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January 15, 2025

VIA E-MAIL TO

Public Utility Commission of Oregon
Filing Center
201 High Street SE, Suite 100
Salem, Oregon 97301-3398

Re: Docket No. UM 2317 – In the Matter of Idaho Power Company, Application for Approval of 2028 All-Source Request for Proposals to Meet 2028 Capacity Resource Need.

Attention Filing Center:

Attached for filing in the above-referenced docket, please find a redacted and confidential version of the London Economics International, LLC, Closing Report for the 2028 All-Source Request for Proposals for Peak Capacity and Energy Resources. A copy of this report was previously filed in this docket on January 10, 2025, as Attachment 1 to Idaho Power Company's Request for Acknowledgement of Final Shortlist Bidders in the 2028 All-Source Requests for Proposals. The January 10, 2025 filing was designated confidential in its entirety. With this filing, London Economics International, LLC has provided a redacted version of the report. The confidential version of this report will be distributed via an encrypted and password protected folder to parties who have signed General Protective Order No. 23-132.

Please contact this office with any questions.

Sincerely,

Cole Albee

Cole Albee
Paralegal
McDowell Rackner Gibson PC

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

IDAHO POWER COMPANY

UM 2317

London Economics International, LLC

Closing Report for the 2028 All-Source Request for Proposals
For Peak Capacity and Energy Resources

REDACTED VERSION

January 15, 2025

Closing Report

2028 All Source Request for Proposals for Peak Capacity and Energy Resources

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January 10, 2025

Table of contents

LIST OF ACRONYMS **4**

1 EXECUTIVE SUMMARY **4**

2 OVERVIEW OF THE PROCUREMENT PROCESS **9**

3 OVERVIEW OF ALL PROPOSALS RECEIVED **11**

4 REVIEW OF THE BENCHMARK BIDS **14**

4.1 ASSESSMENT OF BENCHMARK BIDS ELIGIBILITY 14
4.2 BENCHMARK BIDS NON-PRICING SCORE 15
4.3 BENCHMARK BIDS' ADVANTAGES AND UNIQUE RISKS TO THE RATEPAYERS 16

5 ASSESSMENT OF THIRD-PARTY BIDS ELIGIBILITY **19**

5.1 NON-CONFORMING BIDS AND CURE PERIOD 19
5.2 ELIGIBLE PROPOSALS 21

6 BID EVALUATION AND SCORES FOR THE INITIAL SHORTLIST **23**

6.1 NON-PRICING SCORING METHODOLOGY 23
6.1.1 Description of the scoring methodology for resource-based products *23*
6.1.2 Description of the scoring methodology for market purchase products *25*
6.1.3 LEI's assessment of the non-pricing scores *25*
6.2 PRICING SCORING METHODOLOGY 30
6.2.1 Description of the scoring methodology *30*
6.2.2 IPC's pricing score *31*
6.2.3 LEI's assessment of the financial model used for ISL bids *34*
6.2.4 LEI's assessment of the financial model used for FSL bids *35*

7 SELECTION PROCESS - PHASE I: INITIAL SHORTLIST **36**

7.1 RANKING METHODOLOGY 36
7.2 OVERVIEW OF IPC'S INITIAL SHORTLIST 37
7.3 IE'S ASSESSMENT OF IPC'S INITIAL SHORTLIST 41

8 SELECTION PROCESS - PHASE 2: FINAL SHORTLIST **42**

8.1 SCENARIO ANALYSIS 43
8.1.1 Assumptions used in the AURORA model *43*
8.1.2 Description of the scenarios and the outcomes of each scenario run *44*
8.1.3 Preliminary Final Shortlist based on the scenario analysis *49*
8.2 DETERMINING THE FINAL SHORTLIST USING A PORTFOLIO SENSITIVITY ANALYSIS 51
8.2.1 Assumptions and portfolio selection *51*
8.2.2 Variables used in the stochastic risk analysis *52*
8.2.3 Results of IPC's portfolio sensitivity analysis *56*
8.3 IE'S ASSESSMENT OF THE FINAL SHORTLIST 59
8.3.1 Methodology *59*
8.3.2 Other concerns *59*

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Table of figures

FIGURE 1. SUMMARY OF THE RFP PROCESS....8
FIGURE 2. SUMMARY OF TOTAL NUMBER OF BIDS FOR EACH KEY RFP STAGE....8
FIGURE 3. NUMBER OF SUBMITTED PROPOSALS BY COMPANY....11
FIGURE 4. FUEL MIX OF RESOURCE CAPACITY PROPOSALS AND FACILITIES....12
FIGURE 5. NUMBER OF RESOURCE CAPACITY PROPOSALS PER STRUCTURE....13
FIGURE 6. BREAKDOWN OF COD BY YEAR....13
FIGURE 7. PROPOSALS THAT IPC DEEMED NON-CONFORMING TO THE BID ELIGIBILITY REQUIREMENTS....19
FIGURE 8. NUMBER OF ELIGIBLE PROPOSALS BY BIDDER....21
FIGURE 9. BREAKDOWN OF RESOURCE-BASED BIDS THAT ARE ELIGIBLE VS. NON-COMPLIANT WITH THE MINIMUM ELIGIBILITY REQUIREMENTS....22
FIGURE 10. NON-PRICING FACTORS FOR RESOURCE-BASED PRODUCTS....24
FIGURE 11. SCORING FOR NON-PRICING FACTORS....25
FIGURE 12. COMPARISON OF NON-PRICING SCORES: BIDDER, IPC EVALUATION TEAM, AND LEI....27
FIGURE 13. IPC'S PRICING SCORE FOR STAND-ALONE BIDS....31
FIGURE 14. IPC'S PRICING SCORE FOR COMBINED BIDS WITH 2028 COB....33
FIGURE 15. ISL RANKING SUBCATEGORIES....37
FIGURE 16. FUEL MIX OF ISL RESOURCE-BASED BIDS....38
FIGURE 17. NUMBER OF ISL RESOURCE-BASED BIDS FOR EACH STRUCTURE....38
FIGURE 18. INITIAL SHORTLIST BIDS....39
FIGURE 19. IPC'S PROCESS FOR DETERMINING THE PRELIMINARY FINAL SHORTLIST AND THE FINAL SHORTLIST 42
FIGURE 20. ELCC CALCULATION METHODOLOGY....43
FIGURE 21. ELCC RESULTS, ISL VS. IRPS....44
FIGURE 22. 100 MW LARGE LOAD BREAKDOWN....47
FIGURE 23. 200 MW LARGE LOAD BREAKDOWN....47
FIGURE 24. 100 MW LARGE LOAD BREAKDOWN....48
FIGURE 25. 200 MW LARGE LOAD BREAKDOWN....49
FIGURE 26. LIST OF ALL PROJECTS SELECTED THROUGH THE AURORA SCENARIO PROCESS....49
FIGURE 27. SCENARIO ANALYSIS - DESCRIPTION AND RESULTS SUMMARY....50
FIGURE 28. LIST OF PORTFOLIOS....52
FIGURE 29. GAS PRICE STOCHASTIC ITERATIONS....53
FIGURE 30. LOAD STOCHASTIC ITERATIONS....54
FIGURE 31. HYDROELECTRIC GENERATION STOCHASTIC ITERATIONS....55
FIGURE 32. CARBON PRICE STOCHASTIC ITERATIONS....56
FIGURE 33. STOCHASTIC SENSITIVITY PORTFOLIO SUMMARY....57
FIGURE 34. PORTFOLIO RANKINGS....57
FIGURE 35. RANKING OF THE FINAL SHORTLIST BIDS....58

List of Acronyms

AFUDC	Allowance for Funds Used During Construction
AP	Asset Purchase
AS	All Sources
[redacted]	[redacted]
B2H	Boardman to Hemmingway
BEF	Bid Entry Form
BESS	Battery Energy Storage System
BSA	Battery Storage Agreement
BTA	Build-Transfer Agreement
[redacted]	[redacted]
COD	Commercial Operation Date
[redacted]	[redacted]
CUP	Conditional Use Permit
ELCC	Effective Load Carrying Capability
EPA	Environmental Protection Agency
FOM	Fixed Operations and Maintenance
FOR	Forced Outage Rate
FSL	Final Shortlist
G2H	Natural Gas to Hydrogen Conversion Technology
GIA	Generator Interconnection Agreement
IE	Independent Evaluator
IPC	Idaho Power Company
IRA	Inflation Reduction Act
IRP	Integrated Resource Plan
ISL	Initial Shortlist
[redacted]	[redacted]
LCOC	Levelized Cost of Capacity
LCOE	Levelized Cost of Energy
LEI	London Economics International LLC
LTCE	Long-Term Capacity Expansion
[redacted]	[redacted]
NPV	Net Present Value
[redacted]	[redacted]
OATT	Open Access Transmission Tariff
OPUC	Oregon Public Utility Commission
ORA	Oregon Administrative Rule
PPA	Power Purchase Agreement
RFP	Request for Proposals
[redacted]	[redacted]
[redacted]	[redacted]
SWIP-N	Southwest Intertie Project-North
WRAP	Western Resource Adequacy Program
WSPP	Western Systems Power Pool

1 Executive Summary

In this Closing Report, London Economics International LLC ("LEI")—Independent Evaluator ("IE") for the 2028 All Source ("AS") Request for Proposals ("RFP") for Peak Capacity and Energy Resources (together, "2028 AS RFP" or "AS RFP") prepared by Idaho Power Company ("IPC" or "Company")—provides an overview and assessment of the eligibility and shortlist evaluations for all bids submitted.

The 2028 AS RFP seeks to procure energy resources to meet system needs identified for the year 2028; prospective bidders interested in providing these resources submitted their proposals to IPC by September 16, 2024. The first phase of the bid evaluation process entailed (1) screening for qualified bids and (2) ranking qualified bids based on non-pricing and pricing factors. The objective of this evaluation and initial selection process was to "identify the combination and size of proposed resources ("the Portfolio") that will maximize customer benefits and will satisfy projected resource capacity and energy needs while maintaining reliability."[1]

A total of 95 proposals (including benchmark bids, i.e., projects sponsored by IPC) were submitted for consideration by 19 companies. All proposals were resource bids (no market purchase bid was submitted), encompassing a collective proposed capacity of 27,005 MW.[2] The bids submitted covered a wide spectrum of technologies, ranging from solar, wind, natural gas-hydrogen, to battery energy storage systems ("BESS"). Furthermore, the proposed projects featured various contract structures, including power purchase agreements ("PPAs"), battery storage agreements ("BSAs"), and asset purchases ("APs"), all as standalone contracts or in combination. Section 3 provides more information on the bids received.

As per the RFP's schedule, the IE evaluated the four benchmark bids submitted by IPC prior to extending the review and evaluation process to the third-party bids.[3] These four benchmark bids consisted of two BESS projects, one hybrid wind/BESS project, and one standalone wind project. The wind project [redacted], the hybrid project [redacted], and one of the BESS projects ([redacted]) were proposed as APs; whereas, the second standalone BESS project ([redacted]) was split between a build-transfer agreement/ownership ("BTA") and a BSA with [redacted] The IE assessed the eligibility of these

[1] Idaho Power Company. *2028 All Source Request for Proposals (RFP) for Peak Capacity and Energy Resources*. Updated November 25, 2024. p. 24.

[2] [redacted] offered both a flat price and a price that includes an annual escalation of [redacted]% for six bids with the same resource. Including these bids the total number of submitted bids amounts to 147. Excluding these bids the collective capacity amounts to 24,305 MW. [redacted] are bids with an escalated structure.

[3] Idaho Power Company. *Order No. 24-272*. August 16, 2024. p. 27-28.

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benchmark bids as well as their advantages and unique risks to ratepayers.[4] The IE determined that the four benchmark bids were eligible to proceed with the RFP process. The identified advantages and unique risks of the benchmark bids are discussed in Section 4.

Following a comprehensive eligibility screening process that considered both benchmark and third-party bids, 88 proposals were determined to meet the minimum requirements outlined in the RFP and as such proceeded to the ISL bid evaluation (Phase 1). The IE meticulously assessed and scored these resource bids based on established price and non-price scoring criteria. As per the RFP[5], a maximum of 75 points were allocated to price scoring and a maximum of 25 points to non-price scoring, for a total maximum score of 100 points.

Subsequently, the proposals were ranked within their respective technology groups, and the highest-scoring bids in each group were selected for the ISL. Through this evaluation process, 42 bids from the eligibility pool were identified as part of the ISL. The ISL reflected a diverse range of technologies, ensuring that all technologies offered during the RFP process were duly considered. Bidders were notified through the Company's Portal (Zycus) that they were selected for the ISL. Phase 1 ISL process is described in detail in Section 6.

Bidders on the ISL were invited to submit updates to their bids, incorporating pertinent price or schedule modifications, interconnection study results, or any other significant changes that could influence the IRP product cost model or RFP minimum requirements. These updates were reviewed in detail and incorporated into the Company's cost models. In alignment with the treatment of capital revenue requirements in IPC's integrated resource plan ("IRP") modeling, IPC converted any calculated revenue requirement associated with capital costs to first year real levelized costs. Similarly, all other bid costs were levelized and formatted for input into the Company's long-term capacity expansion ("LTCE") model, AURORA. Projected renewable resource performance data[6] and projected effective load-carrying capability ("ELCC") for each bid were also processed for input into the modeling tools. Section 8.1.1 provides a summary of the key assumptions used in the AURORA modeling.

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[4] While LEI assessed the eligibility and the unique risks and advantages of the benchmark bids, we nonetheless grouped the benchmark bids with the third-party bids when evaluating and scoring of the bid based on the non-price and price criteria.

[5] Idaho Power Company. *2028 All Source Request for Proposals (RFP) for Peak Capacity and Energy Resources*. Updated November 25, 2024. p. 26.

[6] IPC hired Henrickson Renewables, LLC to independently review site-specific critical performance factors for wind and solar resources, including but not limited to i) an evaluation of the variable energy resource assessments submitted with each applicable proposal, ii) quantification of any potential impact on energy production, and iii) adjustment (if any) to the P50 Net Capacity Factor, including the associated confidence level where differences are identified.

To comprehensively evaluate the ISL bids under a range of potential environmental and policy-price scenarios, a rigorous scenario analysis was conducted as part of Phase 2. A total of eight scenarios were independently simulated using AURORA LTCE, encompassing: varying configurations of commercial online dates for the Boardman to Hemmingway ("B2H") and the Southwest Intertie Project-North ("SWIP-N") transmission line projects (2028 and 2029), along with sensitivities around natural gas prices, carbon prices, and demand conditions; including (i) a high gas and high carbon price scenario, (ii) a low gas and zero carbon price scenario, (iii) a scenario with 100 MW of large load, (iv) a scenario with 200 MW of large load, (v) a scenario with 100 MW of large load and US Environmental Protection Agency ("EPA") Emissions Rule[7], and (vi) a scenario with 200 MW of large load and EPA Emissions Rule. The different scenarios employed in the scenario analysis are discussed in Section 8.1. A total of eight bids were selected in the Preliminary Final Shortlist ("FSL") based on their performance and costs under each of the scenarios (see Section 8.1.3).

To supplement the scenario analysis, IPC conducted a portfolio stochastic (sensitivity) analysis on the Preliminary FSL to assess the performance of bids under dynamic market conditions and comprehend the range of Net Present Value ("NPV") portfolio costs under a broad spectrum of stochastic shocks. The portfolio stochastic analysis was a two-step process: (i) portfolio analysis and (ii) stochastic analysis. IPC utilized AURORA LTCE to create 8 portfolios based on the following criteria: (i) energy and capacity needs and (ii) inclusion of every bid in one portfolio.

Subsequently, IPC performed a stochastic risk analysis on these eight portfolios. Four stochastic variables were incorporated: (i) natural gas prices, (ii) load, (iii) hydroelectric generation, and (iv) carbon prices. The stochastic risk analysis aligns with the methodology used in IPC's 2023 IRP development process and the 2026 All Sources RFP. Utilizing the stochastic analysis, IPC calculated the NPV costs of each portfolio using different key statistics (P25, P50, and P75) to identify the specific least-cost, least-risk bids. These statistical measures provided valuable insights into the distribution of NPV costs and the potential range of outcomes under various sensitivities.

Finally, IPC ranked the bid resources that were most consistently selected across the sensitivity runs. Based on this analysis, all eight bids were identified for the FSL for contract negotiations. A detailed discussion of this process is provided in Section 8.2. The diagram below provides a summary illustration of the RFP process, and the accompanying table shows the number of bids for each key stage of the RFP process.

[7] U.S. Environmental Protection Agency. Standards of performance for new, reconstructed, and modified sources and emission guidelines for existing resources: Oil and natural gas sector climate review. Effective May 7, 2024.

