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March 1, 2007

VIA ELECTRONIC FILING

PUC Filing Center
Public Utility Commission of Oregon
PO Box 2148
Salem, OR 97308-2148

Re: Docket No. LC 41

Enclosed for filing is Idaho Power Company's PowerPoint presentation "Planning for the Future," which was presented at the February 27, 2007 Commission Public Meeting. A copy of this filing has been served on all parties to this proceeding as indicated on the attached certificate of service.

Very truly yours,

Lisa F. Rackner

Enclosures

cc: Service List

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CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document in Docket LC 41 on the following named person(s) on the date indicated below by email at his or her last-known address(es) indicated below.

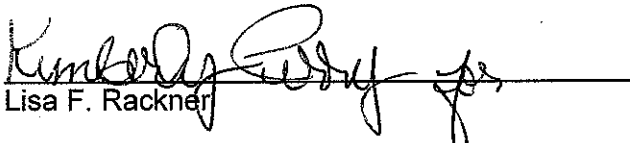
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DATED: March 1, 2007.


Lisa F. Rackner
Of Attorneys for Idaho Power Company



Planning For The Future

**Idaho Power's 2006
Integrated Resource Plan**

Key Points

- Significant growth is driving the need for additional energy resources
- DSM program expansion and recent successes
- A balanced approach to resource planning mitigates risk related to uncertainty
- Major commitments to transmission and baseload resources need to be made prior to filing the 2008 IRP

2006 IRP Goals

Primary Goals

- Identify sufficient resources to reliably serve the growing demand for energy within Idaho Power's service area throughout the 20-year planning period
- Ensure the portfolio of selected resources balances cost, risk, and environmental concerns

Additional Objectives

- Give equal and balanced treatment to both supply-side resources and demand-side measures
- Involve the public in the planning process in a meaningful way
- Explore transmission alternatives
- Investigate and evaluate clean-coal technologies



2006 IRP Advisory Council

Customer Participants

- Micron (Dale Eldridge)
- Simplot (David Hawk)
- INL (Tom Moriarty)
- Heinz Frozen Foods (Steve Munn)
- AARP (Maribeth Connell)
- Idaho Retailers (Pam Eaton)
- Agricultural Representative (Sid Erwin)
- Meridian Joint School District #2 (Wayne Hanners)

Commission Participants

- Idaho PUC (Rick Sterling)
- Oregon PUC (Bill McNamee)

