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June 7, 2017

VIA ELECTRONIC FILING

PUC Filing Center
Public Utility Commission of Oregon
P.O. Box 1088
Salem, OR 97308-1088

**Re: UM 1716 - In the Matter of PUBLIC UTILITY COMMISSION OF OREGON,
Investigation to Determine the Resource Value of Solar**

Attention Filing Center:

Attached for filing in the above-referenced docket is an electronic copy of Idaho Power Company's Reply Testimony of Michael Youngblood.

Please contact this office with any questions.

Very truly yours,

Wendy McIndoo
Office Manager

Attachment

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UM 1716

In the Matter of)
)
PUBLIC UTILITY COMMISSION OF)
OREGON,)
)
Investigation to Determine the Resource)
Value of Solar.)
_____)

IDAHO POWER COMPANY
REPLY TESTIMONY
OF
MICHAEL J. YOUNGBLOOD

June 7, 2017

1 **Q. Please state your name and business address.**

2 A. My name is Michael J. Youngblood. My business address is 1221 West Idaho
3 Street, Boise, Idaho 83702.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by Idaho Power Company (Idaho Power or Company) as Manager
6 of Regulatory Projects in the Regulatory Affairs Department.

7 **Q. Are you the same Michael J. Youngblood who filed Opening Testimony in
8 this matter?**

9 A. Yes. On May 5, 2017, I filed Opening Testimony in this matter. I also filed
10 Response Testimony on June 30, 2016, and Reply Testimony on July 21, 2016.

11 **Q. What is the purpose of your Reply Testimony?**

12 A. The purpose of my Reply Testimony is to respond to Staff's recommendation for
13 the process for Phase II of this docket. I do not plan to offer an additional response
14 to parties' testimony with respect to the appropriate valuation methodology for the
15 elements of RVOS. At this point in the docket, Idaho Power believes that it has
16 made its positions clear on all substantive issues raised in Phase I. To the extent
17 that some parties may have made some new arguments in their May 5, 2017
18 Opening Testimony, Idaho Power believes that these issues are more
19 appropriately addressed in Phase II proceedings. For that reason, I will not be
20 addressing substantive issues in this round of testimony. The Company looks
21 forward to receiving a final Commission order in Phase I of this docket (Phase I
22 Order), and working with Staff and the parties towards a resolution of the remaining
23 issues.

24 **Q. Please summarize Staff's proposal for Phase II procedure.**

25 A. Staff has proposed that Phase II procedures begin after the Commission issues its
26 Phase I Order. Within 6 months after the issuance of the Phase I Order, the

1 utilities will develop and circulate their proposed RVOS values—including an
2 alternative estimate of RVOS using the utility’s value for utility-scale solar. After
3 Staff workshops at which the parties will discuss the utility proposals, a prehearing
4 conference will be held, and a schedule adopted. The first event on the schedule
5 will be formal RVOS filings by each of the utilities. Within three months after the
6 issuance of the Phase I Order, Staff will conduct workshops to develop
7 methodologies for valuing market price response and hedge value. The utilities will
8 include a value for market price response based on the agreed-upon methodology.
9 If the parties are unable to agree upon a value for market price response, the
10 utilities will propose their own and include a hedge value using the method
11 recommended by Staff.

12 **Q. Is Idaho Power comfortable with Staff’s proposed approach?**

13 A. Idaho Power is comfortable with Staff’s general approach. Idaho Power agrees
14 that Phase II should begin with the utility proposals for RVOS values, and that the
15 proposals should be subject to review by the parties at technical workshops. We
16 also agree that, following the technical workshops, parties should file testimony,
17 and the Commission should hold hearings. However, Idaho Power’s preferred
18 approach would be for the review to begin with the formal filing by the utilities of
19 their proposals, with supporting testimony—as opposed to an in initial informal
20 circulation, as proposed by Staff. Technical workshops may be held to review
21 formal filing, followed by testimony and hearing.

22 **Q. Why is Idaho Power recommending that the review process begin with**
23 **formal utility filings?**

24 A. Idaho Power’s believes that the docket will proceed more efficiently if it begins with
25 a formal filing. At the same time, the Company’s recommended approach provides
26

1 the same opportunities for the parties to provide feedback, as is recommended by
2 Staff.

3 **Q. Is Idaho Power comfortable with Staff's proposal for workshops regarding**
4 **hedge values and market price response?**

5 A. Idaho Power is comfortable with Staff's proposal for market price response—which
6 recommends that if the parties cannot agree on the appropriate value, the utilities
7 will propose their own. However, Idaho Power does not agree with Staff's proposal
8 that the utilities use Staff's recommended approach for calculation of hedge value.
9 Idaho Power certainly hopes that the parties can work together to arrive at an
10 agreed-upon methodology for hedge value. However, in the event that a utility
11 disagrees with Staff's proposal, it is inappropriate to force the utility to incorporate
12 Staff's proposal in its own filing. Such an approach would deprive the Commission
13 of an opportunity to evaluate the competing approaches, and deciding the issue for
14 itself. Instead, the utility should use the hedge value it believes is correct. The
15 other parties can respond in their own testimony, and the Commission will
16 ultimately decide the issue.

17 **Q. Does this Conclude your testimony?**

18 A. Yes, it does.

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