Figure 1. Summary of the RFP process

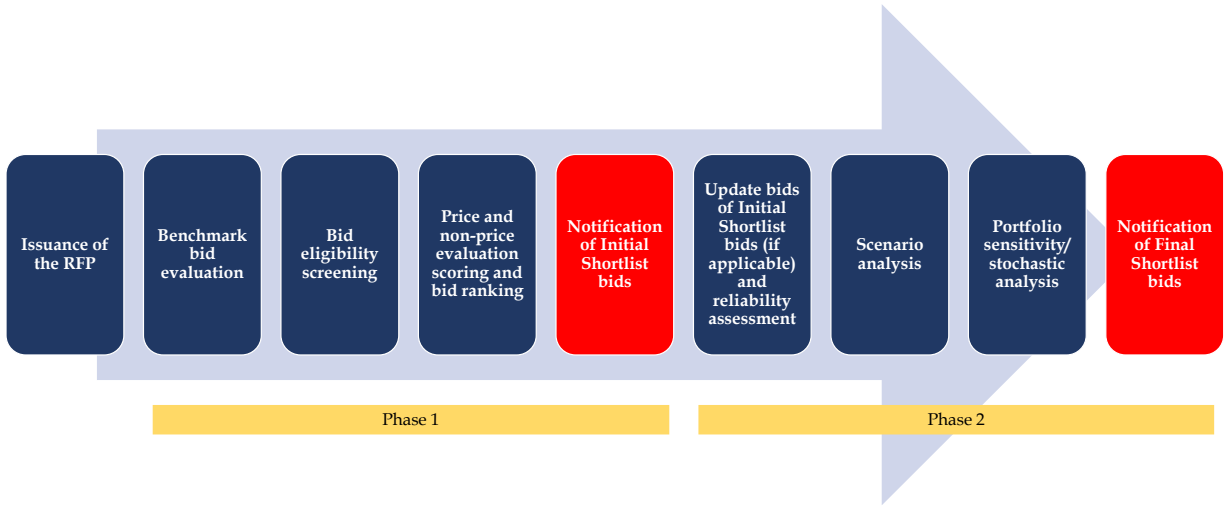


Figure 2. Summary of the total number of bids for each key RFP stage

Procurement stage	Total number of bids/projects	Total combined capacity of bids (MW)	Total number of project owners
Bids submitted	95	27,005*	19
Bids that are eligible	88	25,105**	19
Initial shortlist	42	11,166	13
Preliminary final shortlist	8	1,707.6	7
Final shortlist	8	1,707.6	7

*Excluding the escalated [redacted] bids, the collective capacity is 24,305 MW.
**Excluding the escalated [redacted] bids, the eligible collective capacity amounts to 23,805 MW.

As IE, LEI attests to the reasonableness of IPC's approach in identifying bids for the final AS RFP shortlist. The process was conducted with the utmost fairness and impartiality, upholding the integrity of the selection process.

2 Overview of the procurement process

On February 29, 2024, IPC published its 2028 AS RFP for Peak Capacity and Energy Resources.[8] LEI was retained to serve as the IE for this solicitation process. The purpose of this RFP is to support the Company in meeting resource needs identified in the acknowledged 2023 IRP as well as incremental needs anticipated for 2028, as provided in its application in Docket UM 2317. In total, the Company seeks a minimum of about 138 MW of peak capacity and a maximum of 555 MW of variable energy to be delivered by April 1, 2028. The Company, through this RFP, solicited bids for two types of products, namely:

1. Unit-contingent energy and capacity delivered from electric resources that support the energy and capacity needs identified through the 2023 IRP; and
2. Market Purchase Proposals, or firm energy (preference for the Western Systems Power Pool ("WSPP") Schedule C or equivalent) that meet the eligibility requirements of the Western Resource Adequacy Program ("WRAP") in terms of resource or system specificity, transmission, and other requirements.[9] Resources can be existing or new; new resources must have a target commercial operations date ("COD") on or before the summer of 2028, or beyond.

The RFP also includes a provision in which IPC acknowledges the possibility of considering other products that satisfy the ownership and electrical functionality criteria stated in the RFP Product Tables. Bidders that propose a product not explicitly listed in the RFP must provide a comprehensive description of how their product aligns with the overall objectives and intentions of the Product Table.

While the RFP bid submittal deadline was September 16, 2024, not all bids were submitted on time. Owing to data conversion errors recognized in the functionality of the conditional formatting of the Bid Entry Forms and Exhibit Q. IPC, in accordance with Section 2.8 Schedule of the 2028 AS RFP, provided updated Exhibit B_C_D Bid Entry Form[10] and Exhibit Q's (when applicable), thereby allowing bids to be submitted by September 17, 2024. Subsequently, on that same date, IPC initiated the bid opening process.

After a thorough review of eligibility, along with scoring and ranking of the bids, an ISL was determined. IPC requested clarifying and additional information from bidders with incomplete

[8] The approved version of the RFP was submitted on August 16, 2024, and further updated on November 25, 2024.

[9] The term "bids" and "proposals" will be used interchangeably throughout this report.

[10] August 26, 2024, communicated via email correspondence to third-party bidders.

bids (a total of 42 bids), providing them with a five-day cure period. The bidders were informed about their status via email on November 5, 2024.

Following the ISL selection, bidders were granted an opportunity to provide updates to their bids, including modifications to pricing, timelines, interconnection study results, or any other significant changes that could impact the IRP product cost model or RFP minimum requirements. These updates were thoroughly reviewed and integrated into the product cost models.

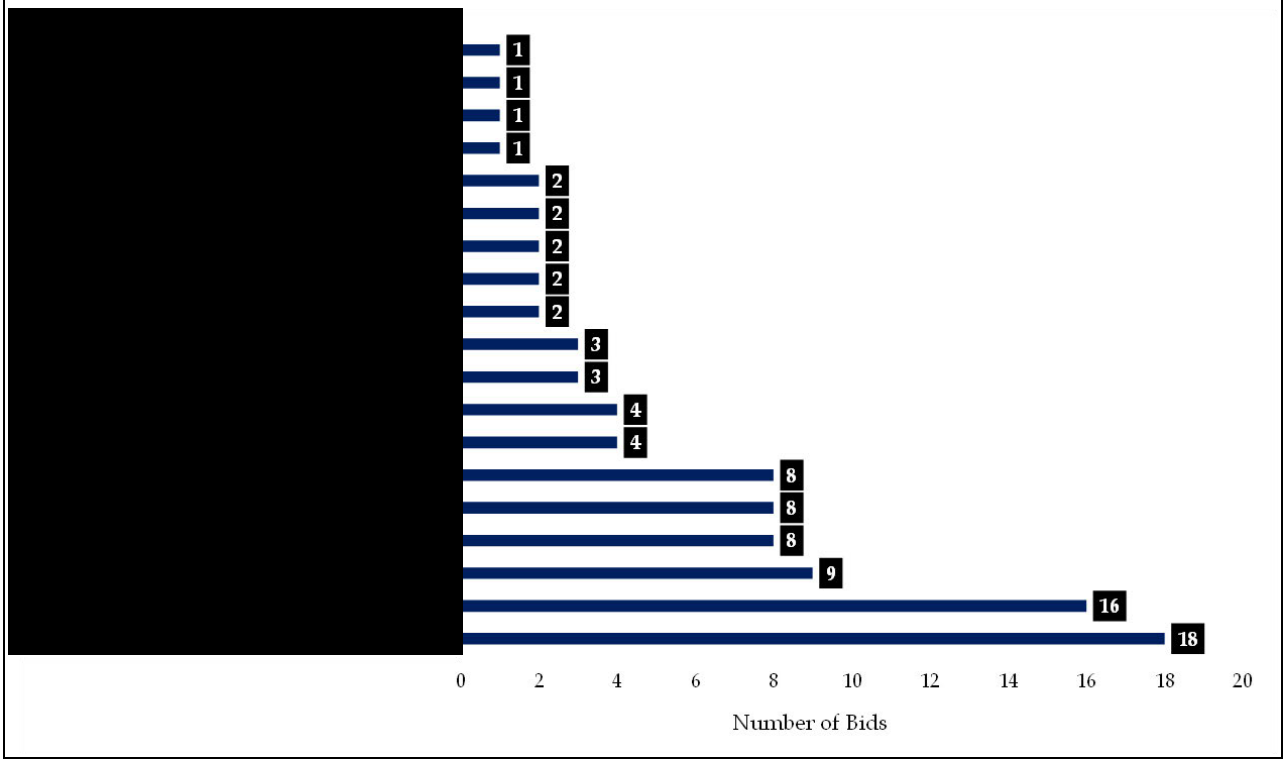
To comprehensively evaluate the ISL bids under a range of potential environmental and policy-price scenarios, a rigorous scenario analysis was conducted under Phase 2. LEI, Oregon Public Utility Commission ("Oregon PUC," "OPUC," or "Commission") Staff, and IPC discussed potential scenarios for the scenario analysis. A total of eight scenarios were agreed upon and were independently simulated using AURORA LTCE. Based on the scenario analysis, a total of eight bids were selected based on their performance and costs under each of the scenarios.

To complement the scenario analysis, IPC conducted a comprehensive portfolio stochastic analysis of the Preliminary FSL bids and further initiated a detailed due diligence review of some of the bids, which despite being selected in the FSL, still presented some risks . These projects consist of the [redacted]. See Section 8.2.3 for more details on the FSL projects under further due diligence review.

3 Overview of all proposals received[11]

The 2028 AS RFP saw participation from a total of 19 companies (including IPC), collectively submitting 95 proposals.[12] All of these proposals were resource-based bids.[13] Notably, two companies submitted more than ten resource-based bids, with the highest number of bids from a single company ([redacted] reaching 18.

Figure 3. Number of submitted proposals by company



These proposals, combining both conforming and non-confirming bids, encompass 29 facilities with a collective capacity of 27,005 MW.[14] No market purchase proposals were received. The

[11] The terms "bids" and "proposals" are used interchangeably throughout this report.

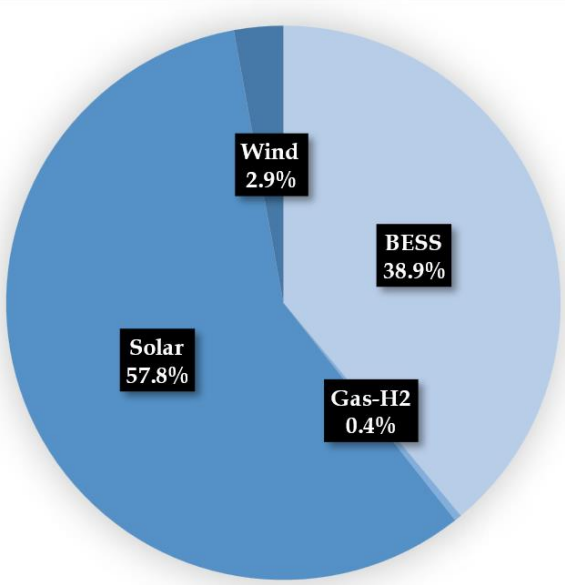
[12] This number includes the four benchmark bids from IPC.

[13] This number already excludes the bids that answered "no" to some of the eligibility questions or those that did not have any answers to the eligibility, pricing, and non-pricing questions.

[14] Excluding the escalated [redacted] bids the collective capacity is 24,305 MW.

breakdown of the fuel mix of these facilities is presented in **Error! Reference source not found.**; largely, the proposals covered a spectrum of renewable technologies including solar, wind, BESS, and natural gas to hydrogen conversion technologies ("G2H"). Solar encompassed over 57% of the submissions with BESS as the second most offered proposal.[15] Several third-party bidders offered variations of the same resources under different ownership structures, and contract terms; these resource capacity proposals were offered under combinations of PPAs BSAs, and APs.

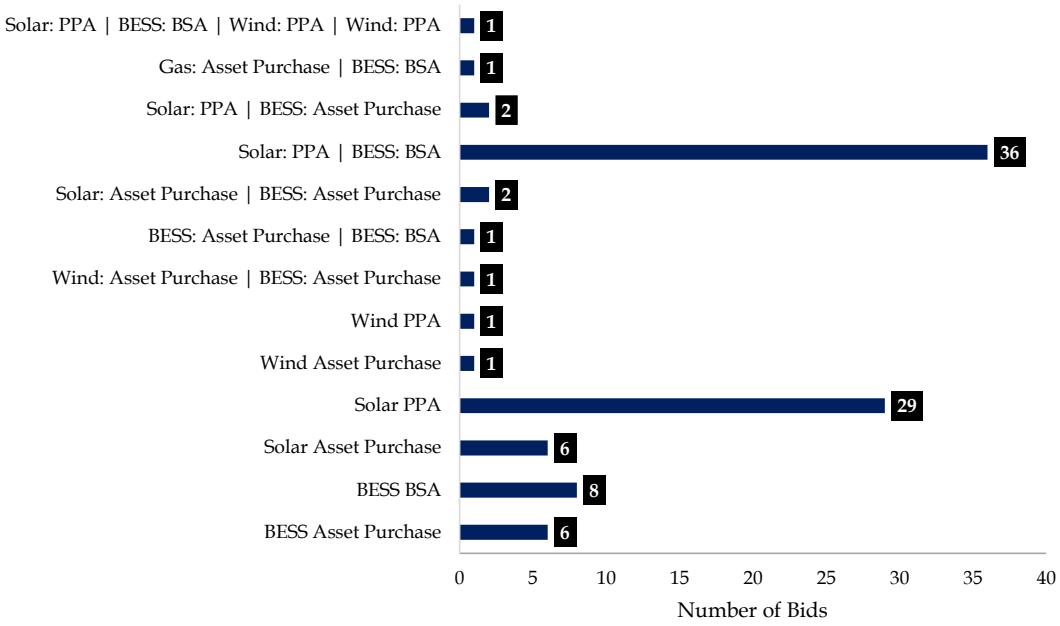
Figure 4. Fuel mix of resource capacity proposals and facilities



A total of 95 bids were submitted for consideration by IPC; 38% of the submissions (36 out of 95 bids) presented a combination of solar PPAs and BESS BSAs, and 31% of the resource capacity bids (29 out of 95 bids) offered standalone solar PPAs. The remaining proposals were offered under various structures for additional technology types. Figure 5 shows the breakdown of resource capacity proposals by structure.

[15] Of note, a significant majority of the BESS BTAs were offered alongside solar PPA's.

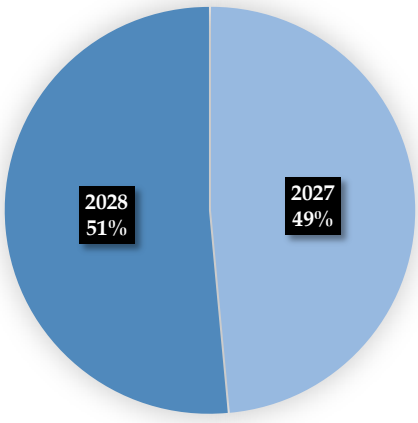
Figure 5. Number of resource capacity proposals per structure



Source: Bids Entry Forms submitted by all bidders for the 2028 AS RFP

In terms of COD, 49% of the Group 1 bids offered an in-service date by December 2027 while the remaining bids offered a COD by April 2028 COD as depicted in Figure 6.

Figure 6. Breakdown of COD by year



Source: Bids Entry Forms submitted by all bidders for the 2028 AS RFP

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4 Review of the benchmark bids

As implied by its name, one of the main objectives of implementing Competitive Bidding Guidelines is to ensure the unbiased procurement of resources by a state's regulated utilities. This is specifically necessary when utility-owned assets compete in the same procurement process with third-party projects with various contract structures, such as PPAs, tolling agreements, or lease agreements. Bias may occur because utilities —due in part to the ratemaking process—earn a return on their assets but not on contracts like PPAs. As such, in Order No. 14-149 of Docket UM 1182 (filed April 30, 2014), the Oregon PUC revised Guideline 10(d), which instructs the IE to independently assess the fairness of the score assigned to any utility benchmark bid submitted in the RFP process.

IPC submitted four benchmark bids: two BESS projects, one wind project, and one hybrid wind/BESS project. The wind project ([redacted]), the hybrid project ([redacted]), and one of the BESS projects ([redacted] are proposed APs while the other standalone BESS project ([redacted]) is a split between a BTA and a BSA with [redacted]

LEI evaluated the reasonableness of IPC's submitted benchmark bids based on three overarching factors: (i) bid eligibility, (ii) non-pricing score, and (iii) advantages and unique risks of the benchmark bids to ratepayers. Each factor is discussed in the succeeding subsections.

4.1 Assessment of benchmark bids eligibility

In the first part of the bid evaluation process, IPC and LEI evaluated bids to ensure that they were qualified to take part in the RFP process. This initial step was meant to screen out submissions that have not met IPC's minimum eligibility requirements so that only bids that are found to qualify for this RFP would be advanced into subsequent steps of the assessment process: namely, the non-pricing and pricing scoring assessments (discussed in Section 6.1).