Environmental

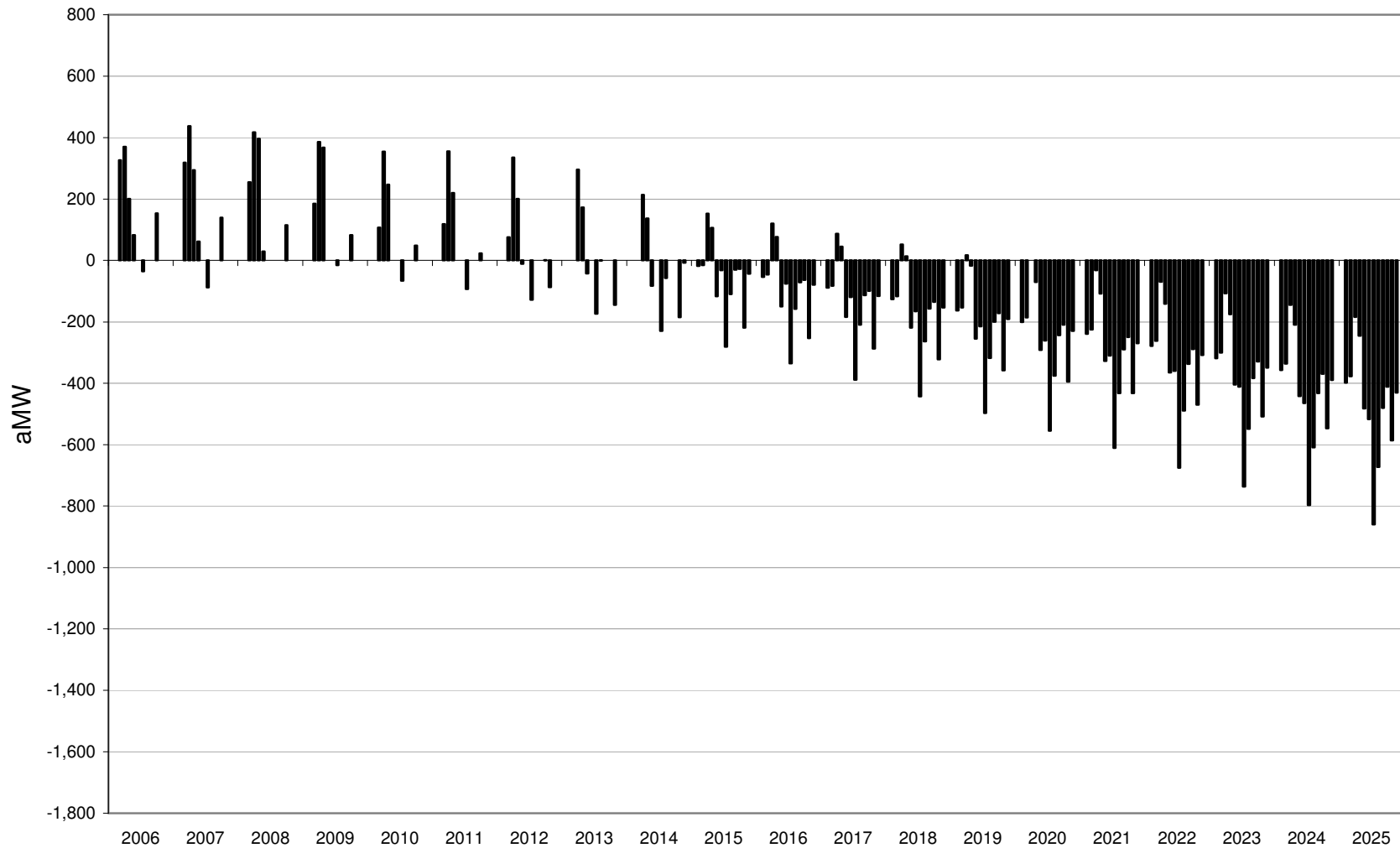
- Natural Resource Defense Council (Audrey Chang)
- Advocates for the West (Bill Eddie)

Others

- IDEQ (Larry Koenig)
- Governor's Office (Jim Yost)
- Idaho State Legislature (Representative Steve Smylie)
- Northwest Power and Conservation Council (Jim Kempton or Shirley Lindstrom)
- Summit Blue Consulting, LLC (Dan Violette, Consultant)

