

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: September 27, 2016

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE \_\_\_\_\_ Upon Commission Approval

DATE: September 20, 2016

TO: Public Utility Commission

FROM: Brittany Andrus *BA*

THROUGH: Jason Eisdorfer and Michael Dougherty *E* *m*

SUBJECT: IDAHO POWER COMPANY: (Docket No. UM 1610) Compliance filing to Update Schedule 85, Cogeneration and Small Power Production Standard Contract Rates.

**STAFF RECOMMENDATION:**

Staff recommends that the Commission issue an order approving Idaho Power Company's (Idaho Power) avoided cost prices (Schedule 85) filed on July 12, 2016, in compliance with Order No. 16-174.

**DISCUSSION:**

Issue

Whether the Commission should approve Idaho Power's Schedule 85 avoided cost prices for Qualifying Facilities (QF).

Applicable Orders

On May 13, 2016, the Commission issued Order No. 16-174 in Phase II of its Investigation into Qualifying Facilities Contracting and Pricing (Docket No. UM 1610). Two of the issues in this docket pertain to the calculation methodology for capacity payments to QFs during the utility's resource deficiency period. In its resolution of this issue, the Commission adopts the adjusted calculation as specified in Staff's testimony,<sup>1</sup> and directs utilities to "file revised avoided cost schedules that implement the resolutions made in this order."<sup>2</sup>

<sup>1</sup> Order No. 16-174 at 12.

<sup>2</sup> Ibid. at 31.

Analysis

Staff has reviewed Idaho Power's calculations used to derive the on-peak capacity factor for both wind and solar, as well as the calculations for the value of capacity, and the resulting capacity payment adder to on-peak hours. Staff finds no inconsistencies between the avoided cost prices in this filing and the methodology directed by the Commission in Order No. 16-174.

Idaho Power does not have renewable standard avoided cost prices in Oregon because it currently has no Renewable Portfolio Standard obligation. Accordingly, the capacity calculation adjustment is applicable only to Idaho Power's nonrenewable avoided cost prices.

Conclusion

Based on its review, Staff concludes that the methodology directed by the Commission in Order No. 16-174 has been accurately applied in calculating Idaho Power avoided cost prices.

Staff appreciates Idaho Power's multiple communications with Staff regarding the inputs and the calculations for the capacity payments prior to the final compliance filing.

**PROPOSED COMMISSION MOTION:**

Idaho Power's Compliance Filing for Avoided Cost Rates (Schedule 85) filed by Idaho Power on July 12, 2016, in compliance with Order No. 16-174, be approved.