The following are the eligibility requirements for resource-based products, as listed in Bid Entry Form ("BEF"):

1. the bid is submitted on or before the ***submittal deadline***, with all applicable forms completed;
2. the proposed product will be delivered ***to a point of delivery*** on IPC's transmission system or—if the product will interconnect to a third-party transmission system—the bidder has provided documentation that demonstrates it has submitted applicable transmission service requests to the relevant transmission provider to establish transmission rights to deliver to IPC's point of delivery;
3. the bidder has provided ***redlines or confirmed no redlines*** to Draft Form Agreements (Exhibit F) for the resource-based product;

4. the bidder has provided ***redlines or confirmed no redlines*** to applicable Technical Specifications (Exhibit G, H, I and J);
5. evidence of wire transfer was provided prior to the bid deadline in the correct amount for the correct number of bids;
6. evidence that the bidder's proposal has a ***Generator Interconnection Agreement ("GIA")*** in place or ***generator interconnection application*** in either the IPC Serial Study Process or the Transitional Cluster Study Process, or other supporting document;
7. the bidder has provided a ***development schedule identifying timeline and schedule***, including contract execution and construction milestones to ensure commissioning by the target COD; and
8. the documentation submitted indicates the ***viability of COD*** (or a contract effective date, for market purchase proposals) that matches the COD submitted.

Following a thorough review, LEI assessed the benchmark bids against the established eligibility requirements and determined that all submitted bids fully comply with the stipulated criteria, thereby rendering them eligible and suitable for participating in the procurement process.

4.2 Benchmark bids non-pricing score

In general, the non-pricing score is designed to help understand the likelihood that submitted bids would agree to IPC-approved contract terms and be delivered by the required COD. IPC broke down the scoring assessment into 10 total questions under two umbrella factors: *contracting progress and viability* and *project readiness and deliverability*. This is discussed in detail in Section 6.1.

Although LEI and the IPC Evaluation Team were in agreement on the non-pricing score for both the [redacted], and [redacted], LEI disagreed with the Evaluation Team's rating of [redacted], specifically with respect to the questions of experience and permits, with LEI grading the project "yellow" for both criteria compared to the IPC Evaluation Team's "red" and "green" respectively. Regarding the "experience" criteria, IPC claimed that the project narrative did not refer to specific projects or the volume of capacity developed, hence the lack of documentation indicates considerable experience for the developer would warrant a "red." However, LEI scored "yellow" because of [redacted] is capable of developing projects of comparable size (150 MW).[16]

With respect to the "permits" criteria, the IPC's Evaluation Team scored the project "green," suggesting that the bidder had provided documentation indicating "that the results of

[16] Per the guidelines, "yellow" would signal that the bidder's "Documentation indicates that Experience includes development (but not commercial operation) of facilities of at least 50% of the nameplate capacity."

environmental studies and due diligence present expedient timelines and very little risk." Nonetheless, LEI reckoned that such documentation was lacking, and therefore a "yellow" score was more appropriate. LEI further reasoned that while there was no detailed information on permitting schedule and no permit had been submitted thus far,[17] we understood that: i) the project will be developed at an existing location where Phase I will have been developed and ii) [redacted]

Regarding the [redacted] proposal, while the bid was self-scored as "green" on the "experience" question, both LEI and the IPC's Evaluation Team assigned a score of "yellow." Both LEI and the IPC's Evaluation Team highlighted the lack of BESS-specific experience for the [redacted] consortium ([redacted]). As per the RFP guidelines, the appropriate rating would be "red." Nevertheless, considering [redacted] experience developing wind farms, and [redacted] (the preferred supplier) extensive experience with BESS equipment, the IE believes a "yellow" score is reasonable for a hybrid wind plus BESS project.

4.3 Benchmark bids' advantages and unique risks to the ratepayers

Per Oregon Administrative Rule ("OAR") 860-089-0450, the IE is required to "evaluate the unique risks and advantages associated with any company-owned resources." More specifically, the IE must evaluate the following items:

a. construction cost over-runs (considering contractual guarantees, cost and prudence of guarantees, remaining exposure to ratepayers for cost over-runs, and potential benefits of cost under-runs);

b. reasonableness of forced outage rates;

c. reasonableness of any proposal or absence of a proposal to offer electric company-owned or benchmark resource elements (e.g., site, transmission rights, or fuel arrangements) to third-party bidders as part of the draft and final RFP;

d. end effect values;

e. environmental emissions costs;

f. reasonableness of operation and maintenance costs;

[17] From Exhibit N, we understand that no permit application (in particular, the conditional use permit ("CUP")) will be filed before Q1 2025.

g. adequacy of capital additions costs;

h. reasonableness of performance assumptions for output, heat rate, and power curve; and

i. specificity of construction schedules or risk of construction delays.

[redacted] LEI found that the [redacted] proposed forced outage rate ("FOR"), fixed operations and maintenance ("FOM") costs, output, and power curve are reasonable. However, it is important to note that there are certain risks associated with potential construction cost overruns. LEI was concerned with the proposal's lack of a comprehensive description of cost items. Although the costs had been included in the all-in price, their contributions were unspecified. Further clarification is needed to fully understand the exhaustiveness of the construction cost breakdown and to ascertain the risk of cost overruns. Additionally, the draft BTA agreement lacked provisions to either mitigate construction cost overruns or allocate cost savings. For example, there is no mention of any contractual guarantees, maximum allowable construction costs, or contingencies or allowances regarding construction costs. Nevertheless, it is worth mentioning that the project expects to utilize tax credits, including the Inflation Reduction Act ("IRA") energy community tax credit bonus available to wind energy producers, which can result in savings that can be passed on to IPC's consumers. [redacted] is the only IPC-sponsored project selected in the FSL.

[redacted] LEI found that the project has a lower FOR compared to what LEI found in its research, which is advantageous to ratepayers. However, the hybrid project is subject to the same risks associated with potential construction cost overruns as [redacted]. In addition, the looming tariff increase on BESS components could potentially generate some construction cost overruns given that [redacted] is looking to lock a quote for equipment by 2025[18], as tariff rates on lithium-ion (non-EV) batteries under Section 301 of the Trade Act of 1974 are expected to rise from 7.5% to 25% in 2026, and tariff rates on general battery parts were raised from 7.5% to 25% in 2024.[19]

[redacted] LEI found that the [redacted] BESS's proposed FOR and FOM costs are reasonable. The [redacted] BESS similarly has a lower FOR compared to what LEI found in its research, which is beneficial to ratepayers. While [redacted] reflected the tariff increase of Section 301 of the Trade Act of 1974 in its cost assumptions as part of construction overrun risk mitigation, the proposal still lacks specific amount listed for each item in the all-in price. And LEI considered the project

[18] "The proposal includes pricing, with estimated inflation, assuming a March 2025 BTA execution and Limited Notice to Proceed (LNTP) to secure long lead items and manage pricing risk for the April 2028 forecasted COD." Source: [redacted]

[19] The White House. *Fact Sheet: President Biden Takes Action to Protect American Workers and Businesses from China's Unfair Trade Practices*. May 14, 2024.

to have moderate counterparty risk. While [redacted] is not rated, its controlling beneficial owner, [redacted], holds investment grade ratings of BBB-(S&P)[20] and Baa3 (Moody's).[21]

[redacted] LEI found that [redacted] proposed FOR, FOM costs, output, and power curve are reasonable. However, LEI noted that there are certain risks associated with potential construction cost overruns. LEI pointed out that the pricing provided in the proposal is based on a quote dated May 22, 2024, with a validity period of 30 days. Therefore, the price quote has already expired. The submitted proposal also mentioned that IPC anticipates that "pricing adjustments will occur through the RFP evaluation period and up to time a contract is negotiated."[22] As such, there is a risk that the final prices will be higher than what was provided in this proposal[23], in addition to the potential impact of increased tariffs on lithium-ion batteries.

Finally, IPC does not intend to offer access to three of its benchmark resources to third-party bidders; access to the fourth benchmark resource would be conditional. LEI finds this to be reasonable based on IPC's explanation. IPC stated in the RFP that the [redacted], and [redacted] projects are located on "property that Idaho Power has no current rights directly and is relying on partnership site control and thus cannot offer site access as Idaho Power has no authority to do so."[24] [redacted] is located on "Idaho Power owned property and [is] intended to be incorporated into existing substations, thus these sites are only available to third-part bidders proposing a BTA (AP) based on access control and ongoing utility operation."[25]

[20] BBB- is considered the lowest investment-grade rating by market participants. Source: S&P Global Ratings. *Guide to Credit Rating Essentials*. Accessed September 9, 2024.

[21] Baa3 is considered the lowest investment-grade rating by market participants, subject to moderate credit risk. Source: Moody's. *Rating Scale and Definitions*. Accessed September 9, 2024.

[22] [redacted]

[23] While the price update provided by IPC and considered in the FSL was higher than the original price due to increasing network upgrade costs, the difference was nonetheless small (less than 0.5%)

[24] Idaho Power Company. *2028 All Source Request for Proposals for Peak Capacity and Energy Resources*. Updated November 25, 2024. Exhibit N.

[25] Ibid.

5 Assessment of third-party bids eligibility

IPC followed a two-step evaluation methodology to generate its ISL. The first step—or Step #1—entails the screening out of non-conforming bids and the selection of a list of bids deemed eligible for further evaluation and potential selection in the ISL (See Section 5.2 for further details). LEI assessed the eligibility of the third-party bids against the eligibility requirements prescribed by the RFP as discussed in Section 4.1. Step #2 (discussed in Section 6) consists of the assessment and ranking of the eligible bids based on both non-pricing and pricing considerations. According to the RFP, the lowest-cost bids are identified for inclusion in the ISL.[26]

5.1 Non-conforming bids and cure period

Following a rigorous evaluation of all submitted proposals completed on September 20, 2024, and consultation with the IE, on September 23, 2024, IPC identified 51 bids that were incomplete. IPC issued letters of cure on September 25, 2024, to nine bidders including [redacted] Each letter requested an answer from the bidder within 5 business days as per the RFP guidelines. Except for [redacted] and [redacted] all other bidders successfully addressed the eligibility concerns and were included in the pool of eligible proposals. Figure 7 provides a further description of the non-conforming qualities that resulted in the elimination of these specific resource-capacity proposals.

Figure 7. Proposals that IPC deemed non-conforming to the bid eligibility requirements

Eligibility Summary			
Bidder	No. Proposals	Non-Conforming Factors	Rationale for Non-Conformance
[redacted]	4	6	Failed criteria #6 on interconnection agreement - they are not part of any cluster study, nor are they in a queue - nonetheless they could resubmit their bids for the GROUP 2 - 2029 procurement
[redacted]	3	2, 6, 7, 8	No documents supporting delivery to an IPC Point of Receipt
Total	7		
DISCLAIMER: Information contained in this Eligibility Summary is subject to final review and approval by Idaho Power Company ("IPC") and provided for informational and review purposes only. There may be changes to this Eligibility Summary as projects and clarifications continue to be refined, and IPC reserves the right to update, modify, revise or amend the information contained herein.			

Source: LEI

[26] Idaho Power Company. *2028 All Source Request for Proposals (RFP) for Peak Capacity and Energy Resources*. Updated November 25, 2024. p. 28.

According to IPC, the four bids submitted by [redacted] were deemed ineligible due to the absence of firm interconnection agreements and the lack of participation in any cluster study or queue. Nonetheless, IPC and LEI's evaluations concluded that [redacted] would be able to resubmit their proposals as part of the Group 2 bids. Similarly, IPC's evaluation determined that three resource capacity proposals offered by [redacted] also exhibited non-conforming qualities regarding the absence of demonstrated delivery to an IPC point of delivery. These bids consisting of varying structures of the [redacted] and the [redacted] resource capacity bids, were contingent upon IPC transmission rights ultimately posing a risk that the interconnection agreement may not be finalized in time to support the 2028 COD. The two proposals submitted by [redacted] although conforming to the eligibility standards, were determined to fall outside of the Group 1 bids due to the proposed in-service date (December 1, 2028) and as such were not considered in the ISL determination. it is worth noting that the RFP does not put a specific restriction on the COD for eligible projects "IPC will accept, categorize and evaluate projects with later first delivery dates and will determine needs beyond the summer of 2028 as described in Exhibit R".[27] [redacted] was deemed "eligible" and was moved to Group 2 to be considered for the 2029 procurement.

In addition to the aforementioned findings, LEI brought to IPC's attention the conforming qualities of the [redacted] resource capacity proposals that IPC had previously determined ineligible. [redacted] was initially assessed non-conforming (by both LEI and IPC evaluation) resulting from the omission of the required Exhibits M and P. Upon receipt of the letter to cure from IPC, [redacted] provided the missing Exhibit P; and, although they confirmed they did not have any redlines to Exhibit M[28], they did not submit an Exhibit M. The lack of Exhibit M submittal rendered their proposal deficient per the RFP requirements. LEI, however, challenged this interpretation and raised the possibility of a misunderstanding between the bidder and IPC. Given the limited effort required to meet this specific eligibility criteria, LEI gave the benefit of the doubt to the bidder and assumed that the bidder did not judge it necessary to re-submit Exhibit M (devoid of redlines) already included in the RFP. Following consultation with LEI, IPC subsequently agreed with LEI and included the [redacted] resource capacity proposals in the pool of eligible proposals. It is worth noting that both [redacted] bids were eventually ranked competitively and shortlisted in the ISL; one of the bids made it to the FSL.

IPC's final list of non-conforming bids contained two (2) bidders: [redacted] and [redacted] LEI is in consensus with this list.

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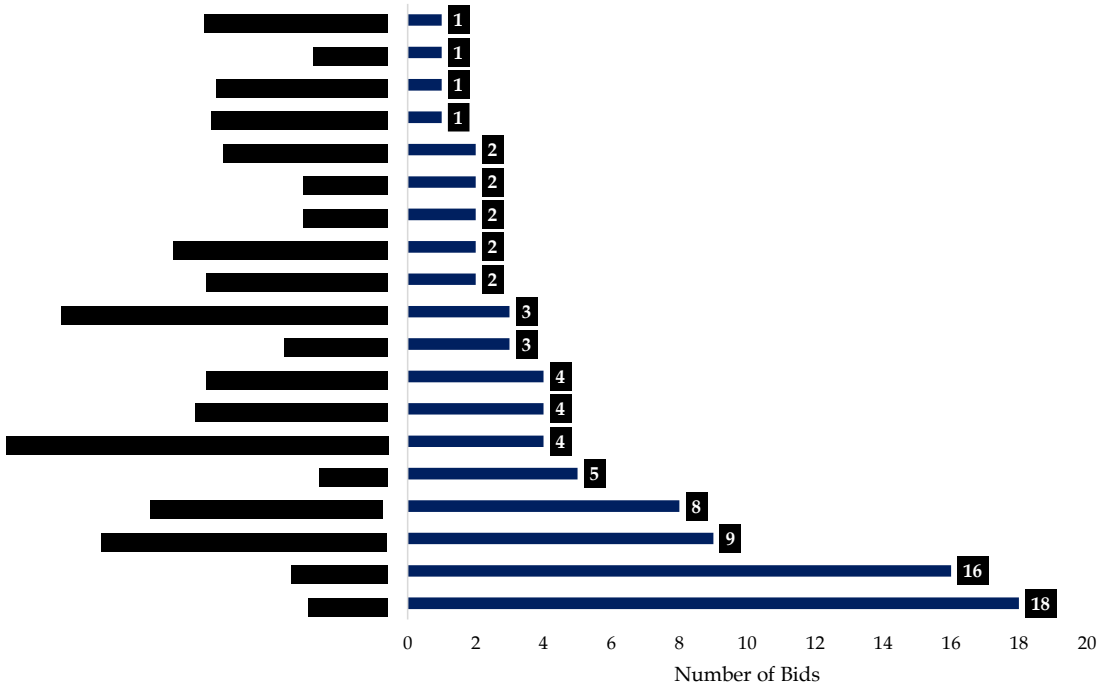
[27] Idaho Power Company. *2028 All Source Request for Proposals (RFP) for Peak Capacity and Energy Resources*. August 16, 2024. P. 11.

[28] See email from [redacted] to IPC on September 26, 2024.

5.2 Eligible proposals

IPC identified a total of 88 proposals from 19 companies as eligible for the Initial Shortlist ("ISL"). Figure 8 shows the number of eligible bids by each bidder. The eligible proposals have a total combined bid value of more than 25,105 MW.[29]

Figure 8. Number of eligible proposals by bidder



Solar facilities constitute more than half of the total capacity, with a greater majority of solar resource proposals being offered alongside BESS proposals. As illustrated Figure 9, 45% of the eligible resource-based proposals feature solar and battery storage components, with standalone solar constituting the remaining majority of eligible bids. The remaining proposals were comprised of standalone battery storage systems, standalone wind, and G2H, or wind and G2H offered with battery storage systems.