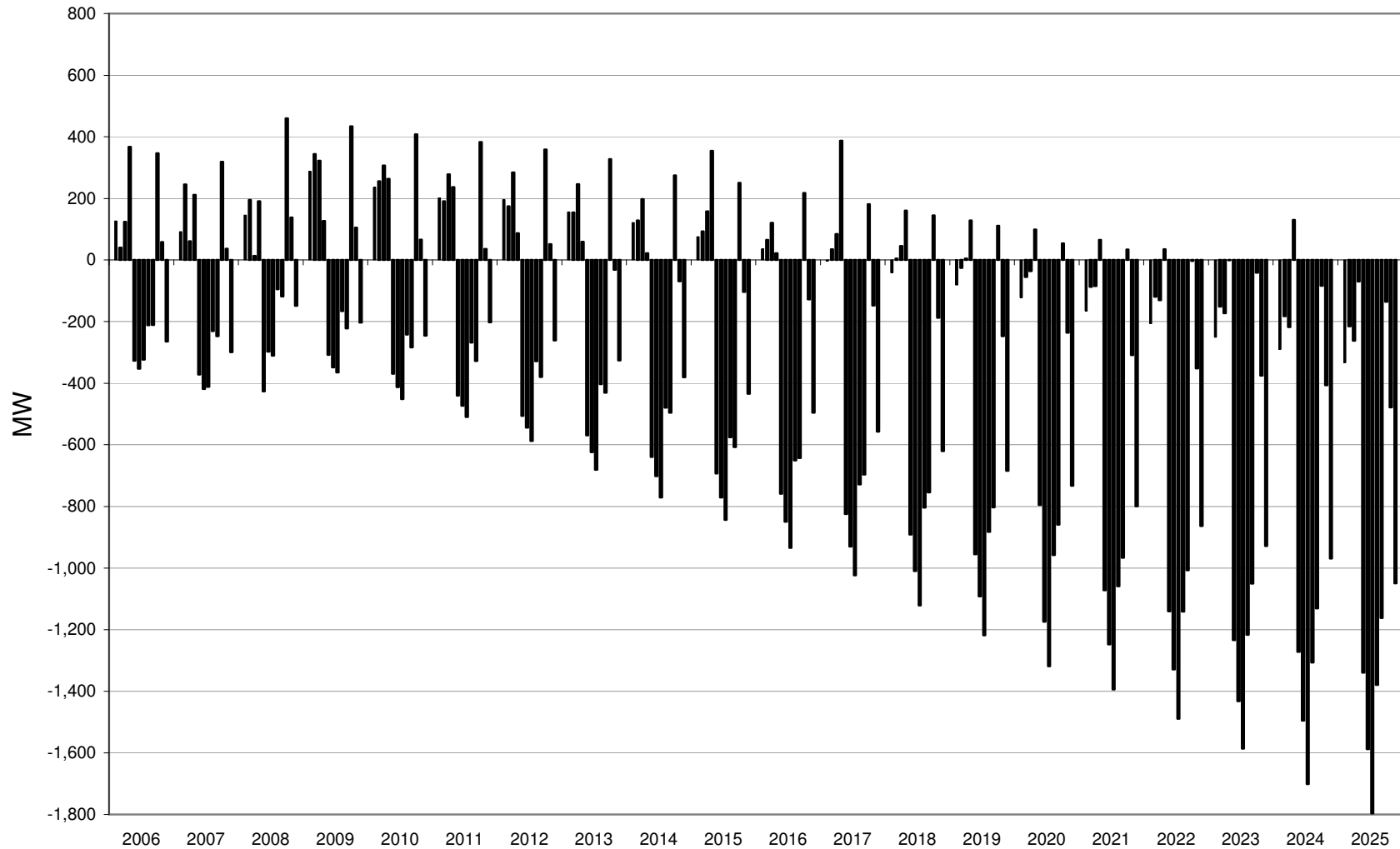
Energy (Average Load) Surplus/Deficiency (2006-2025)

70th Percentile Water, 70th Percentile Average Load



Peak-Hour Load (Capacity) Surplus/Deficiency (2006-2025)

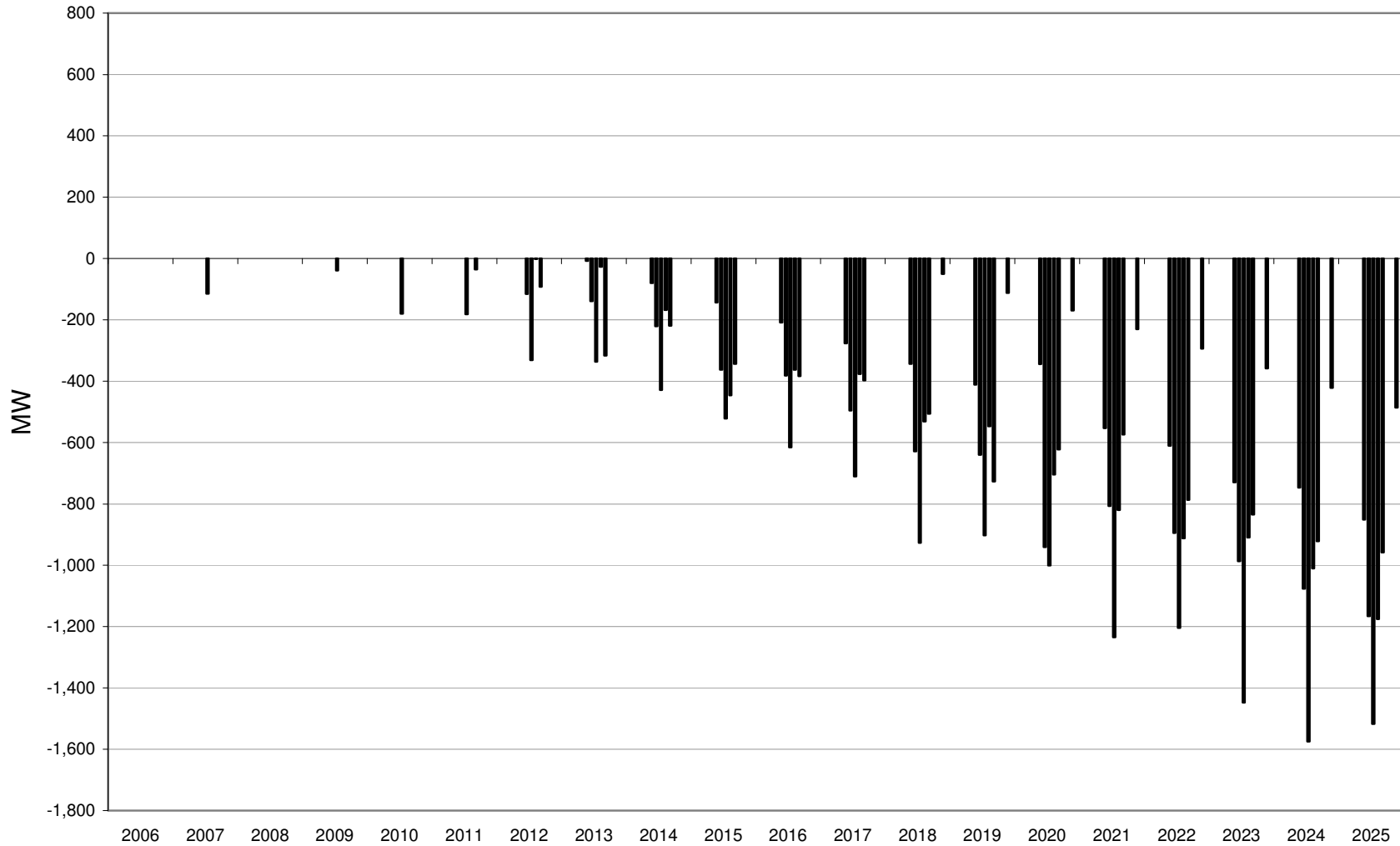
90th Percentile Water, 95th Percentile Peak Load





