⁴ Staff expressed concerns of updated base planning assumptions for this IRP,⁵ and the Coalition has dropped that recommendation.

In Staff’s Report, Staff continues to recommend Idaho Power use a 75 percent wind QF renewal rate until a renewal rate and methodology is approved by the Commission.⁶ Staff explained Idaho Power’s zero percent wind QF renewal rate was “not in line with the direction of Order No. 21-184” and unreasonable.⁷ Staff noted that by the 2025 IRP, there will be two wind QFs up for renewal and those could be used to help inform a future renewal rate.⁸

The Coalition believes a higher number would be reasonable based on its initial comments, but the Coalition is supportive of Staff’s recommendation to use a 75 percent wind QF renewal rate until a renewal rate and methodology is approved by the Commission. Similar to the Commission’s directive to Portland General Electric Company, the Coalition wants to clarify that the 75 percent wind QF renewal rate should

³ Coalition’s Opening Comments at 1 (Feb. 7, 2024).

⁴ Coalition’s Opening Comments at 4.

⁵ Staff Final Comments at 22 (Apr. 25, 2024).

⁶ Staff Report at 37.

⁷ Staff Report at 34, 37.

⁸ Staff Report at 37.

be used in subsequent IRPs and avoided cost updates until the Commission approves a new methodology.

The Coalition notes it disagrees with one new aspect of the Staff's analysis, but this disagreement does not change either the Coalition's or Staff's recommendation. The Coalition agrees with Staff that the two upcoming wind QF renewals can be used to help inform a renewal rate. However, those two wind QFs should not be the only consideration for a renewal rate as they represent a small sample size. There are many more wind QFs that will be up for renewal and those should also be taken into consideration when developing a renewal rate. It would not be best practice to rely solely on those two wind QFs. Eventually, the Coalition supports using 10 years of historical data, if available, to develop a QF renewal rate. However, the historical data should be based on reasonable, justifiable assumptions and accurate estimates. Thus, the 10 years of historic data can be adjusted based on specific facts and circumstances.

Here, there is a lack of historic data for Idaho Power's wind QFs because wind technology is sufficiently new because Idaho Power is only now reaching the time in which those QFs with their initial contracts are seeking contract renewals. In addition to looking at the first wind QFs whose contracts are expiring, other evidence should be relied upon, including the renewal rates for both other utilities and Idaho Power's non-wind QFs, and the outreach to other wind QFs to see if the QFs plan to renew. As the Coalition's opening comments explained, the Coalition reached out to the wind QF operators and received responses from 30 of 32 projects, which showed that 94 percent of the projects and about 97 percent of the Idaho Power wind QF contract capacity wanted

to renew their contracts.⁹ The Commission should rely upon this evidence, which supports a renewal rate of at least 75 percent.

It is important to accurately plan, or to plan as best the utility can. Here, Idaho Power was inaccurately planning to artificially increase its resource need, over procure resources, and harm QFs related to avoided cost pricing. This is a self-fulfilling prophecy that can also result in other regulatory harms. For example, it can affect Idaho Power's capacity needs, wind integration costs, access to transmission, rate case cost recovery, and more. Thus, the Commission should adopt Staff's recommendations 8 and 9 to direct Idaho Power to use a 75 percent wind QF renewal rate until a renewal rate and methodology is approved by the Commission. If the Commission is not inclined to adopt Staff's recommendations, then it should adopt a higher wind QF renewal rate, which is supported by the information provided by the Coalition.

III. CONCLUSION

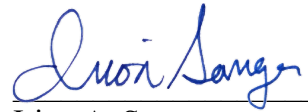
The Commission should adopt Staff's recommendations regarding wind QF renewal assumptions.

⁹ Coalition Opening Comments at 14 and Declaration of John R. Lowe (Attachment B). The Coalition conducted this investigation because Idaho Power did not comply with the Commission's direction to revisit its wind QF renewal assumptions and did not take the time to reach out to wind QF operators to determine if they intended to renew their contracts. Coalition Opening Comments at 13-14.

Dated this 19th day of July 2024.

Respectfully submitted,

Sanger Law, PC



Irion A. Sanger
Ellie Hardwick
Sanger Law, PC
4031 SE Hawthorne Blvd.
Portland, Oregon 97214
Telephone: 503-756-7533
Fax: 503-334-2235
irion@sanger-law.com

Of Attorneys for Renewable Energy
Coalition