In terms of the structure of the resource-based products, solar PPAs offered in combination with BESS BSA's dominate the eligible bids with 35 proposals. Not all bids for solar PPAs aligned with the minimum requirements. It can be noted that it was only the proposals with some form of solar

[29] Excluding the escalated [redacted] bids, the eligible collective capacity amounts to 23,805 MW.

offering, that demonstrated non-compliance with the eligibility requirements; The non-compliant bids primarily consist of proposals involving solar PPAs, solar PPAs and BESS BSAs, as well as the only combination offering of solar PPA, BESS BSA, and wind PPAs. Figure 9 illustrates eligibility and non-compliance in further detail.

Figure 9. Fuel mix of the eligible resource-based bids

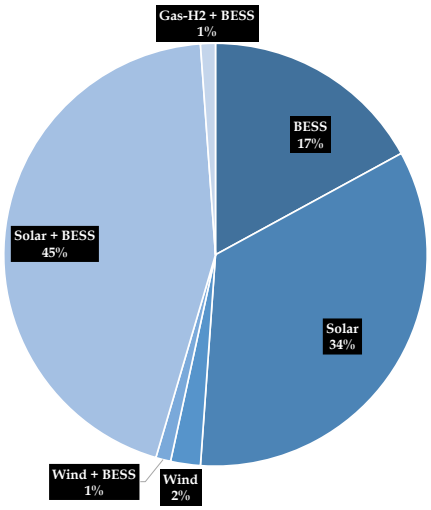
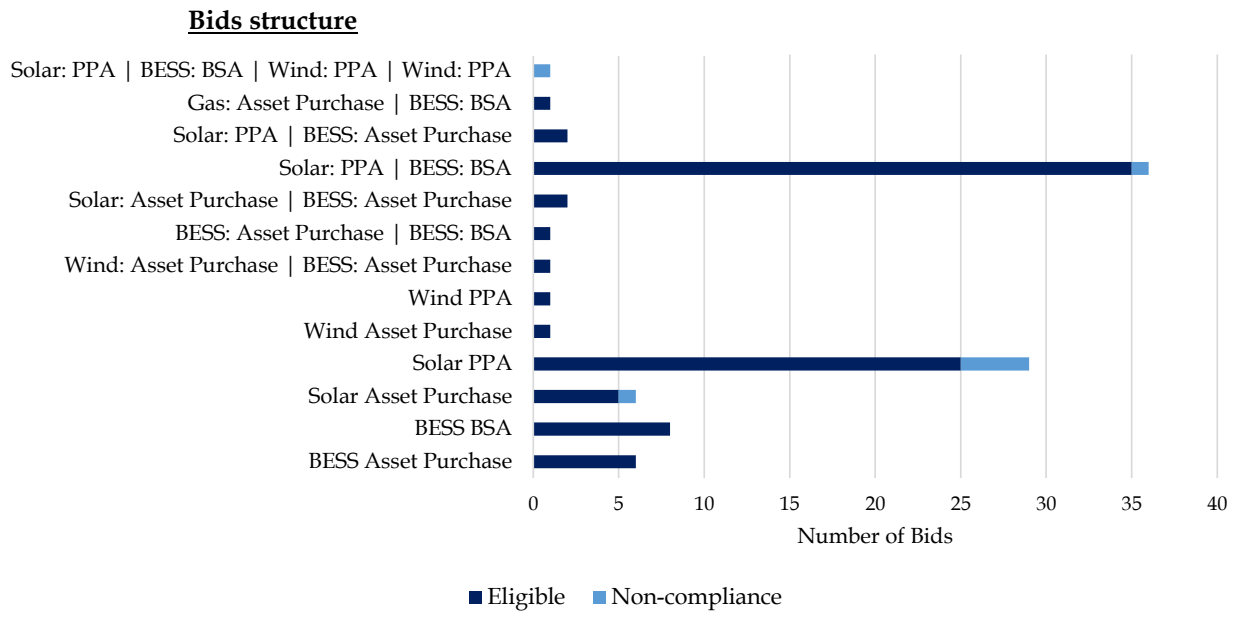


Figure 9. Breakdown of resource-based bids that are eligible vs. non-compliant with the minimum eligibility requirements



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6 Bid evaluation and scores for the Initial Shortlist

This section covers IPC's ranking methodology, and specifically the non-pricing and pricing scoring models underpinning the bids ranking. As explained in Section 6.1, bidders could earn up to 25 points for the non-pricing scoring component of the scoring methodology. Section 6.2 covers the pricing scoring component of the scoring methodology, for which bidders could earn up to 75 points. In total, each bid could earn up to 100 points; the sum of the non-pricing and pricing scores were then used to rank and compare bids, as covered in Section 7.1.

6.1 Non-pricing scoring methodology

6.1.1 Description of the scoring methodology for resource-based products

After evaluating bid eligibility, both IPC and LEI assessed the non-pricing factors of the bids submitted. IPC prepared questions in the BEF that were meant to provide an understanding of each bid's key attributes. Factors were split into two categories of different scoring weights: (i) *contracting progress and viability*, at a 10% weighting and (ii) *project readiness and deliverability*, at a weighting of 90%. Together, all factors and their respective weightings build the non-pricing score for each bid, as shown in Figure 10. Bidders could earn up to 25 total points in the non-pricing scoring component of the scoring methodology—up to 2.5 points for *contracting progress and viability* and up to 22.5 points for *project readiness and deliverability*.

Figure 10 graphically depicts the different non-pricing scoring factors taken into consideration by IPC in the bid evaluation process yet largely:

- *contracting progress and viability* seeks to confirm whether bidders have reviewed the contract terms specified in the Draft Form Agreements, Technical Specifications, and Draft Form Letter of Credit. Contract terms pertained to items such as product, price, term, performance guarantees, damages, and payments, among others. Bidders were provided the opportunity to submit redline documents to IPC, and were not penalized for these redlines. Bidders could earn up to 2.5 points on this non-pricing factor;
- *project readiness and deliverability* covers an additional pool of factors meant to give IPC an understanding of whether proposed projects will be able to achieve commercial operations by COD: **site control, zoning, permits, GIA, NRIS/ERIS, experience, safety, financing, development schedule, and existing conditions**. At a high level, through descriptions of each factor provided in the BEF, bidders were prompted to indicate the extent to which they have site access, zoning approval, executed land agreements, permits, interconnection approval, industry experience, safe working conditions, project financing, construction milestones, and materials for construction. Bidders could earn up to 22.5 points for these non-pricing factors.

Figure 10. Non-pricing factors for resource-based products

Source: IPC. 2028 All Source Request for Proposals (RFP) for Peak Capacity and Energy Resources. Updated November 25, 2024. p. 26-27

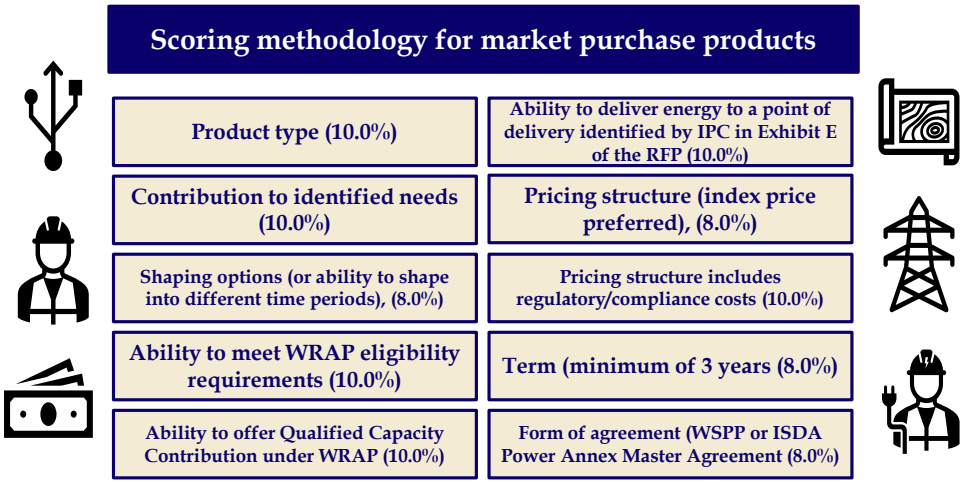
Bidders were required to self-score their performance on various non-pricing factors using the BEF form. For certain factors, bidders were asked to assign themselves a score of either "red" or "green"—indicating whether the proposed project possesses the requisite documentation to substantiate a particular attribute. For example, a self-score of "green" for financing signifies that the proposed project has the necessary documentation to demonstrate a viable financing plan; conversely, a self-assessment of "red" indicates that the project lacks the documentation to verify a financing plan is in place. In the case of other factors, bidders were also permitted to self-score as "yellow" for items where progress is being made. For instance, a bidder should self-score as "yellow" for the GIA if the proposed project does not yet have an executed interconnection agreement but can provide completed interconnection studies with a schedule and cost estimate for all upgrades that support the commercial operation date. Furthermore, for several factors, a "not applicable" option was also available.

With respect to readiness and deliverability factors, bidders were not required to have all required factors in place (i.e., bidders were not all expected to have executed interconnection agreements), though more advanced projects would receive a comparatively higher non-pricing score (i.e., bidders with executed interconnection agreements would receive more points than those that have only completed interconnection studies). The greater the number of "green" self-scored factors, the higher the bidder's non-pricing score (based on the weighting shown in Figure 10). Bidders provided their self-scores in the BEF and provided additional context for their scores in their respective bid narratives (Exhibit N) and supplemental attachments.

6.1.2 Description of the scoring methodology for market purchase products

The non-pricing evaluation methodology for market purchase products mirrors that of resource-based products, with the key distinction lying in the specific criteria and weightings employed for each factor. These attributes, along with their corresponding weightings, are depicted in Figure 11. Like resource-based products, bidders could achieve a maximum score of 25 points by receiving a "green" rating across all non-pricing factors. The pricing factors (or attributes) do, however, differ from those of resource-based products. However, none of the proposals submitted for consideration in the 2028 AS RFP, were market-based products.

Figure 11. Scoring for non-pricing factors



Source: IPC. 2028 All Source Request for Proposals (RFP) for Peak Capacity and Energy Resources. Updated November 25, 2024. p. 27-28.

6.1.3 LEI's assessment of the non-pricing scores

In accordance with the methodology outlined in Sections 6.1.1 and 6.1.2, both IPC and LEI independently evaluated the non-pricing factors of each submitted bid. LEI's evaluation was guided by its understanding of IPC's descriptions of each non-pricing factor, as detailed in the BEF and RFP. Specifically, LEI assessed all submitted documents and used the content provided in each submission to fill out the non-pricing tab of the BEF for each project. IPC employed a similar approach to assessing the non-pricing factors of each bid. The results of the IPC Evaluation Team's score and the IE's score are provided in Figure 12.

While the non-pricing scores calculated for each bid by IPC and LEI generally aligned, there were several bids for which scores diverged. In overall, the discrepancy in scores relates to IPC's and LEI's differing views on whether bidders submitted sufficient documentation (or other written evidence) to support their self-scores. After reviewing IPC's justification for their non-pricing

scores of bids, there were 35 bids scored identically (by LEI and IPC), 99 bids were scored slightly differently. On average, the non-pricing score difference for resource-based bids (between LEI and IPC) varied by 0.43 points. The scoring divergences were small enough that it did not have a marginal impact on the overall ratings of the bids from both LEI and IPC's sides. However, LEI did note meaningful divergences in the total scoring for three resource bids: [redacted] and the [redacted] (solar and BESS) projects. LEI scored [redacted] bids (proposals #38A and #39A) at 18.1 versus 15 from IPC; and [redacted] (proposal #61) bid was scored at 21.25 by LEI versus 14.38 by IPC. The difference in the scoring originates mainly from the non-pricing criteria #9 – *Development schedule*. For each of these projects, IPC gave a "red" score versus "green" from LEI for a variety of reasons [redacted]. In the following paragraphs we provide more detail on the rationale underlying IPC's scoring.

The [redacted] (proposals #38 and #39)– is deemed unlikely to come online by the due date due to interconnection and construction delays

The Large Generator Interconnection Agreement[30] suggests a total of 39 months from construction funding, will be necessary for IPC to complete the back feed power infrastructure construction. The LGIA is currently suspended and, as of October 23, 2024[31], the developer has yet to provide funding to advance the notice to proceed. Once out of suspension, the LGIA would still have to be amended pursuant to the LGIA and Open Access Transmission Tariff ("OATT");[32] furthermore, according to IPC, the location where [redacted] intends to connect to the IPC grid has been changed from the LGIA and thus a restudy would likely include increased costs and timing to complete the interconnection facilities. Even with a notice to proceed in 2024, according to IPC, the back feed power infrastructure would not be available until at least the first quarter of 2028, thus making the December 1, 2027, COD not feasible.

The [redacted] – is not likely to come online by the due date [redacted]

[redacted]

[30] Standard LGIA between Idaho Power Company and [redacted] (1,650 MW). Appendix B. September 12, 2023.

[31] Clarifying email received on October 23, 2024, from IPC.

[32] *Ibid.*

[redacted] Furthermore, the scale of the interconnection requested (1,050 MW)[33] would require that all contingent facilities described in Appendix A of the LGIA are assumed to be constructed. An alternative to all contingent facilities being complete is if a project intends to be commercialized with limited output and/or be willing to certain curtailment events by completing a Limited Operations Study, then some of the contingent facilities may not be required. This has however not occurred according to IPC, and thus all contingent and affected systems would need to be completed first, in order to be in compliance with the LIGA; none of it has started thus far (as of October 23, 2024)[34], which makes achieving the anticipated COD unrealistic.

After reviewing IPC's clarifying answers and related supporting documents, LEI is in agreement with IPC's non-pricing scores. In addition, despite its low non-pricing score, [redacted] proposal #39 was shortlisted as the only hybrid technology gas/hydrogen and BESS. [redacted] (proposal #38) and [redacted] however, were not shortlisted.

Figure 12. Comparison of non-pricing scores: bidder, IPC Evaluation Team, and LEI

Bidder	Resource No.	Sites	Bidder Score	IPC Evaluation Team Score	LEI Evaluation Score	IPC and LEI Difference
[redacted]	1	[redacted]	25	25	25	0
	2A		25	25	25	0
	2B		25	24.38	25	-0.62
	3A		25	25	25	0
	3B		25	25	25	0
	4		25	25	25	0
[redacted]	5	[redacted]	25	25	25	0
	6		25	25	25	0
	7		25	25	25	0
	8		25	25	25	0
	9		25	25	25	0
	10		25	25	25	0
	11		25	25	25	0
	12		25	25	25	0

[33] Standard LGIA between Idaho Power Company and [redacted] (1,050 MW) March 23, 2022.

[34] Clarifying email received on October 23, 2024, from IPC.