Monthly Peak-Hour Northwest Transmission Deficiency (2006-2025)

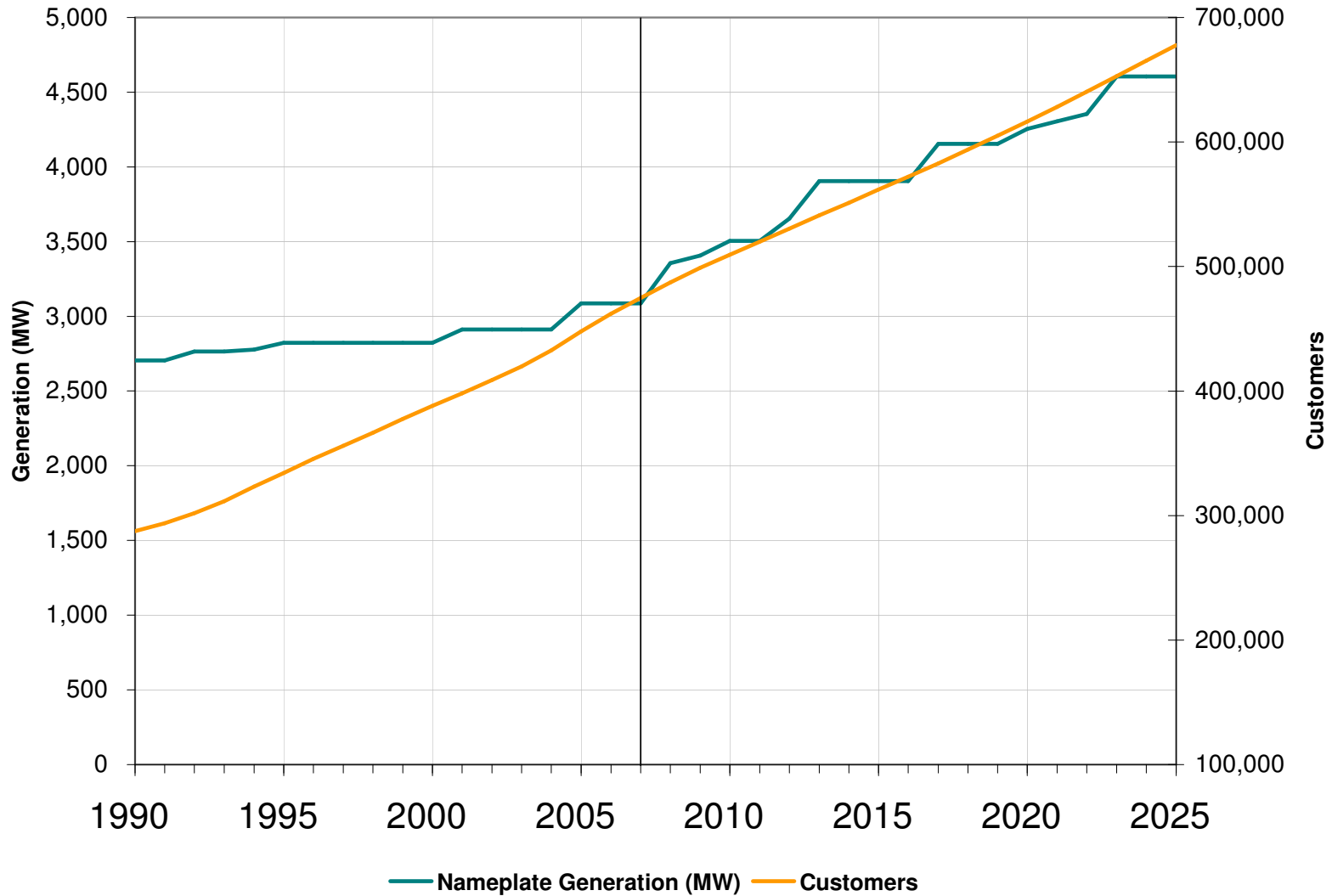
90th Percentile Water, 95th Percentile Peak Load





