



ALISHA TILL
Main (503) 595-3922
alisha@mrg-law.com

April 25, 2023

VIA ELECTRONIC FILING

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

Re: Docket UM 2000 - In the Matter of Public Utility Commission of Oregon, Investigation into PURPA Implementation.

Attention Filing Center:

Attached for filing in the above-referenced docket are Idaho Power Company's Comments on Staff's Straw Proposal for Solar-Plus Storage Standard Avoided Cost Prices.

Please contact this office with any questions.

Sincerely,

Alisha Till
Paralegal

Attachment

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2000

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON,

Investigation into PURPA Implementation.

**IDAHO POWER COMPANY'S
COMMENTS ON STAFF STRAW
PROPOSAL FOR SOLAR-PLUS-
STORAGE STANDARD AVOIDED COST
PRICES**

I. INTRODUCTION

1 In accordance with Staff's Phase 0 Update filed on April 6, 2023, Idaho Power Company
2 ("Idaho Power" or "Company") respectfully submits the following comments in response to Staff's
3 Straw Proposal for an interim standard avoided cost price for solar-plus-storage Qualifying
4 Facilities ("QF"). The Company continues to support its primary recommendation, set forth in its
5 March 7, 2023, comments for developing standard avoided cost prices for solar-plus-storage QFs
6 using the more granular and accurate incremental cost Integrated Resource Plan ("ICIRP")
7 avoided cost methodology that is currently used in Oregon for negotiated avoided cost prices¹
8 and has been approved by the Idaho Public Utilities Commission ("IPUC") for calculating the
9 Company's Idaho avoided cost prices for solar and storage QFs above 100 kilowatts.² However,
10 Idaho Power largely does not oppose Staff's Straw Proposal as an *interim* methodology for
11 determining standard prices for solar-plus-storage QFs.

II. COMMENTS

A. Eligibility Requirements

12 Idaho Power supports Staff's proposed eligibility requirements, which apply the interim
13 price to only new solar-plus-storage QFs that have a capacity of up to 3 MW. Idaho Power further

¹ See *In re Pub. Util. Comm'n of Or., Investigation into Qualifying Facility Contracting and Pricing*, Docket No. UM 1610, Order No. 16-174 (May 13, 2016).

² *In re Idaho Power's Petition to Determine the Project Eligibility Cap for Published Avoided Cost Rates and the Appropriate Contract Length for Energy Storage Qualifying Facilities*, IPUC Case No. IPC-E-20-02, IPUC Order No. 34794 (Oct. 2, 2020).

1 supports Staff’s recommendation that the storage facility can only be charged by the on-site solar
2 resource and that only QFs with a one-to-one ratio of solar to storage capacity are eligible for the
3 interim price. Although Staff proposes that the battery have *no more than* a four-hour duration,
4 the Company recommends that *only* QFs with a four-hour battery should be eligible; otherwise,
5 there will be a mismatch between the proxy resource used to determine the capacity contribution
6 (which assumes a four-hour battery) and the actual QF.

B. Capacity Contribution

7 Idaho Power agrees with Staff’s recommendation to calculate a capacity contribution
8 based on a proxy solar-plus-storage resource using the same Effective Load Carrying Capability
9 (“ELCC”) methodology Idaho Power uses in its Integrated Resource Plan (“IRP”). The Company
10 also generally agrees with Staff’s proposed parameters for the proxy resource—a 3 MW solar
11 resource paired with a 3 MW storage resource, four-hour duration battery, no grid charging, and
12 dispatching to the extent feasible during the premium peak hours.

C. Avoided Cost of Capacity

13 The Company does not object to Staff’s recommendation that it set daily premium peak
14 hours that will coincide with each month’s four hours with the greatest loss of load probability
15 (“LOLP”). The Company also does not object to Staff’s proposal to spread the capacity payment
16 across all premium peak hours, so that the solar-plus-storage QF will only receive a capacity
17 payment for delivering its generation during the premium peak hours.

18 However, Idaho Power recommends a modification to the Straw Proposal to eliminate
19 premium peak hours in months when Idaho Power’s LOLP is zero.³ Idaho Power’s initial proposal
20 included a more targeted determination of premium peak hours to provide a critical incentive for
21 the QF to dispatch its facility in the hours of greatest need. Adopting Staff’s proposal to identify
22 premium peak hours even when there is no capacity need will not incentivize the QF to deliver its

³ Currently, the Company’s LOLP is zero in March, April, May, and October.

1 output when it is most needed, which, for Idaho Power, is currently during its summer peak. Staff's
2 proposal also means that QFs will be paid potentially significant capacity payments for delivering
3 during hours when there is no demonstrated capacity need. For these reasons, Idaho Power
4 recommends the identified premium peak hours exclude months where the Company's loss of
5 load expectation ("LOLE") is negligible so that the premium peak hours are more aligned with its
6 actual capacity needs.⁴

7 Idaho Power also notes that expanding the premium peak hours to the winter months will
8 require Idaho Power to choose either the morning or afternoon peak because the Company is
9 currently double peaking in the winter.

D. Avoided Cost of Energy

10 The Company does not object to Staff's proposal to use the existing standard avoided
11 cost methodology for calculating the avoided cost of energy. Idaho Power initially recommended
12 using the ICIRP methodology to determine the avoided cost of energy. Although the ICIRP
13 methodology is more accurate, for purposes of an *interim* rate, the Company does not object to
14 Staff's proposal.

E. Capacity Limit for Interim Pricing

15 Idaho Power strongly supports Staff's recommendation to impose an initial 50 MW cap on
16 QFs signing agreements with the new interim solar-plus-storage standard prices. The Company
17 notes, however, that even 50 MW of incremental solar-plus-storage QFs would push the
18 Company's active and contracted-for QF nameplate generation to more than three times its
19 average Oregon load.⁵

⁴ LOLE, rather than LOLP, is the appropriate metric when considering a certain duration of time. While LOLP noted in the prior footnote is zero in certain months, the associated LOLE will only approach zero, thereby prompting use of the word negligible.

⁵ Idaho Power currently has about 147 MW of QF generation active and online with Oregon PPAs, with another approximately 74 MW of executed solar QF PPAs not yet operational. Idaho Power's average load in Oregon in 2022 was just under 80 MW.

F. Avoided Cost Price Updates

1 Staff recommends that the utilities update the interim solar-plus-storage prices annually
2 as part of each utility's May 1 update. The Company does not object to this approach, but further
3 recommends that it also update the interim rates as part of its post-IRP acknowledgement avoided
4 cost price update. The Company also recommends that the updating process expressly state
5 that the premium peak hours will be updated as part of both the May 1 and post-IRP
6 acknowledgement updates, consistent with the other inputs used to determine the solar-plus-
7 storage avoided cost price.

III. CONCLUSION

8 The Company appreciates the opportunity to submit these comments on Staff's Straw
9 Proposal. The Company generally does not oppose Staff's recommendation for interim standard
10 prices, subject to the initial 50 MW cap.

Respectfully submitted this 25th day of April 2023.

McDOWELL RACKNER GIBSON PC



Adam Lowney

IDAHO POWER COMPANY

Donovan E. Walker
Lead Counsel
1221 West Idaho Street
P.O. Box 70
Boise, Idaho 83707

Attorneys for Idaho Power Company