Bidder	Resource No.	Sites	Bidder Score	IPC Evaluation Team Score	LEI Evaluation Score	IPC and LEI Difference
	13		25	23.13	23.125	0.005
	14		25	23.13	23.125	0.005
	15		25	23.13	23.125	0.005
	16		25	23.13	23.125	0.005
	17A		25	23.13	23.125	0.005
	17B		25	22.5	21.875	0.625
	18A		25	23.13	23.125	0.005
	18B		25	22.5	21.875	0.625
	19A		25	23.13	23.125	0.005
	19B		25	22.5	21.875	0.625
	20A		25	23.13	23.125	0.005
	20B		25	22.5	21.875	0.625
	21A		25	23.13	23.125	0.005
	21B		25	22.5	21.875	0.625
	22A		25	23.13	23.125	0.005
	22B		25	22.5	21.875	0.625
	23A		25	23.13	23.125	0.005
	23B		25	22.5	21.875	0.625
	24A		25	23.13	23.125	0.005
	24B		25	22.5	21.875	0.625
	25A		25	23.13	23.125	0.005
	25B		25	22.5	21.875	0.625
	26A		25	23.13	23.125	0.005
	26B		25	22.5	21.875	0.625
	27A		25	23.13	23.125	0.005
	27B		25	22.5	21.875	0.625
	28A		25	23.13	23.125	0.005
	28B		25	22.5	21.875	0.625
	29A		25	23.13	23.125	0.005
	29B		25	22.5	21.875	0.625
	30A		25	23.13	23.125	0.005
	30B		25	22.5	21.875	0.625

Bidder	Resource No.	Sites	Bidder Score	IPC Evaluation Team Score	LEI Evaluation Score	IPC and LEI Difference
	31A		20	16.25	16.875	-0.625
	31B		20	16.25	16.875	-0.625
	32		20	16.25	16.875	-0.625
	33		23.13	23.13	20	3.13
	34		25	25	23.125	1.875
	35		25	23.13	25	-1.87
	36A		25	23.13	25	-1.87
	36B		25	23.13	25	-1.87
	38A		21.88	15	18.125	-3.125
	38B		21.88	15	18.75	-3.75
	39A		21.88	15	18.125	-3.125
	39B		21.88	15	17.5	-2.5

Bidder	Resource No.	Sites	Bidder Score	IPC Evaluation Team Score	LEI Evaluation Score	IPC and LEI Difference
	40A		21.25	21.25	21.25	0
	40B		21.25	21.25	21.25	0
	41A		21.25	21.25	21.25	0
	41B		21.25	21.25	21.25	0
	42A		21.25	21.25	21.25	0
	42B		21.25	21.25	21.25	0
	43A		21.25	21.25	21.25	0
	43B		21.25	21.25	21.25	0
	44A		21.25	21.25	21.25	0
	44B		21.25	21.25	21.25	0
	45A		21.25	21.25	21.25	0
	45B		21.25	21.25	21.25	0
	46		21.25	21.25	21.25	0
	47		21.25	21.25	21.25	0
	48		21.25	21.25	21.25	0
	49		22.5	22.5	21.25	1.25
	50		22.5	22.5	21.25	1.25
	51		25	21.25	19.375	1.875
	52		22.5	18.75	21.25	-2.5

Bidder	Resource No.	Sites	Bidder Score	IPC Evaluation Team Score	LEI Evaluation Score	IPC and LEI Difference
	53		23.13	19.38	21.25	-1.87
	54		23.13	19.38	21.25	-1.87
	55		23.13	19.38	21.25	-1.87
	56		23.13	19.38	21.25	-1.87
	61		25	14.38	21.25	-6.87
	62		25	25	21.875	3.125
	63A		25	25	21.875	3.125
	63B		25	25	21.875	3.125
	64A		25	25	21.875	3.125
	64B		25	25	21.875	3.125
	65A		25	25	21.875	3.125
	65B		25	25	21.875	3.125
	66		21.25	19.38	18.125	1.255
	67		21.25	19.38	18.125	1.255
	68A		21.25	19.38	18.125	1.255
	68B		21.25	19.38	18.125	1.255
	69		25	25	21.875	3.125
	70A		25	25	21.875	3.125
	70B		25	25	21.875	3.125
	71		25	25	21.875	3.125
	69e		25	25	21.875	3.125
	70Ae		25	25	21.875	3.125
	70Be		25	25	21.875	3.125
	71e		25	25	21.875	3.125
	73		25	21.25	21.875	-0.625
	74		25	25	21.875	3.125
	73e		25	21.25	21.875	-0.625
	74e		25	25	21.875	3.125
	77		23.13	25	21.875	3.125

Bidder	Resource No.	Sites	Bidder Score	IPC Evaluation Team Score	LEI Evaluation Score	IPC and LEI Difference
[redacted]	78A	[redacted]	23.13	25	21.875	3.125
	78B		23.13	23.75	20.625	3.125
	79A		25	25	21.875	3.125
	79B		23.13	23.75	20.625	3.125
[redacted]	80	[redacted]	25	25	25	0
	81		25	25	25	0
	82		25	25	25	0
	83		25	23.75	21.875	1.875
	84		25	23.75	21.875	1.875
	85A		25	25	21.875	3.125
	85B		25	23.75	21.875	1.875
	86A		25	25	25	0
	86B		25	23.75	21.875	1.875
	87A		25	25	25	0
	87B		25	23.75	21.875	1.875
	88A		25	25	25	0
	88B		25	23.75	21.875	1.875
	89A		25	25	25	0
	89B		25	23.75	21.875	1.875
	90		23.13	23.13	25	-1.87
	91		23.13	23.13	25	-1.87
	92		23.13	23.13	25	-1.87
	93A		23.13	23.13	25	-1.87
	93B		23.13	21.88	21.875	0.005
	94A		23.13	23.13	25	-1.87
	94B		23.13	21.88	21.875	0.005
	95A		23.13	23.13	25	-1.87
	95B		23.13	21.88	21.875	0.005

Sources: IPC and LEI analyses based on submitted BEFs.

6.2 Pricing scoring methodology

6.2.1 Description of the scoring methodology

After reviewing the eligibility and the non-pricing factors, IPC and LEI evaluated the pricing scores. Bids could earn up to 75 total points under the pricing evaluation. For this part of the assessment, IPC prepared a pricing (financial) model in Excel format. As part of the pricing assessment, IPC sought to understand the revenue requirement per kilowatt cost of each bid. Bidders were asked to provide supplemental pricing information, including tax credit benefits, carrying costs, and interconnection (upgrade) costs (if known), among others if applicable. In addition, bidders were required to submit revised pricing estimates through the submission of a Resource Based Price Input Sheet.

According to the pricing methodology provided in the RFP, for each technology group, the bid with the highest relative score receives the full maximum 75 points and the bid with the lowest relative score receives a score of zero. All remaining bids receive a score of between zero and 75

based on the "relative relationship" of their pricing score to the scores of the highest and lowest scored bids.

6.2.2 IPC's pricing score

The figures below show IPC's pricing scores for stand-alone resource-based bids that are scheduled to come online in 2028 and present the pricing scores for contingent bids. These pricing scores are based on IPC's model, which LEI evaluated (discussed in Section 6.2.3).

Figure 13. IPC's pricing score for stand-alone bids

Standalone - BESS 2028					
Bidder	Facility Name	Master Project	MW	Sum of LCOC ($/kW/Month)	Score
[redacted]	[redacted]	[redacted]	150	[redacted]	75.0
			200		61.1
			200		56.4
			200		54.1
			150		52.1
			200		49.4
			150		38.9
			200		35.9
			200		35.6
			215		33.6
			200		33.1
			200		33.1
			150		30.2
			200		27.4
			200		26.2
			100		24.8
			100		11.3
			100		-

Standalone - Solar 2028					
Bidder	Facility Name	Master Project	MW	Sum of LCOC ($/kW/Month)	Score
[redacted]			330	[redacted]	75.0
			80		52.4
			80		47.3
			80		47.3
			66		44.9
			149		44.2
			149		43.2
			400		42.9
			405		42.8
			405		41.3
			149		39.7
			405		39.5
			400		39.3
			200		37.7
			149		37.4
			149		37.4
			149		37.1
			450		36.6
			149		35.7
			200		35.2
			200		31.8
			149		31.5
			150		30.1
			150		27.5
			200		26.0
			130		22.1
			300		19.6
			300		19.2
			200		15.9
			400		13.7
			114		-

Standalone - Wind 2028					
Bidder	Facility Name	Master Project	MW	Sum of LCOC ($/kW/Month)	Score
[redacted]			100	[redacted]	75.0
			179		70.0

Source: IPC

London Economics International LLC
717 Atlantic Avenue, Suite 1A
Boston, MA 02111
www.londoneconomics.com

Figure 14. IPC's pricing score for combined bids with 2028 COB

Solar plus BESS 2028					
Bidder	Facility Name	Master Project	Sum of Combined MWs	Sum of Combined LCOC ($/kW/Month)	Score
[redacted]	[redacted]	[redacted]	900	[redacted]	73.3
			280		66.4
			280		64.6
			280		64.1
			280		64.0
			280		62.2
			600		57.3
			400		56.3
			338		55.8
			225		55.7
			300		55.4
			225		54.7
			400		54.3
			600		53.3
			500		52.4
			225		51.8
			300		51.8
			300		51.7
			300		51.4
			600		48.0
			500		45.6
			300		41.4
			400		39.2
			300		37.6
			400		36.4
			260		35.9
			300		34.7
			600		33.3
			400		31.6
			300		31.3
			300		31.0
			400		29.2
			400		26.4
			300		24.6
			400		23.3
			400		21.6
			300		20.2
			214		13.7

Wind plus BESS 2028					
Bidder	Facility Name	Master Project	Sum of Combined MWs	Sum of Combined LCOC ($/kW/Month)	Score
[redacted]			279	[redacted]	75.0
Gas plus BESS 2028					
Bidder	Facility Name	Master Project	Sum of Combined MWs	Sum of Combined LCOC ($/kW/Month)	Score
[redacted]			220	[redacted]	75.0
BESS plus Energy 2028					
Bidder	Facility Name	Master Project	Sum of Combined MWs	Sum of Combined LCOC ($/kW/Month)	Score
[redacted]			275	[redacted]	75.0

Source: IPC.

6.2.3 LEI's assessment of the financial model used for ISL bids

As discussed in the Second IE Report filed on August 2, 2024, IPC used its proprietary Excel-based financial model to develop the ISL. IPC provided LEI with an updated version of the financial model entitled "*2028 RFP Financial Models Template - ISL 10.10.24.xlsx*" (or "the updated financial model") in an email on October 10, 2024 for review. In addition, on a call held on October 18, 2024, IPC walked LEI through the updated financial model and answered LEI's preliminary questions. The definitive version of the model entitled "*2028 RFP Financial Models Template - ISL 10.10.24 Correct 10.22.24.xlsx*" was provided by IPC via email on October 22, 2024.[35] The latter includes the bid pricing information and the results of IPC's pricing evaluation.

IPC's model consolidates information provided for all bids in the BEF regarding pricing and operational details specific to each bid, as well as IPC's financial assumptions, to calculate the delivered revenue requirement per kilowatt for each bid. IPC's model determines the levelized cost to support each bid's score within each technology category (wind, solar, BESS, etc.) using the levelized cost of capacity ("LCOC") for battery storage units and the levelized cost of energy ("LCOE") for all the other technology types. IPC also developed its own assumptions for certain model inputs, such as inflation, discount rate, tax rate, asset life, allowance for funds used during construction ("AFUDC") rates, integration costs, owner costs, adjustment on Investment Tax

[35] LEI provided an overview of the previous IPC model entitled "2028 RFP Financial Models Template.xlsx" on the Second IE Report issued in August 2024.

Credit from sale on secondary market, etc. LEI confirmed that the assumptions made by IPC were applied across all bids consistently.

LEI reviewed IPC's updated financial model to understand the model structure, utilization of data by IPC, assumptions relied upon by IPC (methodology and sources), and how each bid price score was calculated. During the call on October 18, 2024, IPC provided insights into updates they made on network upgrades in the latest version of the Financial Model. In fact, in that version, IPC adjusted project costs with the latest information available on network upgrades.[36]

LEI considers IPC's updated financial model and assumptions to provide a sound and justifiable approach for ranking bid proposals, and to be consistent with the described process above, and therefore reasonable. LEI also finds that this approach does not discriminate against any ownership type. LEI reviewed this model and found it accurate in pulling in and analyzing pricing information submitted by bidders for each bid, in general. In an email sent to IPC on October 22, 2024[37] LEI highlighted a formula error related to the LCOC of one of the bids [redacted]). The formula was subsequently corrected by IPC (lowering the LCOC from [redacted]). While the corrected formula increased the rating of the bid, and elevated it higher on the standalone BESS list, the bid still did not make it to the ISL due to its limited competitivity on pricing.

6.2.4 LEI's assessment of the financial model used for FSL bids

On December 11, 2024, IPC provided LEI with the updated version of the financial model, entitled *"2028 RFP Financial Models Template – Hendrickson_FSL – 12-2-24 LEI Final Confidential.xlsx"*, used to re-evaluate the ISL. The model incorporated: 1) updated pricing from bidders requested after the ISL, 2) the Hendrickson independent Renewables' Energy Production Estimate Reviews, and 3) updated network upgrade costs based on the latest available information. Aside from the changes 1) PPA prices, 2) projects' yearly output, and 3) updated network upgrade costs, all other assumptions such as inflation, discount rate, tax rate, asset life, AFUDC rates, etc. remained the same and were applied across all bids consistently.

[36] Network upgrade costs were applied to resources on a prorate basis of their respective capacity contribution. For example, network upgrades costs would be split 25/75 for a project combining a 100 MW BESS and a 300 MW solar.

[37] Clarifying emails exchanged between LEI and IPC on October 22, 2024.

7 Selection Process - Phase I: Initial shortlist

7.1 Ranking methodology

IPC's ranking, resulting from the sum of the non-pricing and pricing scores determined for each bid, is meant to encompass the completeness and competitiveness of bids for each resource technology group. A ranking of bids within each individual technology group is also meant to ensure that bids presenting comparable attributes are assessed against one another before being compared to other technologies/bids that present different attributes and physical/operational characteristics. The technology-specific rankings were used by IPC to develop its final ISL.

According to the 2028 AS RFP, "the highest ranking and relatively lowest cost bids within each technology category will make up the ISL."[38] The ISL results from (1) bid eligibility screening , (2) the non-pricing and pricing scores, and subsequent ranking by technology type, and (3) the "identification of the lowest cost bids."[39] In addition, IPC took several steps to finalize the list of the bids shortlisted. At a high level, IPC first chose to advance a project if it was the only bid submitted for a particular technology type. Next, if IPC advanced any one particular bid (i.e. a solar project), then it automatically also advanced all submitted combinations of that bid (i.e. a proposal consisting of the same solar project combined with BESS), even if those alternative bid combinations did not themselves make the ISL. IPC also advanced bids with pricing proposals that it viewed as more attractive than those of other bids of the same technology type.

Furthermore, IPC explained in its ISL memo[40] that it "desired a reasonable and diversified quantity of projects that represent each technology category that met the following principles:

a. minimum of three bidders/projects where sufficient bids were included;
b. sufficient capacity/energy quantity to meet the stated needs of the RFP;
c. technology categories that only had one bidder, were automatically moved forward; and

[38] Idaho Power Company. *2028 All Source Request for Proposals (RFP) for Peak Capacity and Energy Resources*. Updated November 25, 2024. p. 28.

[39] Idaho Power Company. *2028 All Source Request for Proposals (RFP) for Peak Capacity and Energy Resources*. Updated November 25, 2024. p. 25.

[40] IPC. *2028 AS RFP - Initial Short List Recommendation*, October 11, 2024.

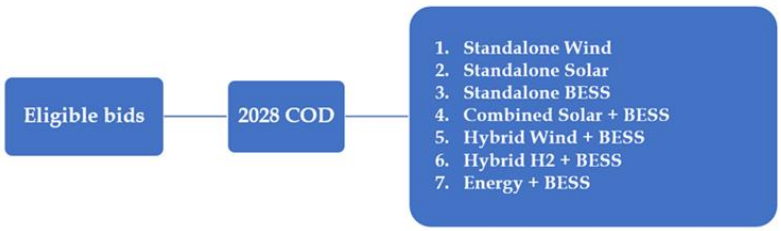
d. step increases to price and total score were utilized as a natural cutoff."[41]

LEI discusses this ISL process in the subsections that follow.

7.2 Overview of IPC's Initial Shortlist

IPC's ISL consists of the highest-ranking scores from the eligible bids; it also reflects IPC's desire for a diversified mix of projects organized by categories based on technology, separating standalone from combined bids – categories were created separately for each technology for: standalone bids (i.e. solar-only or wind-only bids), and for each combination of combined resources (i.e. solar with BESS). IPC ended up with a total of seven sub-categories for allocating price scores to the bids (see Figure 15).

Figure 15. ISL ranking subcategories

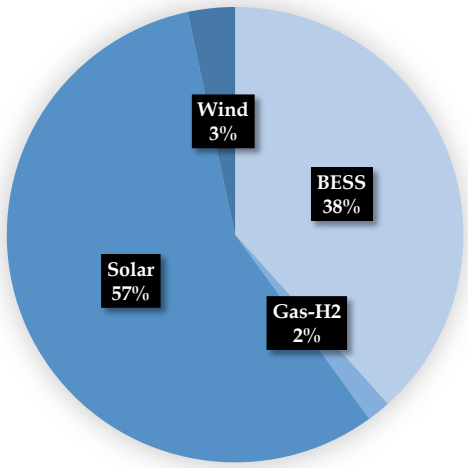


In each sub-category, IPC ranked bids from the lowest to the highest price offer, with the lowest price receiving the highest number of points (75 points) and the lowest score being awarded zero points. The rest of the scoring was determined using a formula that examined the variance between the bid price and the lowest bid price. The greater the difference between a given price and the lowest price, the lower the score; conversely, the smaller the difference, the higher the score.

The ISL selected a total of 42 bids consisting of 15 facilities, with a collective capacity of 11,166 MW. Notably, this selection encompasses a diverse range of technologies, ensuring representation of all the technologies offered during the RFP process, as depicted in Figure 16. Solar capacity dominates the ISL, constituting 57% of the total, followed by BESS with 38% of the capacity. The remaining shortlisted resource-based capacity is derived from wind and G2H resources. Figure 16 below illustrates this in further detail.