Customers & Generation

The Growth Picture



Forecast Load Growth (2006-2025)

Summer peak load growth continues to drive peaking needs:

- Firm summer peak load growth – 80 MW/year (2.1%)
- Firm winter peak load growth – 50 MW/year (1.6%)
- Average annual firm load growth – 40 aMW/year (1.9%)

Demand-Side Management Programs

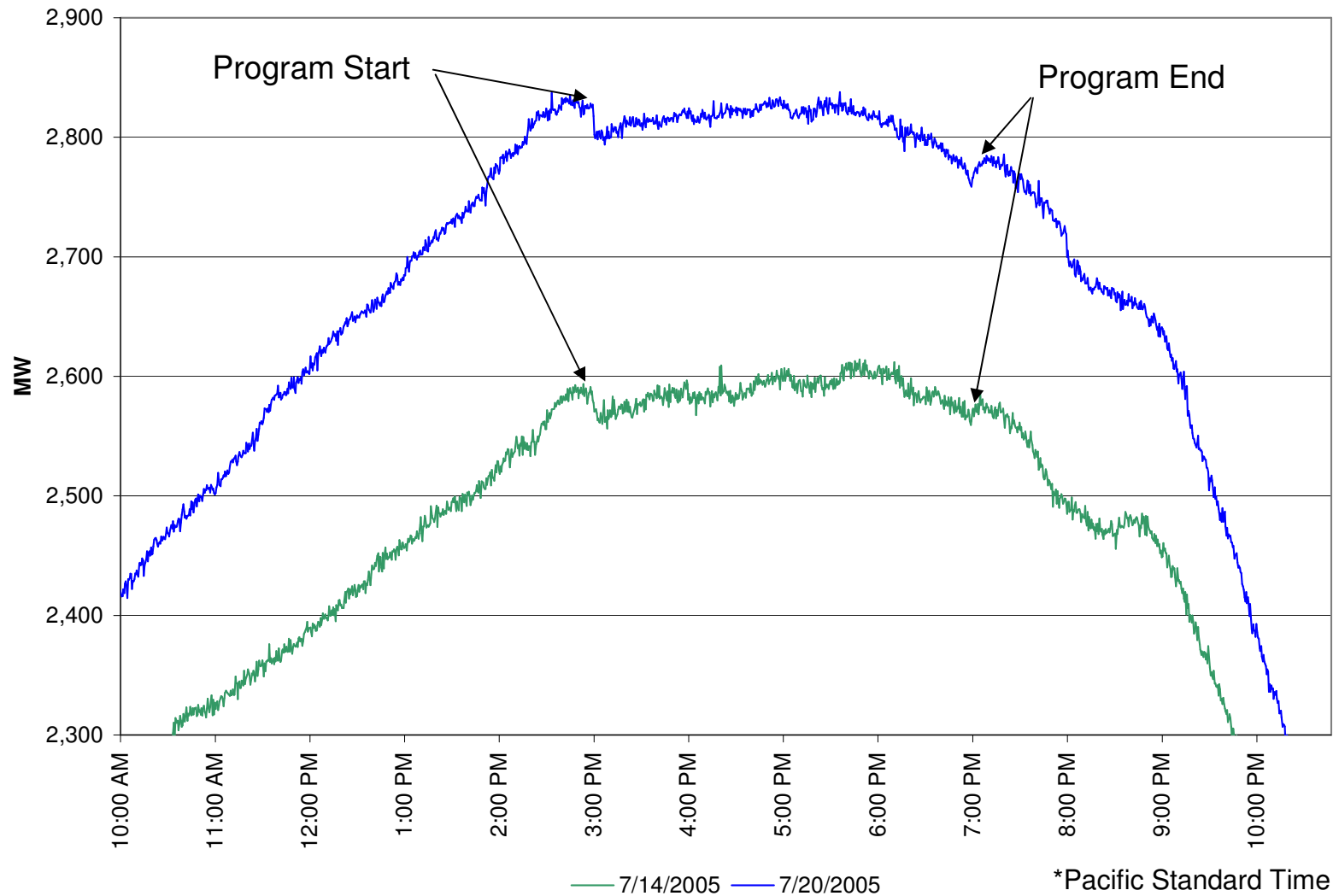
- In 2005, DSM programs resulted in a savings of 4.7 aMW of electricity and a reduction in peak-hour loads of 47.5 MW
- The 2006 IRP includes DSM programs designed to reduce Idaho Power's average load by 88 aMW annually and the summertime peak-hour load by 187 MW

Demand-Side Management Recent Success

- In 2005, the Industrial Efficiency Program completed 24 projects with a total savings of 1.4 aMW
- The Industrial Efficiency Program has approved over 60 project applications in 2006 with an anticipated savings of over 4 aMW (35,045 MWh)
- In November 2006, the Industrial Efficiency Program incentive was increased from 50% to 70% and the annual maximum cap of \$100,000 was removed

Irrigation Peak Rewards

Idaho Power System Load Curve



Portfolio Analysis

- Twelve initial portfolios designed to meet projected deficits were analyzed in four scenarios:
 - Expected: CO₂ adder of \$14/ton, expected natural gas prices
 - High GHG: CO₂ adder of \$50/ton, expected natural gas prices
 - Zero GHG: CO₂ adder of \$0/ton, expected natural gas prices
 - High Gas: CO₂ adder of \$14/ton, high natural gas prices

- Four finalist portfolios were selected and further analyzed for risk associated with:
 - Carbon Adder
 - Natural Gas Price
 - Cost of Capital
 - Construction Price
 - Market Risk
 - Hydrologic Variability

2006 Preferred Portfolio

Year	Resource	MW
2008	Wind (2005 RFP)	100
2009	Geothermal (2006 RFP)	50
2010	Combined Heat & Power	50
2012	Wind	150
2012	Transmission (McNary to Boise)	225
2013	Wyoming Pulverized Coal	250
2017	Regional IGCC Coal	250
2019	Transmission (Lolo to IPC)	60
2020	Combined Heat & Power	100
2021	Geothermal	50
2022	Geothermal	50
2023	INL Nuclear (PPA)	250