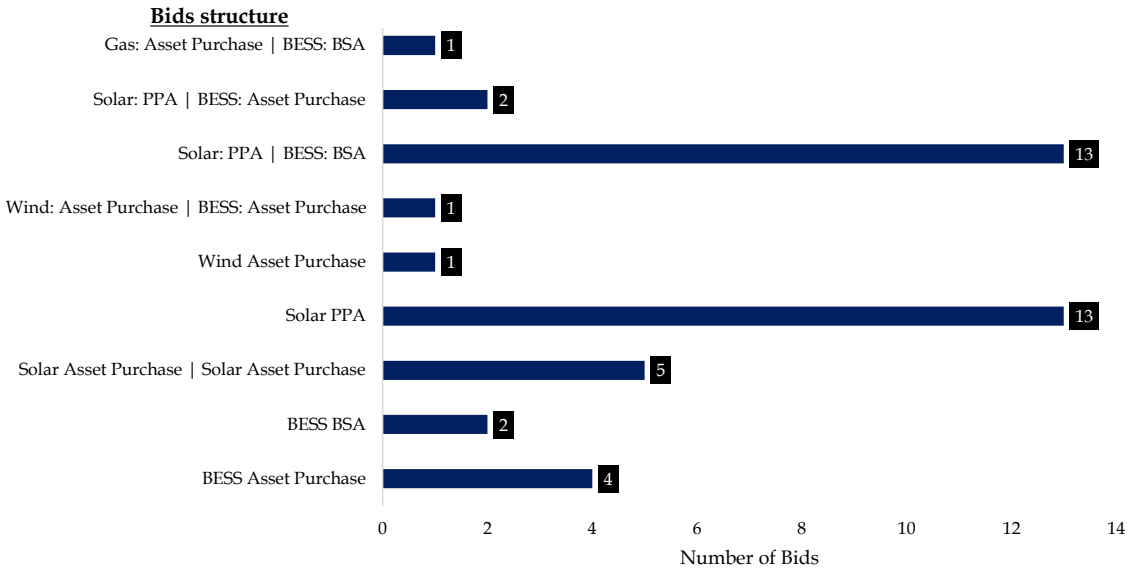
[41] Idaho Power Company. *2028 All-Source Request for Proposals Eligibility and Phase 1 – Initial Short-List Evaluation Review*. October 11, 2024. p.2.

Figure 16. Fuel mix of ISL resource-based bids



In terms of the structure of the bids, standalone solar PPAs and solar PPAs plus BESS BSAs dominate the initial shortlisted bids, each with 13 bids, respectively. This is followed by solar asset purchases with five bids, and BESS asset purchases with four bids, as shown in Figure 17.

Figure 17. Number of ISL resource-based bids for each structure



Source: Bids Entry Forms submitted by all bidders for the 2028 AS RFP

The shortlist bids are listed in the tables below.

Figure 18. Initial Shortlist bids

Technology - Standalone Wind Bidder	Master Project Facility Name	Total Phase 1 Score (Price/Non-Price)
[redacted]		95.00

Technology - Standalone BESS Bidder	Master Project Facility Name	Total Phase 1 Score (Price/Non-Price)
[redacted]		100.00
		83.65
		80.14
		77.82
		77.07
		71.91

Bidder	Master Project Facility Name	Total Phase 1 Score (Price/Non-Price)
[redacted]		94.38
		77.40
		72.34
		72.30
		69.93
		69.23
		68.24
		66.08
		64.71
		62.68
		62.41
		62.40
		62.36
		62.13
		62.17
		60.71
		60.69

Technology - Combined Solar Plus BESS Bidder	Master Project Facility Name	Total Phase 1 Score (Price/Non-Price)
[redacted]		90.81
		89.59
		89.01
		88.44
		88.42
		86.62
		80.71
		80.80
		79.78
		80.38
		79.29
		77.35
		76.92
		75.76
		75.95
Technology- Hybrid Wind + BESS **Bidder**	**Master Project Facility Name**	**Total Phase 1 Score (Price/Non-Price)**
[redacted]		100.00
Technology Hybrid-H2 + BESS **Bidder**	**Master Project Facility Name**	**Total Phase 1 Score (Price/Non-Price)**
[redacted]		90.00
Technology - Energy + BESS **Bidder**	**Master Project Facility Name**	**Total Phase 1 Score (Price/Non-Price)**
[redacted]		99.38

Source: IPC.

Below, LEI provides IPC's rationale for its choice of resource-based bids for each technology type, as excerpted from the Company's ISL report.

- **Standalone BESS:** The top six bidders amongst four different resource sites and contract structures accounting for 1,100 MW were selected based on price and total score. The advanced proposals offer diversity of scale, contract structure and are also the highest relative ranking based on the total IPC evaluation score;

- **Standalone Solar:** The top 17 proposals with a collective capacity of 2,996 MW, were selected across six bidders that offer a diversity on scale, contract structure and are the highest relative ranking based on IPC's total evaluation score;

- **Standalone Wind:** The top proposal that was submitted, an IPC benchmark bid with the capacity of 178.6 MW, was advanced. The lowest ranking proposal had significant non-price risk related to permitting feasibility, schedule timelines, and interrelated project contingencies. The lowest-ranking proposal also did not have a clearly defined path to commercial operation;

- **Combined Solar and BESS:** The top 15 selectable proposals (as defined in the RFP) were identified across six bidders and amounted to a collective capacity of 5,788 MW. The selected proposals rank high in terms of non-price as well as price;

- **Combined Wind and BESS:** The only selectable proposal was advanced;

- **Combined Gas-H2 and BESS:** The only selectable proposal was advanced; and

- **Combined Energy and BESS:** The only selectable proposal was advanced.

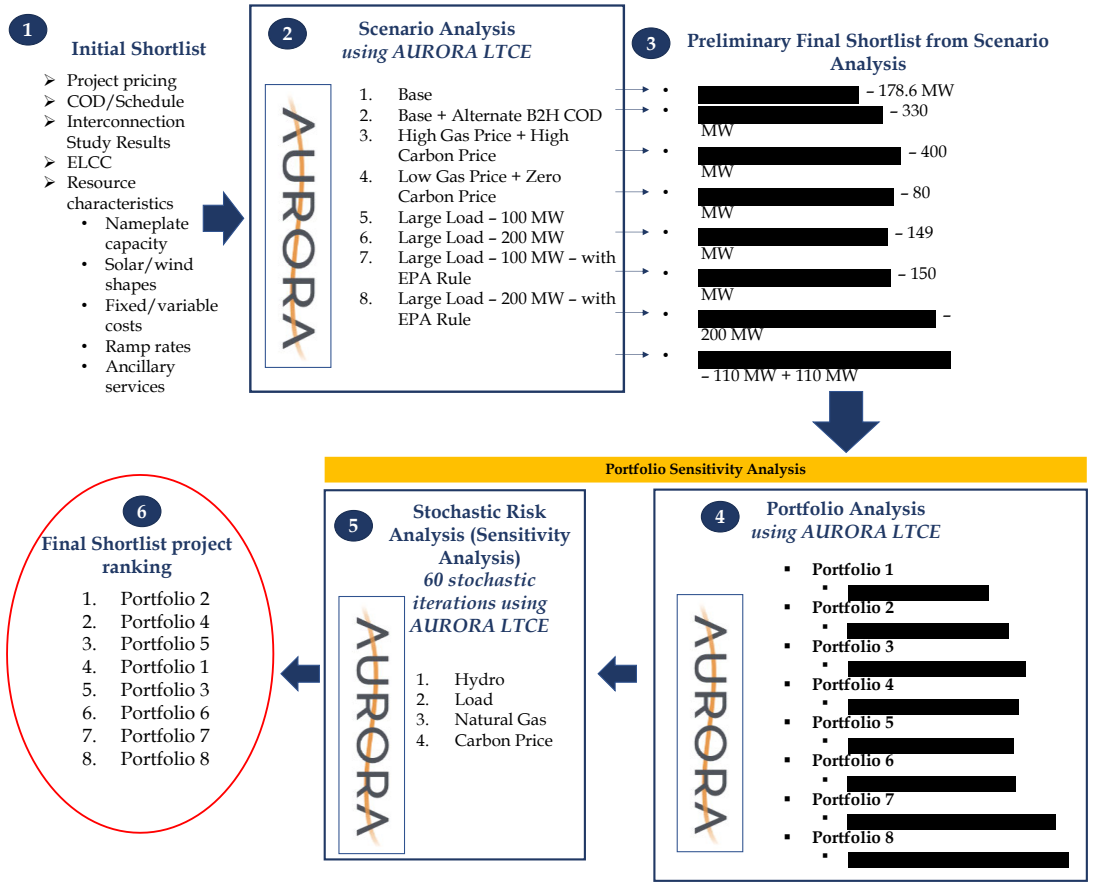
7.3 IE's assessment of IPC's Initial Shortlist

Following LEI's review of IPC's proposed ISL, LEI finds IPC's approach reasonable; the process was determined to be executed in a fair and impartial manner. IPC's ISL identified a pool of top-ranking scores for each vintage and technology category, demonstrating consideration for bidder diversity.

8 Selection Process - Phase 2: Final Shortlist

IPC ran a multi-step process to arrive at the final selection of bids it would recommend for contract discussion (the FSL). The selection process started with the list of ISL bids (from Phase 1), which was further refined via a scenario analysis to derive a Preliminary FSL of bids (or projects).[42] Next, IPC performed a portfolio sensitivity analysis (stochastic analysis) to further test the projects identified in the Preliminary FSL under various market conditions to identify the best performing, resilient, and least cost projects. Finally, the bids making up the FSL were ranked based on the least cost. Figure 19 depicts this Phase 2 FSL process.

Figure 19. IPC's process for determining the Preliminary Final Shortlist and the Final Shortlist



[42] In this section, the IE refers to bids and projects interchangeably.

8.1 Scenario analysis

IPC conducted a scenario analysis to assess the performance of ISL projects under various market conditions and form an opinion on the best performing projects—with the purpose of narrowing down bids into the preliminary FSL of projects. To be more specific, IPC used AURORA to simulate 8 "States of the World" with variable market conditions. The scenarios tested are described in Figure 27; they include testing the impact of a change in the commissioning timelines of the B2H and SWIPN lines, changes in load conditions, consideration of EPA emissions rule, and changes in gas and carbon prices. Each scenario was run independently to isolate the impact of a given scenario on project performance. Projects were selected based on performance (i.e., ability to fill energy and capacity gaps in all hours) and cost. Below, the IE describes in detail each of the scenarios considered.

8.1.1 Assumptions used in the AURORA model

IPC applied three resource-specific components in the AURORA model: resource characteristics (nameplate capacity, solar/wind shapes, fixed/variable costs, and ramp rates), costs, and capacity value/benefit.

The cost metrics input into the AURORA model included the resource specific LCOC and LCOE values calculated in the financial model, described in Section 6.2.3.

The capacity value/benefit was calculated using the ELCC reliability metric to assess the contribution to peak of resources selected in the ISL. The ELCC is based on each individual generator's contribution to overall system reliability given an existing/modeled portfolio of assets.

The ELCC of a resource is determined by first calculating the perfect generation required to achieve a minimum electricity deficit without the evaluated resource—set at a Loss of Load Expectation of 0.1 event-days per year. Then, every individual resource being evaluated was added to the system one at a time, and the perfect generation required was calculated once again. The ELCC of the evaluated resource is the difference in the size of the perfect generators from the two runs divided by the resource's nameplate capacity (see Figure 20).

Figure 20. ELCC calculation methodology

$$ELCC = \frac{PG_1 - PG_2}{Resource_{MW}} \times 100$$

Where:
- PG_1: the perfect generation required to achieve a 0.1 LOLE without including the evaluated resource
- PG_2: the perfect generation required to achieve the same 0.1 LOLE with the evaluated resource included
- Resource $_{MW}$: the nameplate of the evaluated resource

Figure 21 below compares the ELCC values calculated for ISL resources to the ELCC values provided in the 2023 IRP. The ELCC of future resources depends on the resources built before them and are specific to the contribution of each resource; therefore, ELCC values for the specific ISL resources are expected to be different than the ones provided in the IRPs.[43]

Figure 21. ELCC results, ISL vs. IRPs[44]

	AS RFP (summer ELCC)*	2023 IRP
Solar (200 MW)	19.21%	27.7%
BESS (200 MW)	32.07%	38.5%
Wind (100 MW & 179 MW)	17.08%	Idaho: 15.5% Wyoming: 20.8%
Solar + BESS (200 MW 1:1 ratio)	60.79%	61.2% to 85.1%

Source: IPC and 2023 IRP.

Other key non-project specific assumptions used in AURORA include load forecasts, supply (new entry, retirements, and transmission capacity), fuel and carbon prices, and planned key scenarios.

8.1.2 Description of the scenarios and the outcomes of each scenario run

A scenario analysis was conducted to comprehensively assess the performance of the shortlisted bids under a range of potential environmental and policy-price scenarios. This analysis involved simulating eight different scenarios, each with varying assumptions on the commercial online dates for the B2H and the SWIP-N transmission lines, and sensitivities around natural gas prices, carbon prices, emissions rules and demand conditions. A detailed discussion of these scenarios is provided below.

[43] ELCC values from the IRPs are developed by IPC for informational purposes. More information about how the ELCC is calculated, please refer to IPC's 2023 IRP: <https://www.idahopower.com/energy-environment/energy/planning-and-electrical-projects/our-twenty-year-plan/>

[44] It is our understanding based on discussion with IPC that the 2023 IRP and the 2028 AS RFP's ELCC values were not calculated on the same basis year; in other words, the two analyses considered different load and resource buildouts. The 2023 IRP ELCC values were calculated based on the 2025 load and resource year whereas the AS RFP ELCC values were determined utilizing a 2028 load and resource year.

SCENARIO #1 – Base

Description

The "Base" AURORA scenario is consistent with the general base case assumptions used in the filed 2023 IRP except for load and natural gas[45] price forecasts updated in September 2024. IPC also added to this Base scenario; the SWIP-N transmission line. In the Base scenario, a pre-2028 online date is assumed for the B2H transmission line, as well as a November 2028 online date for the SWIP-N transmission line. As noted in the 2023 IRP, Idaho Power assessed SWIP-N as providing 500 MW of resource-equivalent capacity from the Desert Southwest in the winter months beginning in November 2028. Given the expected high solar buildout in the southwest, the company assumed SWIP-N could also provide 50 MW of resource equivalent summer capacity in 2029, and 100 MW starting in 2030 through the remainder of the IRP.

Results: The AURORA LTCE results for this scenario are provided below:

- 2028:
  - 330 MW solar: [redacted]
  - 178.6 MW wind: [redacted]

SCENARIO #2 – Base + Alternate B2H COD

Description:

The "Base + Alternate B2H COD" AURORA scenario is a modification of the Base scenario that assesses the impact of later commercialization dates for both B2H and SWIP-N, on the number of resources needed from the RFP. Under this scenario, the B2H transmission line and the SWIP-N transmission line are both assumed to be delayed until 2029.

Results: The AURORA LTCE results for this scenario are provided below:

- 2028:
  - 330 MW solar: [redacted]
  - 400 MW solar: [redacted]
  - 178.6 MW wind: [redacted]
  - 150 MW BESS: [redacted]
  - 200 MW BESS: [redacted]
  - 110 MW Gas + 110 MW BESS: [redacted]

[45] Platts, Long-term Henry Hub, as of September 2024.

SCENARIO #3 – High gas price, high carbon price

Description:

The "High Gas Price + High Carbon Price" AURORA scenario is consistent with the high gas, high carbon assumptions applied in the filed 2023 IRP except for load forecasts updated in September 2024. In this scenario, similar to the Base scenario a pre-2028 online date is assumed for the B2H transmission line; and a November 2028 online date is assumed for the SWIP-N transmission line. Additional SWIP-N assumptions are noted in the description of Scenario #1. The high gas, high carbon scenario adjusts the natural gas price and carbon adder price forecasts as described below:

- ***natural gas price forecast:*** EIA high oil and gas supply (2023 Annual Energy Outlook)[46]; and
- ***carbon price adder forecast:*** social cost of carbon, methane, and nitrous oxide, interim estimates under Executive Order 13990.

Results: The AURORA LTCE Results for this scenario are provided below:

- 2028:
  - 330 MW solar: [redacted]
  - 80 MW solar: [redacted]
  - 178.6 MW wind: [redacted]

SCENARIO #4 – Low gas price, zero carbon price

Description:

The "Low Gas Price + Zero Carbon Price" AURORA scenario is consistent with the low gas, zero carbon assumptions applied in the filed 2023 IRP, except for load forecasts updated in September 2024. In this scenario, a pre-2028 online date is assumed for the B2H transmission line; and a November 2028 online date is assumed for the SWIP-N transmission line. Additional SWIP-N assumptions are noted in the description of Scenario #1. The low gas, zero carbon scenario adjusts the natural gas price and carbon adder price forecasts as described below:

- ***natural gas price forecast:*** EIA low oil and gas supply[47] (2023 Annual Energy Outlook); and ***carbon price adder forecast:*** zero dollars per ton.

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[46] 2023 Annual Energy Outlook - https://www.eia.gov/outlooks/aeo/.