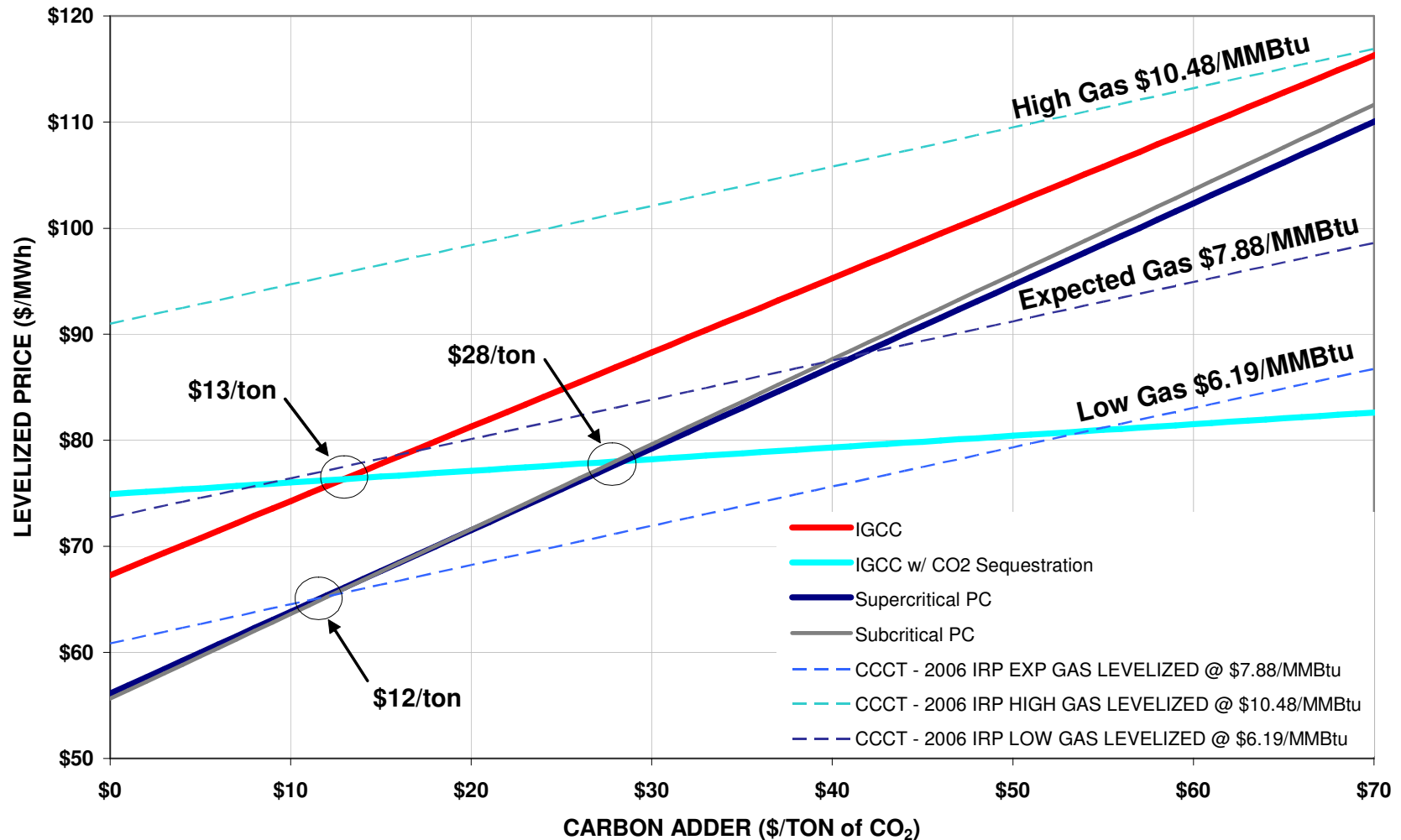


2006 Preferred Portfolio

Resource Type	MW	
Wind	250	14%
Geothermal	150	9%
Combined Heat and Power	150	8%
Demand-Side Management	187	11%
Transmission	285	16%
Pulverized Coal	250	14%
Regional IGCC Coal	250	14%
INL Nuclear (PPA)	250	14%

Generating Resources vs. Carbon Adder

LEVELIZED PRICE FOR GENERATING RESOURCES VS. CARBON ADDER



Resource Update

Wind RFP

- 100 MW located in eastern Oregon
- On-line in early 2008

Geothermal RFP

- RFP for 100 MW released last June
- Currently evaluating bids

Jointly investigating coal-fired resources with Avista

PURPA Summary

- 95 contracts
- Nearly 300 MW of PURPA Wind (nearly 400 MW total)

Public Policy Issues

Idaho Power is using the 2006 IRP to communicate its position, invite comments, assess level of public support and launch efforts to resolve these issues:

- Environmental Attributes or Green Tags
- Emission Offsets
- Financial Disincentives for DSM Programs
- IGCC Technology Risk
- Asset Ownership

Flexibility in IRP

Incorporate flexibility in the IRP to:

- React to changing markets & conditions
- Incorporate PURPA resource development
- Reduce risks - e.g., participate in a regional IGCC project if a suitable opportunity develops
- Acquire more or less of a specific resource depending on integration study results or RFP results

Key Points

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Additional Information

- 2006 IRP available on-line at:

www.idahopower.com/energycenter/irp/2006/2006IRPFinal.htm

- Further questions or comments can be submitted to:

irp@idahopower.com