[47] *Ibid.*

Results: The AURORA LTCE Results for this scenario are provided below:

- 2028:
  - 330 MW solar: [redacted]
  - 80 MW solar: [redacted]

SCENARIO #5 – Large Load – 100 MW

Description:

The "Large Load – 100 MW" AURORA scenario is based on the "100 MW large load" scenario used in the filed 2023 IRP. Building off the Base scenario, all assumptions are similar to Scenario #1 with the exception of the load which increases by 100 MW above the Base load forecast, as shown in Figure 22:

Figure 22. 100 MW large load breakdown

Year	Peak Load Ramp	Avg. Load Ramp
2028	100	91
2029	100	92

Results: The AURORA LTCE Results for this scenario are provided below:

- 2028:
  - 330 MW solar: [redacted]
  - 80 MW solar: [redacted]
  - 400 MW solar: [redacted]
  - 178.6 MW wind: [redacted]

SCENARIO #6 – Large Load – 200 MW

Description

The "Large Load – 200 MW" AURORA scenario is based on the "200 MW large load" scenario used in the filed 2023 IRP. In scenario #6, the load forecast is increased by 200 MW above the Base load forecast, as shown in Figure 23. All other assumptions are consistent with the Base scenario.

Figure 23. 200 MW large load breakdown

Year	Peak Load Ramp	Avg. Load Ramp
2028	200	176
2029	200	177

Results: The AURORA LTCE Results for this scenario are provided below:

- 2028:
  - 330 MW solar: [redacted]
  - 80 MW solar: [redacted]
  - 400 MW solar: [redacted]
  - 178.6 MW wind: [redacted]
  - 110 MW gas + 110 MW BESS: [redacted]

SCENARIO #7 – Large Load – 100 MW with EPA Emissions Rule

Description:

The "Large Load – 100 MW with EPA Emissions Rule" AURORA scenario is based on the "100 MW large load" scenario used in the filed 2023 IRP. Building off the Base scenario, all assumptions are similar to Scenario #1 with the exception of the load which increases by 100 MW above the base load forecast e, as shown in Figure 24. Furthermore, the scenario also models the revised Clean Air Act section 111(d)[48] carbon emissions rules for potential new natural gas-fired power plants.

Figure 24. 100 MW large load breakdown

Year	Peak Load Ramp	Avg. Load Ramp
2028	100	91
2029	100	92

Results: The AURORA LTCE Results for this scenario are provided below:

- 2028:
  - 330 MW solar: [redacted]
  - 80 MW solar: [redacted]
  - 400 MW solar: [redacted]
  - 178.6 MW wind: [redacted]

SCENARIO #8 – Large Load – 200 MW with EPA emissions rule

[48] U.S. Environmental Protection Agency. *Clean Air Act section 111d). 40 CFR part 60*. Standards of performance for new, reconstructed, and modified sources and emissions guidelines for existing sources: Oil and natural gas sector climate review. Effective May 7, 2024.

Description

The "Large Load – 200 MW with EPA Emissions Rule" AURORA scenario is based on the "200 MW large load" scenario used in the filed 2023 IRP. In this scenario, the load forecast is increased by 200 MW above the Base load forecast, as shown in Figure 25. Furthermore, the scenario also models the revised Clean Air Act section 111(d) carbon emissions rules for potential new natural gas-fired power plants.

Figure 25. 200 MW large load breakdown

Year	Peak Load Ramp	Avg. Load Ramp
2028	200	176
2029	200	177

Results: The AURORA LTCE Results for this scenario are provided below:

- 2028:
  - 330 MW solar: [redacted]
  - 80 MW solar: [redacted]
  - 149 MW solar: [redacted]
  - 400 MW solar: [redacted]
  - 178.6 MW wind: [redacted]
  - 110 MW gas + 110 MW BESS: [redacted]

8.1.3 Preliminary Final Shortlist based on the scenario analysis

A total of 8 projects were selected in the Preliminary FSL based on their performance and costs under each of the scenarios (see Figure 26).

Figure 26. List of all projects selected through the AURORA scenario process

Year	Bidder	Project	Project description (capacity and fuel type)
2028	[redacted]	[redacted]	178.6 MW wind
			330 MW solar
			400 MW solar
			80 MW solar
			149 MW solar
			150 MW BESS
			200 MW BESS
			110 MW gas + 110 MW BESS

Figure 27. Scenario analysis - description and results summary

Scenario	Description	Scenario results
1) Base	• Pre-2028 online date for B2H • November 2028 online date for SWIP-N • SWIP-N provides 500 MW during winter months beginning November 2028 and 50 MW during summer starting in 2029 and 100 MW starting in 2030	• 330 MW solar: [redacted] • 178.6 MW wind: [redacted]
2) Base + Alternate B2H COD	• 2029 online date for B2H • 2029 online date for SWIP-N	• 330 MW solar: [redacted] • 400 MW solar: [redacted] • 178.6 MW wind: [redacted] • 150 MW BESS: [redacted] • 200 MW BESS: [redacted] • 110 MW gas + 110 MW BESS: [redacted]

3) High Gas Price + High Carbon Price	• Pre-2028 online date for B2H
	• November 2028 online date for SWIP-N
	• SWIP-N provides 500 MW during winter months beginning November 2028 and 50 MW during summer starting in 2029 and 100 MW starting in 2030
	• Natural gas price and carbon adder price forecast according to:
	  o EIA High Oil and Gas Supply (2023 Annual Energy Outlook)
	  o Social Cost of Carbon, Methane, and Nitrous Oxide, Interim Estimates under Executive Order 13990
		• 330 MW solar: [redacted]
		• 80 MW solar: [redacted]
		• 178.6 MW wind: [redacted]

4) Low Gas Price + Zero Carbon Price	• Pre-2028 online date for B2H
	• November 2028 online date for SWIP-N
	• SWIP-N provides 500 MW during winter months beginning November 2028 and 50 MW during summer starting in 2029 and 100 MW starting in 2030
	• Natural gas price and carbon adder price forecast according to:
	  o EIA Low Oil and Gas Supply (2023 Annual Energy Outlook)
	  o Consistent Zero Dollars per Ton
		• 330 MW solar: [redacted]
		• 80 MW solar: [redacted]

5) Large Load – 100 MW	• Pre-2028 online date for B2H • November 2028 online date for SWIP-N • SWIP-N provides 500 MW during winter months beginning November 2028 and 50 MW during summer starting in 2029 and 100 MW starting in 2030 • Load forecast is increased above the base load forecast	• 330 MW solar: [redacted] • 80 MW solar: [redacted] • 400 MW solar: [redacted] • 178.6 MW wind: [redacted]
6) Large Load – 200 MW	• Pre-2028 online date for B2H • November 2028 online date for SWIP-N • SWIP-N provides 500 MW during winter months beginning November 2028 and 50 MW during summer starting in 2029 and 100 MW starting in 2030 • Load forecast is increased above the base load forecast	• 330 MW solar: [redacted] • 80 MW solar: [redacted] • 400 MW solar: [redacted] • 178.6 MW wind: [redacted] • 110 MW gas + 110 MW BESS: [redacted]
7) Large Load – 100 MW with EPA Emissions Rule	• Pre-2028 online date for B2H • November 2028 online date for SWIP-N • SWIP-N provides 500 MW during winter months beginning November 2028 and 50 MW during summer starting in 2029 and 100 MW starting in 2030 • Load forecast is increased above the base load forecast • Clean Air Action section 111(d) carbon emissions rules on potential new natural gas power plant project submittals	• 330 MW solar: [redacted] • 80 MW solar: [redacted] • 400 MW solar: [redacted] • 178.6 MW wind: [redacted]
8) Large Load – 200 MW with EPA Emissions Rule	• Pre-2028 online date for B2H • November 2028 online date for SWIP-N • SWIP-N provides 500 MW during winter months beginning November 2028 and 50 MW during summer starting in 2029 and 100 MW starting in 2030 • Load forecast is increased above the base load forecast • Clean Air Action section 111(d) carbon emissions rules on potential new natural gas power plant project submittals	• 330 MW solar: [redacted] • 80 MW solar: [redacted] • 149 MW solar: [redacted] • 400 MW solar: [redacted] • 178.6 MW wind: [redacted] • 110 MW gas + 110 MW BESS: [redacted]

8.2 Determining the Final Shortlist using a portfolio sensitivity analysis

After the Preliminary FSL of projects was derived from the scenario analysis using AURORA LTCE, IPC performed a portfolio sensitivity analysis on the aforementioned Preliminary FSL projects. The overarching purpose of this analysis was to further understand the range of NPV portfolio costs over a wide range of stochastic shocks (i.e., across the full set of 60 stochastic iterations performed) and consequently the range of differences in portfolios costs. The portfolio sensitivity analysis used in this process is consistent with the stochastic risk analysis methodology used in IPC's 2023 IRP and the 2026 AS RFP.

The portfolio sensitivity analysis employed a two-step approach. The initial step involved conducting a portfolio analysis to generate the portfolios that will serve as the input for the subsequent stochastic risk analysis. The second step entailed performing the stochastic risk analysis, which involves running 60 iterations using four stochastic variables: natural gas prices, load, hydroelectric generation, and carbon prices. These two steps are discussed in detail below.

8.2.1 Assumptions and portfolio selection

The "Base" scenario (Scenario #1 – see Figure 27) assumptions were used as the basis for FSL portfolio sensitivity modeling. IPC is currently exploring interest in 500 MW of south-to-north capacity with SWIP-N project developer Great Basin Transmission. If discussions with GBT are successful, IPC will seek appropriate regulatory review and approval to execute definitive agreements. Given that discussions with the developer are still in progress, the November 2028 SWIP-N online date" was selected by IPC as the base assumption for the AURORA shortlist runs. This base SWIP-N assumption matches the assumption utilized in the recent 2023 IRP analysis. The pre-2028 B2H online date was selected as the base case assumption as this is the most recent project of B2H's online date.

The shortlist portfolio sensitivity process started with the creation of 8 unique AURORA portfolios (created specifically for the sensitivity process) based on the following criteria, and using the AURORA LTCE model:

- selected resources must meet identified energy, and capacity needs once optimized by the AURORA LTCE model; and
- every final shortlisted resource (Figure 28) is represented in one portfolio.

Figure 28. List of portfolios

PORTFOLIO SUMMARY	
PORTFOLIO 1	
DELIVERY YEAR	PROJECT
2028	· 178.6 MW wind: [redacted]
PORTFOLIO 2	
DELIVERY YEAR	PROJECTS
2028	· 330 MW solar: [redacted]
PORTFOLIO 3	
DELIVERY YEAR	PROJECTS
2028	· 400 MW solar: [redacted]
PORTFOLIO 4	
DELIVERY YEAR	PROJECTS
2028	· 80 MW solar: [redacted]
PORTFOLIO 5	
DELIVERY YEAR	PROJECTS
2028	· 149 MW solar: [redacted]
PORTFOLIO 6	
DELIVERY YEAR	PROJECTS
2028	· 150 MW BESS: [redacted]
PORTFOLIO 7	
DELIVERY YEAR	PROJECTS
2028	· 200 MW BESS: [redacted]
PORTFOLIO 8	
DELIVERY YEAR	PROJECTS
2028	· 110 MW gas + 110 MW BESS: [redacted]

8.2.2 Variables used in the stochastic risk analysis

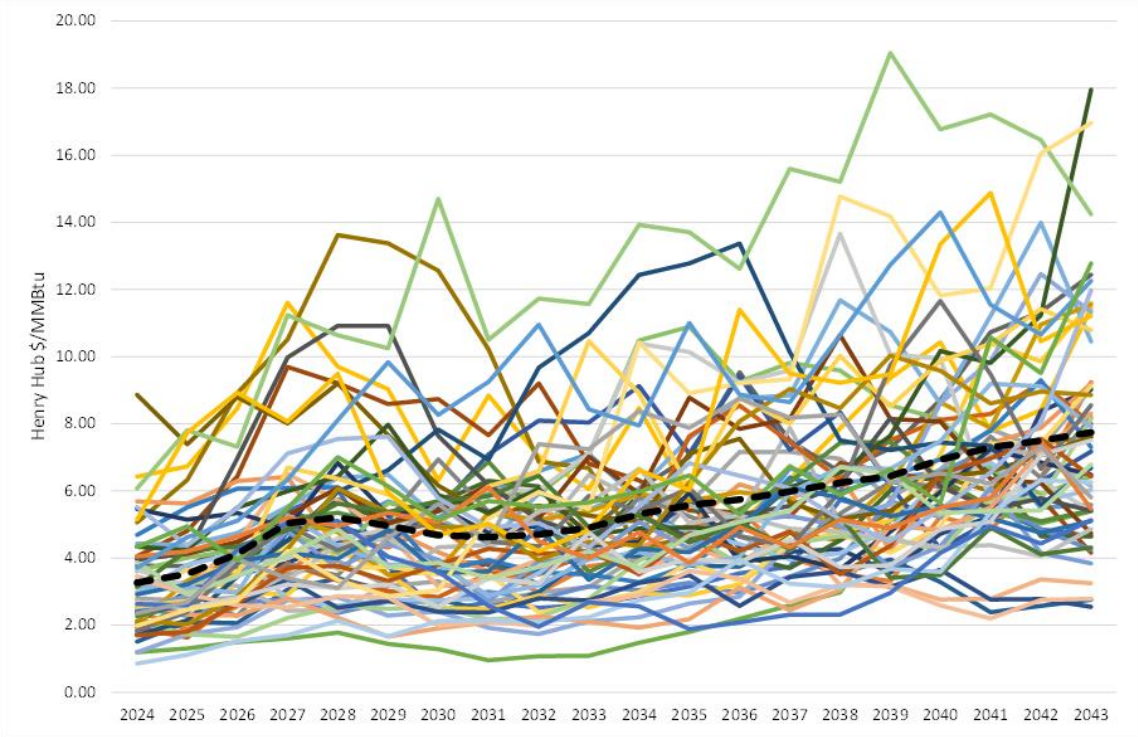
The 8 portfolios were then subject to stochastic risk analysis (sensitivity analysis) in the AURORA model. IPC identified four selected stochastic variables that are key drivers of variability in year-to-year power-supply costs and therefore provide suitable stochastic shocks to allow differentiated results in the analysis. The variables selected for the stochastic risk analysis included *(i) natural gas prices, (ii) customer load, (iii) hydroelectric generation, and (iv) carbon prices*. These are discussed in the subsections below. The selection of these variables aligns with IPC's 2023 IRP, ensuring consistency and coherence in the analytical framework.

As mentioned earlier, IPC performed a total of 60 risk iterations. Based on the sample size, IPC used the Latin Hypercube sampling technique over a pure Monte Carlo method. The Latin Hypercube technique samples the distribution range with a relatively smaller sample size, allowing for a reduction in simulation run times. The Latin Hypercube method does this by sampling at regular intervals across the distribution spectrum. This differs from the Monte Carlo method, where samples are taken randomly from the distribution range. The random Monte Carlo draw requires far more than 60 iterations to ensure a good distribution of draws. Once the stochastic elements were drawn, IPC then calculated the 20-year NPV portfolio cost for each of the 60 iterations for all FSL portfolios.

8.2.2.1 Natural gas sampling (nominal $/MMBtu)

Based on the historical Henry Hub natural gas prices, it was determined that the natural gas price variance around the trend approximates a log-normal distribution with a year-to-year correlation factor of 0.55. The graph provided in Figure 29 below shows the planning case average annual price in the black dashed line; the remaining-colored lines reflect the 60 unique stochastic iterations for Henry Hub gas prices.

Figure 29. Gas price stochastic iterations

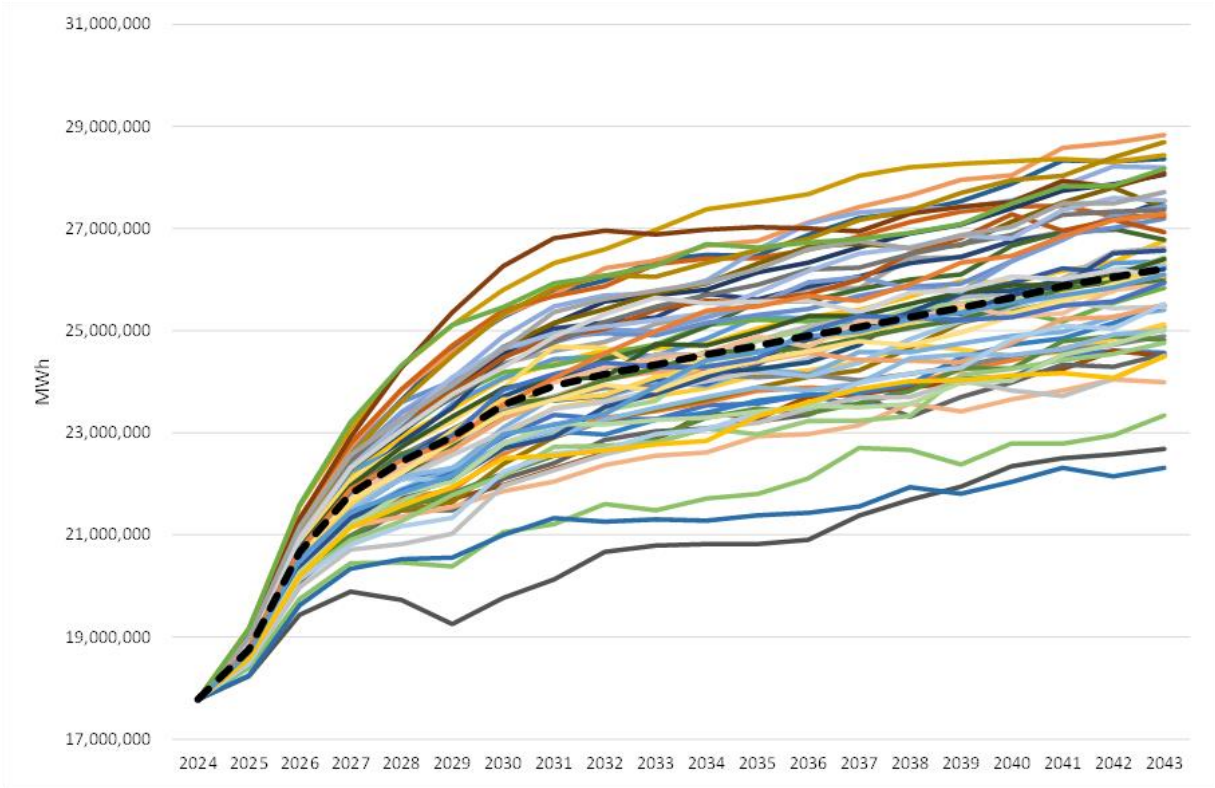


Source: IPC.

8.2.2.2 Customer load sampling (annual MWh)

Customer load follows a normal distribution and is adjusted around the planning case load forecast, which is shown as the black dashed line in Figure 30 below. To assess the reasonableness of the stochastic error bounds as they relate to customer load, the upper and lower bounds were compared to the load forecast 90/10 error bounds. For both the upper and lower bound, the stochastic values were found to fall slightly outside of the 90/10 bounds, which is to be expected.

Figure 30. Load stochastic iterations

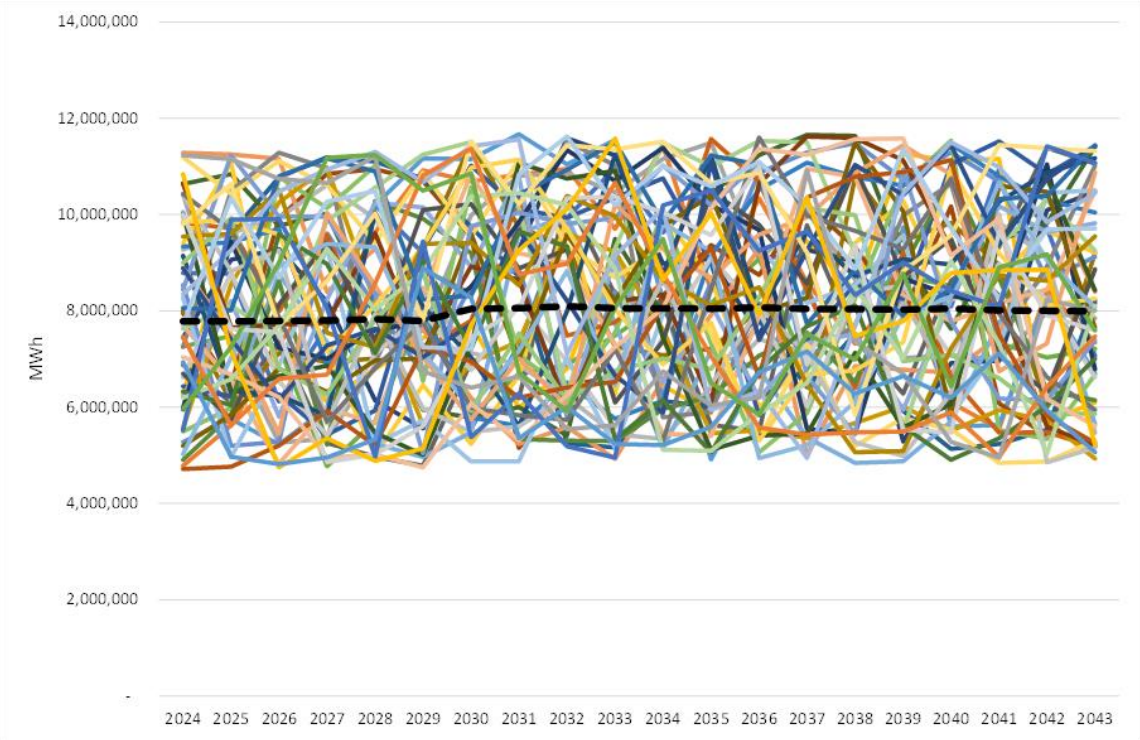


Source: IPC.

8.2.2.3 Hydroelectric generation sampling (annual MWh)

Hydroelectric generation variability was found to approximate a uniform distribution based on historical generation. Figure 31 shows that—although an unexpected result was identified based on the non-uniform distribution of rainfall across the Snake River Basin—the regulation of streamflow likely explains the difference between rainfall and generation distributions. The black dashed line represents the base case planning forecast.

Figure 31. Hydroelectric generation stochastic iterations



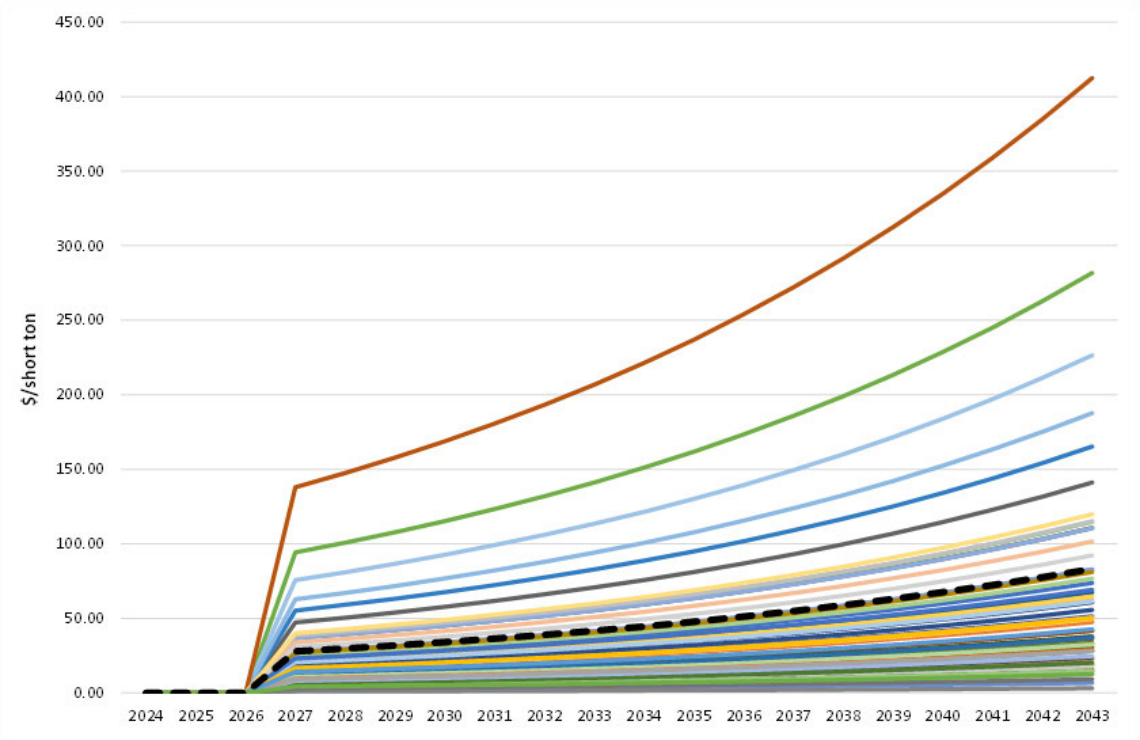
Source: IPC.

8.2.2.4 Carbon price sampling (annual MWh)

Though historical carbon price adder prices have always been zero, a wide range of possible values were modeled into the future. As reflected in Figure 32 below, the black dashed line represents the base case planning forecast. The stochastic lower bound was set near zero and the upper bound was set to approximate the social cost of carbon[49] curve. Stochastic values were then produced such that the average of all the values approximated the planning carbon price adder case.

[49] US Environmental Protection Agency. *Report on the Social Cost of Greenhouse Gases: Estimates Incorporating Recent Scientific Advances*. National Center for Environmental Economics, Office of Policy and Climate Change Division, Office of Air and Radiation. September 2022. p. 67. <epa.gov/system/files/documents/2022-11/epa_scghg_report_draft_0.pdf>

Figure 32. Carbon price stochastic iterations



Source: IPC.

8.2.3 Results of IPC's portfolio sensitivity analysis

For each portfolio, IPC calculated key statistics from the stochastic risk analysis, including Mean, P25, Median, and P75 to assess the impact of various uncertainties on each portfolio's NPV costs. These statistical measures provided valuable insights into the distribution of NPV costs and the potential range of outcomes under different sensitivities.

To effectively evaluate the portfolios, IPC employed the Mean NPV as the primary ranking criterion. This approach prioritizes portfolios with consistently lower NPV costs, indicating their overall cost-effectiveness. In simpler terms, a lower mean NPV implies that the portfolio is less susceptible to unfavorable cost fluctuations compared to its counterparts.

Selecting the portfolio with the lowest NPV costs provides the least cost option for ratepayers by ensuring that the utility procures electricity at the most affordable price. NPV is a common financial metric used to evaluate the profitability of an investment over its entire lifespan. It considers all expected cash inflows and/or outflows, discounted to their present value using an

appropriate discount rate. Lower NPV costs translate to lower costs of utility service. This, in turn, directly impacts electric ratepayers, who ultimately bear the cost of electricity generation and transmission. By selecting the project with the lowest NPV cost, IPC can minimize the financial burden on ratepayers and keep electricity costs as low as possible.

Figure 33 provides the results of the sensitivity analysis and Figure 34 lists the resulting ranking of bids from best (lowest cost) to worst (highest cost). Portfolio #2 had the lowest mean NPV of $9,806,121, and as such was ranked "best"; Portfolio #8 had the highest mean NPV of $10,187,718 and as such was ranked "worst."

Figure 33. Stochastic sensitivity portfolio summary

Stochastic Sensitivity Portfolio NPV Costs ($000)				
Portfolio #	Mean	P25	Median	P75
1	$ 9,945,004	$ 9,400,181	$ 9,871,040	$ 10,413,376
2	$ 9,806,121	$ 9,272,082	$ 9,735,181	$ 10,281,904
3	$ 9,967,506	$ 9,432,151	$ 9,894,293	$ 10,421,546
4	$ 9,916,469	$ 9,346,324	$ 9,847,329	$ 10,389,744
5	$ 9,928,501	$ 9,368,545	$ 9,865,224	$ 10,399,821
6	$ 10,010,655	$ 9,433,007	$ 9,943,449	$ 10,490,601
7	$ 10,076,190	$ 9,494,574	$ 10,006,355	$ 10,560,201
8	$ 10,187,718	$ 9,629,369	$ 10,123,074	$ 10,654,797

Figure 34. Portfolio rankings

Portfolio NPV Cost Rank	Portfolio #	Mean Portfolio NPV Cost ($000)
1	2	$ 9,806,121
2	4	$ 9,916,469
3	5	$ 9,928,501
4	1	$ 9,945,004
5	3	$ 9,967,506
6	6	$ 10,010,655
7	7	$ 10,076,190
8	8	$ 10,187,718

The ranking of bids is determined by the ranking of the portfolios in which they are included. The 330 MW solar: [redacted] holds the highest position according to the results of the sensitivity analysis, followed by 80 MW solar: [redacted] and 149 MW solar: [redacted]

Despite the recommendation of the eight bids (FSL) for contract negotiations, IPC expressed some concerns for **Portfolio 6 - 150 MW BESS:** [redacted] **and Portfolio 8 – 110 MW gas + 110 MW BESS:** [redacted].

Portfolio 6 - 150 MW BESS: [redacted] While IPC will continue to monitor the progress of the permit, the feasibility of Portfolio 6 is uncertain.

Portfolio 8 – 110 MW gas + 110 MW BESS: [redacted] while the proposal has been evaluated throughout the evaluation process, IPC subsequently requested additional information similar to Exhibit S – Fuel Supply Data Request to fully assess the feasibility and applicable costs associated with the proposal and to ensure the Portfolio 6 ranking is accurately reflected in the FSL.

Figure 35. Ranking of the Final Shortlist Bids

Delivery Year	Project	Project owner	Technology and capacity	Bid type
2028	[redacted]	[redacted]	330 MW solar	Resource-based product
2028			80 MW solar	Resource-based product
2028			149 MW solar	Resource-based product
2028			178.6 MW wind	Resource-based product
2028			400 MW solar	Resource-based product
2028			150 MW BESS	Resource-based product
2028			200 MW BESS	Resource-based product
2028			110 MW gas + 110 MW BESS	Resource-based product

*[redacted] and [redacted] are the two projects under further review.

Finally, it is LEI's understanding that IPC will contact all owners of the projects selected regardless of their ranking (position) to maximize their chance of securing enough contracts to fulfill their needs.

8.3 IE's Assessment of the Final Shortlist

8.3.1 Methodology

The IE finds the use of a portfolio sensitivity analysis to assess the performance of resources within portfolios subject to external shocks to be a sensible way to assess the robustness of resources within uncertain and volatile market conditions. The IE concurred with IPC's decision to include the eight projects in the FSL.

In an email sent to IPC on December 17, 2024[50], the IE requested some clarification on IPC's strategy in the event the two "concerning" projects become more expensive or riskier than expected. In its reply, IPC commented that it does not anticipate replacing the projects for the following reasons:

1) The current diversity and quantity of projects suffices to meet the current needs and various future sensitivities and thus there is no need to directly replace a project to maintain a specific number;
2) The two "concerning" projects are at the bottom of the FSL and therefore they are likely to be considered contingent as it stands currently; finally,
3) The projects screened out from the FSL were at the lower tier of the preliminary ISL, and hence none of them could qualify as suitable replacements given it is neither least-cost nor least-risk.

IPC also noted in the email that if projects were removed from the FSL and IPC found the remaining projects to be non-viable for some reason, IPC would have to reconsider. However, this is not the utility's current plan. "Additionally, the timing of 2028 negotiations will overlap the 2029 bids, so the pool of resources may grow prior to firm decisions having to be made"[51]. The IE finds IPC's explanation reasonable and thus concurs with IPC's selection of projects.

8.3.2 Other concerns

The IE is somewhat concerned by IPC's approach to entering simultaneous contract negotiations with project owners. In fact, while negotiating contracts with all project owners simultaneously, rather than following the project ranking order, would presumably render the portfolio sensitivity analysis (for ranking) moot, the practical aspect of such an approach can also be concerning. In fact, looking at the 2026 AS RFP process, the negotiation process was both time-consuming and a generally intense exercise for all parties involved. The negotiations required the

[50] Email from Eric Hackett, PE, PMP, Projects & Resource development director to LEI, December 17, 2024.

[51] *Ibid.*

mobilization of a large number of staff from IPC, multiple day-long working sessions, and lasted several months (and, as of writing this report, remain underway for one project). While several developers were engaged concurrently by IPC, the utility was only able to really focus on a handful of them at a time. Furthermore, engaging multiple parties at the same time could reduce the effectiveness of contract monitoring, thus raising the potential for reduced transparency. Nonetheless, because of the time-sensitive nature of these negotiations, IPC can hardly be faulted for pursuing such an approach over engaging developers one after the next in priority order.

In fact, developers are vulnerable to price staleness and external shocks that could directly impact proposed commercial terms. In this respect, the longer it takes IPC to engage a bidder, the higher the chance for changes in commercial terms and critical bid parameters. The risk of attrition is likely to rise with the passing of time; developers are not likely to sit idle and wait "for their turn." Furthermore from LEI's monitoring of the 2026 AS RFP contract negotiations process, we note that while the FSL provides a good base for IPC's planning, there remain uncertainties (i.e., interconnection delays, inability to obtain the necessary permits, community opposition, economic shocks, supply chain obstacles, etc.) that could lead to project withdrawals , leaving IPC with few options (outside existing contracts and temporary agreements) to muster a backup plan. However, as discussed in Section 8.3.1, IPC has some margin of maneuver thanks to the overlapping 2029 procurement process.

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CERTIFICATE OF SERVICE

I certify that on this January 15, 2025 a true and correct copy of the London Economics International, LLC's **CONFIDENTIAL Closing Report for the 2028 All-Source Request for Proposals for Peak Capacity and Energy Resources** was served on the parties listed below via electronic mail in compliance with OAR 860-001-0180.

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Dated January 15, 2025.

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